

**ASSESSMENT OF ZANZIBAR PENSION SCHEME FUND OF THE  
RETIREMENT HOUSE HOLD WELFARE: A CASE OF WEST URBAN  
REGION**

**ALI SULEIMAN MLENGE**

**A DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE  
REQUIREMENTS FOR THE AWARD OF MASTER DEGREE IN  
MONITORING AND EVALUATION OF THE OPEN UNIVERSITY OF  
TANZANIA**

**2019**

**CERTIFICATION**

The undersigned certifies that he has read and here by recommends for acceptance by the Open University of Tanzania a research dissertation titled “Assessment of Zanzibar Pension Scheme Fund of the retirement house hold welfare; A Case of West Urban Region”. In partial fulfillment of the requirement for the award of degree of master of art in Monitoring and Evaluation (M.A M&E)

.....  
Dr. Timoth Lyanga  
Supervisor

.....  
Date

**COPYRIGHT**

No part of this Dissertation may be reproduced, stored, or transmitted in any form or by any means; electronic, mechanical, photocopying, recording or otherwise without permission of the writer or Open University of Tanzania in that behalf.

## **DECLARATION**

I, Ali Suleiman Mlengi, do hereby declare that this dissertation is my own original work and that it has not been presented to any other Institute for a similar or any other master degree award.

.....

Signature

.....

Date

## **ACKNOWLEDGEMENT**

Honestly, I witness thanks to the Almighty the God who made me, make me patiently, and giving power to me to conduct this research from beginning to the end of this work, my parents especially my Mom for care me all of the time, and my supervisor Dr, Timothy Lyanga to be in depth of hardship from the beginning up to the completion of this dissertation.

Secondly my lecturers from the Department of Monitoring and Evaluation at the Open University of Tanzania for their effective supervision, guidance and constructive ideas, and cooperation at all levels from proposal to dissertation that made this study completed. I am grateful for what they have sacrificed to have it done. Their support in terms of professional inputs during the writing of this dissertation remains a fundamental asset for writing other work in the future. It is precisely this support which was the source of my confidence that shaped the otherwise uncertain destiny.

I would like also like to extend my thanks to my friend in other side my Ali BakarAli, and Bakari Awesu Bakari for their great support that encouraged me in whole period of my research work and report writing.

## **ABSTRACT**

This study basically looking into the effects of Social Security pension Scheme Fund of the retirement household welfare of West Urban Region in Zanzibar. The objectives of this study were first to analyze the effect of old age pension scheme on social welfare of members in West Urban Region, to examine the effect old age lump sum pension scheme on social welfare of members in West Urban Region and to determine if the current scheme fund is effective and adequate in providing benefit for retirement. The researcher used descriptive method of study based on qualitative and quantitative approach in order to get better analysis of the study. The population size was 80 and sample of 21 respondents was taken. Both primary and secondary sources with their relevant tools like questionnaire and documentary were used. The data was processed by used SPSS and analyzed to get frequency/percentages. The findings of the study signify that Zanzibar has Social Security Pension Scheme like Old Age Pension Scheme, Lump Sum Pension Scheme and Current Scheme Fund which was most agreed by the respondents because it provides beneficiaries, at the right amount, and right time which has promoted the welfare of retirement. The study recommends that government should consider social security as human right, contributors should have a say on management, and country introduce a universal identification system where every citizen or resident should be issued with such a social security number which can be used for accessing other services and benefits. The employers should revisit the amount of pension it pays to its retirees especially those who stopped working; pension increased should reflect the economic depreciation. Furthermore, pension should be paid on time by removing unnecessary procedures in processing and claiming the retirement benefits.

## TABLE OF CONTENTS

<b>CERTIFICATION.....</b>	<b>ii</b>
<b>COPYRIGHT .....</b>	<b>iii</b>
<b>DECLARATION .....</b>	<b>iv</b>
<b>ACKNOWLEDGEMENT.....</b>	<b>v</b>
<b>ABSTRACT .....</b>	<b>vi</b>
<b>TABLE OF CONTENTS.....</b>	<b>vii</b>
<b>LIST OF TABLES.....</b>	<b>xi</b>
<b>LIST OF FIGURE .....</b>	<b>xii</b>
<b>ABBREVIATIONS AND ACRONYMS .....</b>	<b>xiii</b>
<b>CHAPTER ONE.....</b>	<b>1</b>
<b>INTRODUCTION .....</b>	<b>1</b>
1.1 Background of the study.....	1
1.3 Statement of the Research Problem .....	7
1.4 Research Objectives .....	8
1.4.1 General research objective.....	8
1.4.2 Specific Research Objectives.....	8
1.4.3 Research Question.....	8
1.5 The Scope of the Study.....	9
1.6 Significant of the Research.....	9
1.7 Limitation .....	10
1.8 Organization of the Study.....	10

<b>CHAPTER TWO.....</b>	<b>12</b>
<b>LITERATURE REVIEW .....</b>	<b>12</b>
2.1 Overview .....	12
2.2 Definitions of the Key Terms .....	12
2.2.1 Pension Fund.....	12
2.2.2 Household Welfare.....	12
2.2.3 Retirement Age .....	13
2.2.4 Social Welfare.....	13
2.2.5 Economic Development .....	14
2.2.6 Theoretical Literature Review .....	14
2.4 Conceptual Framework .....	24
2.4.1 Conceptual Framework .....	25
2.4.2 Description of the Variables, Variables Construction and Definition .....	25
2.4.3 Research Gap .....	27
<b>CHAPTER THREE.....</b>	<b>28</b>
<b>RESEARCH METHODOLOGY .....</b>	<b>28</b>
3.1 Introduction.....	28
3.2 Research Design.....	28
3.3 Area of the Study .....	28
3.5 Sampling frame .....	29
3.6 Sample Size .....	29
3.7 Unit of Analysis .....	30
3.8 Sample Techniques .....	30
3.8.1 Sample Techniques .....	30



3.9	Type and Source of Data .....	31
3.10	Data Collection Method .....	31
3.10.1	Questionnaires.....	31
3.10.2	Validity of the Study .....	32
3.10.3	Reliability of the Study.....	33
3.10.4	Data Analysis Methods.....	34
3.10.5	Response Rate .....	34
3.11	Ethical Consideration .....	34
<b>CHAPTER FOUR .....</b>		<b>36</b>
<b>RESULTS AND DISCUSSION.....</b>		<b>36</b>
4.1	Social Demographic Characteristics of Respondents.....	36
4.1.1	Gender of the respondents .....	36
4.1.2	Age of Respondents .....	37
4.1.3	Level of Education .....	38
4.1.4	Current position in the Organization.....	39
4.1.5	Experience in the Organization.....	40
4.2	The Effect of Old Age Pension Scheme on Social Welfare of Members ..	41
4.3	The Effect Old Age Lump Sum Pension Scheme on Social Welfare of Members .....	43
4.4	The Determine of the Current Scheme Fund Effective and Adequate Benefit for Retirement.....	44
<b>CHAPTER FIVE .....</b>		<b>46</b>
<b>CONCLUSION AND RECOMMENDATIONS.....</b>		<b>46</b>
5.1	Overview .....	46

5.1.1	Summary of the Findings .....	46
5.1.2	Objective one: To analyze the Effect of Old Age Pension Scheme on Social Welfare of Members in West Urban Region.....	46
5.1.3	Objective Two: To Examine the Effect Old Age Lump Sum Pension Scheme on Social Welfare of members in West Urban Region .....	46
5.1.4	Objective Three: To Determine if the Current Scheme Fund is Effective and Adequate In Providing Benefit For Retirement .....	47
5.2	Conclusion .....	47
5.3	Policy Implication .....	48
5.4	Recommendation .....	50
5.5	Recommendation for Further Research.....	52
<b>REFERENCE .....</b>		<b>53</b>
<b>APPENDICES.....</b>		<b>60</b>

## LIST OF TABLES

Table 3.1: Study Sample .....	30
Table 4.1: Sex of Respondents .....	37
Table 4.2: Age of the Respondents .....	38
Table 4.3: Education Level .....	39
Table 4.4: Current Positions in the Organization .....	40
Table 4.5: Experience in the organization .....	41
Table 4.6: The Effect of Old Age Pension Scheme on Social Welfare of Members .....	42
Table 4.7: The Effect Old Age Lump Sum Pension Scheme on Social Welfare of Members .....	43
Table 4.8: Effective and Adequate Benefits of the Current Scheme Fund for Retirement .....	44

**LIST OF FIGURE**

Figure 2.1: Conceptual.....	25
-----------------------------	----

## ABBREVIATIONS AND ACRONYMS

AMEs	Advanced Market Economies
DC	Defined Contribution
DfID	Department for International Development
EMEs	Emerging Market Economies
FP	Pension Fund
GDP	Growth Domestic Product
ILO	International Labour Organization
NGO's	Non-Government Organization
RBA	Retirement Benefit Act
SPSS	Statistical Package for Social Science
UK	United Kingdom
UPS	University Pension Scheme
US	United State
ZP	Zanzibar Pension
ZSSF	Zanzibar Social Security Fund

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Background of the Study**

Pension funds are collective investment undertakings that manage employee savings and retirement. Their primary objective is to provide pensioners who have reached retirement age with income in the form of a lifetime pension or capital. Unlike public pension funds managed on a pay-as-you-go basis, pension funds are managed by capitalization. When members reach retirement age, they are provided with either an annuity or a capital paid by the fund. At the core of pension fund operations are three types of activity: premium collection, investment of sums collected, benefits paid (Atlas Magazine, 2017).

Globally, pension funds are critical drivers of the development of the stock or local securities market (Chan-Lau, 2004). It has been shown that stock market development has a positive and significant correlation with growth in pension funds (Caporale et al., 2005; Beck et al., 2004; Levine et al., 1998). The authors show that investment levels, productivity and growth of the funds are significantly correlated with stock markets.

Levine et al., (1998) argues countries with better developed banks and financial systems grow faster than those with weak financial systems. The ability to allocate capital, monitor and provide finance for investments, risk management, mobilization and pooling of savings are some of the benefits of well-developed financial systems (Levine, 1997; Levine, 2004). Pension funds contribute to financial systems through

capital markets by impacting savings rates, productivity growth and capital accumulation. Many scholars argue pension funds also contribute to capital market development (Bijlsma et al., 2014; Raisa, 2012; Hu, 2012; Davis, 2006; Walker et al., 2002). The extent to which pension savings induce behaviour on capital markets are determined by the structure of pension systems and in many instances further enhanced by pension fund reforms undertaken.

In the Asia-Pacific region, pension assets have also grown rapidly. The average annual growth rate in the region over the 10-year period was 19.1%, with the People's Republic of China (PRC) showing the fastest growth at 34.5%. In terms of the pension assets to GDP ratio, Australia came first with 2010 pension assets accounting for 105% of GDP. The other large markets are Malaysia and Singapore, i.e., the two economies with the longest history of pension asset accumulation through their provident pension system. Average pension assets to GDP ratio growth in the 10-country region over the 10-year period was 19.9% in 2001, but by 2010 had increased to 29.9%.

Between 2007 and 2008 the pension market in the Asia-Pacific region shrunk significantly in terms of both absolute and relative indicators, largely due to the financial crisis in that period. For example, the mandatory provident fund in Hong Kong, China saw assets falling from US\$33bn in 2007 to US\$26bn in 2008, a drop of nearly 21%. Similar declines could be seen in Australia and the Republic of Korea. But by 2010 the financial losses incurred during 2007–2008 had been more than recovered, exceeding pre-crisis levels.

Pension funds are highly likely to continue their rapid expansion in the coming decades. A major question arising from such large volumes of assets across many countries is how and to what extent they will affect financial and capital markets. It is widely held that pension reforms which introduce elements of funding tend to have a positive impact on financial market development, as they improve the functioning of financial markets (Merton et al., 1995; Davis et al., 2001). For example, the financial systems' function of managing uncertainty and controlling risk has been strengthened by pension fund growth, because pension fund managers as portfolio professionals have greater expert knowledge than individual investors.

Academics, however, do not always share such this view. For example, Lakonishok et al., (1992) and De Long et al., (1990) argued that institutional investors, e.g., pension funds are engaged in positive feedback trading and/or "herding behavior", thus potentially destabilizing equity markets. They argue that institutions are positive feedback traders, meaning they buy when or before prices rise, and sell when or before prices fall, resulting in deviations of share prices from fundamental values. This effect is exaggerated by "herding behavior", meaning institutions have strong incentives to follow alongside the market sentiment or movements regardless of whether such investment decisions are rational and consistent with economic fundamentals.

Empirical research investigating the relationship between growth of pension assets and economic growth and financial development (Walker et al., 2002; Hu 2006a; Davis et al., 2008) has so far failed to focus on Asian countries. This lack of research is surprising given the expected rapid growth of Asian pension assets over the



coming decades, and the increasing role of Asia in the global economy. South African pension funds have been rising substantially in the last decade and stand out as the fastest growing pension fund markets globally (Towers, 2014).

According to Van der Berg (2002), South Africa's first pension fund was introduced in the Transvaal Republic in 1882. The institutionalisation of South Africa's pension funds dates back to 1911 when the Public Debt Commissioners Act of 1911 was passed. The Public Debt Commissioners Act marked the beginning of the presently known Public Investment Corporation (PIC). The new Act made provision for holding state assets and using them to finance government budget deficits (Hendricks, 2008). Its functions over the next few decades expanded to the provision of loans to government and state entities such as South African Iron and Steel Industrial Corporation, South African Broadcasting Corporation and several Water Supply Corporations. It also provided funds to provincial administrations (Financial Services Board [FSB], 1959).

Tanzania has different types of social security schemes established under the act of parliament namely; National Social Security scheme (Pension Act No. 28, 1997). Parastatal Pension Scheme (pension Act No. 14 of 1978), Public Service Pension Scheme (pension Act no. 2 of 1999) and other schemes established before independence like Government Pension scheme (Pension ordinance Cap 371 of 1954), Government Employees Provident Fund (cap 51 of 1942). These schemes were established purposely to provide benefits (membership) and benefit package, which based on Act, which established the scheme concerned.

Among the benefits provided by pension funds is the withdrawal benefit, which is granted to a member upon either resignation or termination of contract. The basic function of a pension scheme is to invest member's contributions after collection. The goal is to generate a large pool of resources and returns, which in turn serve pensioners in the old age or any other member upon unforeseen contingency. Pension schemes can only perform this when there are active members contributing to the fund and others who are joining in as well. If a large number of members are withdrawing their contributions prematurely before the attainment of old age then pension funds may not be able to invest in liquid assets and fail to serve pensioners in the future.

From 2007 to 2014 Tanzania has been experiencing this phenomenon due to the increasing trend of members who withdraw from pension funds by claiming their contributions ((Ihucha, 2013, The East African). The NSSF study report (2013) reveals that, from 2007 to 2011, withdrawals across all pension funds increased from sh46.6 billion to sh119.66 billion and that is equivalent to 29.7 percent of total benefits paid. For this period the number of members withdrawing their contributions raised from 45,239 in 2007 to 85,760 in 2011. This tendency of premature withdrawal has contributed to decrease in membership size in pension scheme and affects their investment portfolio.

Zanzibar made history in April 2016 when it implemented the Zanzibar Universal Pension Scheme (ZUPS). This is the first social pension scheme in East Africa to be fully financed by the Government. In 2014, the Revolutionary Government of Zanzibar approved a Social Protection Policy that recognizes the need to establish a

universal non-contributory pension to address poverty. This policy sits within Zanzibar's Vision 2020, which has the objective of eradicating absolute poverty in the society. In March 2015, the government announced it would introduce a universal pension as part of the 2015/16 budget, and the first payment was made in April 2016. All Zanzibar citizens over the age of 70, or other residents who pass the age and residency criteria receive a monthly non-contributory pension of Tsh 20,000 (US\$9). The pension is pegged to the consumer price index as of April 2016.

Pre July 1998, former civilian employees received a pension under the Pensions Act No.2 of 1990. Post 1998, former employees of the public and private sectors received a pension from the Zanzibar Social Security Fund (ZSSF) for service after July 1998. However, the fact that the majority of older people have never been in the formal labour market means that few receive a pension from this fund (ESRF, 2016). The low number of people eligible for contributory pension, coupled with the high level of informality and poverty in Zanzibar, created the need for an alternative way to guarantee income security in old age. Close to a third of the population (30 per cent) live below the basic need poverty line, a high proportion of older people do not have the option to get out of hard and strenuous employment, and many of them have additional health and mobility issues (Daniel, 2015).

Preliminary results from a baseline survey conducted before the pension started found that 79 per cent of older people over 70 years considered their economic situation to be worse than average. The survey also found that 63 per cent were receiving income from family members, suggesting the challenges of old age is putting pressure on wider families that are also struggling with poverty and

insecurity (ESRF, 2016).

### **1.3 Statement of the Research Problem**

One of the main goals of old age pensions is to help older individuals maintain a certain level of consumption even after losing productive capacity or leaving the labour market. In other words, it should protect individuals from falling into poverty when they are not able to work anymore. Most of the research conducted to investigate the effects of old age pensions on poverty, focus on social pensions. Martinez (2004) assessed the BONOSOL programme in Bolivia, a social pension offered to the poor elderly.

The analysis suggested a significant impact in the livelihoods of poor Bolivians. Beyond the increase in the consumption of basic goods, and improvements in human capital, rural households showed large increases in food consumption, of around 165 per cent of the benefit value. This means that part of the transfer was used to invest in productivity. Urban beneficiaries also showed improvements in consumption, however more concentrated in the area of health and other more general goods. In an extensive analysis of social grants (Old age, disability and child support) in South Africa, Samson et al. (2004) found that these schemes play a critical role in reducing poverty and promoting social development. A positive impact of old age schemes was also found by Burns et al., (2004), who investigated the South African non-contributory.

World Social Security Forum, Panama City, 2016 social pension and observed that it had a clear impact on poverty. There was also evidence that the income received by

the beneficiaries was shared with other household members, creating a spill-over effect. Likewise, the National Old Age Pension Scheme in India, a noncontributory pension programme, was investigated by Kaushal (2014). Here, it was observed an increase in expenditures of beneficiary households, approximately equivalent to the transferred amount. The increase was mainly concerned expenditure on health and education, which may imply a spill-over effect for future generations. Thus the research seeks to get in sight on how ZSSF is adequate towards the West Urban Region in Zanzibar household welfare (Jeremy, 2016).

#### **1.4 Research Objectives**

##### **1.4.1 General research objective**

To assess the adequacy of Zanzibar pension scheme fund of the retirement household welfare in West Urban Region in Zanzibar household welfare.

##### **1.4.2 Specific Research Objectives**

- i. To analyze the effect of old age pension scheme fund of the retirement household welfare in West Urban Region.
- ii. To examine the effect old age lump sum pension scheme fund of the retirement household welfare of members in West Urban Region.
- iii. To determine if the current pension scheme fund is effective and adequate in providing benefit for retirement

##### **1.4.3 Research Question**

- i. What the effect of old age pension scheme on social welfare of members in West Urban Region?

- ii. What the effect old age lump sum pension scheme on social welfare of members in West Urban Region?
- iii. To what extent the current scheme fund is effective and adequate in providing benefit for retirement?

### **1.5 The Scope of the Study**

This study focus on assessing the Zanzibar pension scheme fund of the retirement household welfare at West Urban Region These are benefits paid to a member at the end of each month since retirement until he/she die. The purpose of the study was to inform the Zanzibar Social Security Fund (ZSSF) to enable the retirement on their contribution of old age pension scheme to be in better life. And the study was involved to the all retirement of the west Urban Region. Also the study were assess on the effective of the old age pension scheme, the effectiveness of the lump sum pension scheme on social welfare members and the effectiveness and adequacy of the current scheme fund in providing the benefit to the retirements at West Urban Region.

### **1.6 Significant of the Research**

The Revolutionary Government of Zanzibar has been implemented the great responsibility by establishing Act No.15 of 1986-The Workmen's Compensation Act, Act No. 4 of 1988- The Retirement Benefit Act which has been amended by Act No.1 of 1990- The Pensions (Political Appointees), Act No.2 of 1990- The Pension Act and Act No.2 of 1995- The Zanzibar Trading and Consumer Protect Act. A discrepancy between different Acts ahead of ZSSF is that they solely benefited Public sector workers (Manyalla, 2011). One among the functions of the ZSSF is to

pay benefits to members or their dependents in accordance with the provisions of the ZSSF Act which affect the welfare of the household and among the benefit provided by ZSSF is Old Age (Retirement) benefit i.e pension (Ausi, 2014).

### **1.7 Limitation**

This study was to assess the Zanzibar pension scheme fund of retirement household welfare at West Urban Region Retirement benefit; it was face limitations as the retirements were said that they cannot get their contributions on time. Thus researcher was considered on the retirement of the West Urban Region in Zanzibar. Second; Financial constraints that led to other problems such as delay of the task but the effort was made to sacrifice and commitment until to accomplish the task. And other challenges appear like some of respondents was very busy, but good language were used, polite and waiting were used and then they provide information. Also Bureaucracy among the government institute during seeking permission, but politeness was employed and the official letter with permit was used at the finally minimize the bureaucracy. In addition, during data collection was the rain which makes sometime waiting until it pathway and sometime it force to use umbrella to minimize wastage of working time.

### **1.8 Organization of the Study**

The research involves five chapters. Chapter one covers of the background to the research, statement of the research problem, outline of the research objectives and then the research questions and justification of the research. Chapter Two, include conceptual definitions, literature review. Other aspects are research gap missing in the body of knowledge and finally the conceptual framework. Chapter three include

research methodology and strategies, sampling design and procedures, methods of data collection and the data processing and analysis. Chapter four is about research findings, while chapter five discusses about conclusion and recommendation for study.



## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Overview**

This part was reviewed various existing literatures which provide insight on the assessment of the Zanzibar pension scheme towards house hold welfare in the Ministry for Finance. The chapter contains definition of the terms, theoretical literature review, research gap identified and conceptual Framework of study.

#### **2.2 Definitions of the Key Terms**

##### **2.2.1 Pension Fund**

Pension funds are collective investment undertakings that manage employee savings and retirement. Their primary objective is to provide pensioners who have reached retirement age with income in the form of a lifetime pension or capital. Unlike public pension funds managed on a pay-as-you-go basis, pension funds are managed by capitalization. When members reach retirement age, they are provided with either an annuity or a capital paid by the fund (Atlas, 2017).

##### **2.2.2 Household Welfare**

Household welfare according to HBS of Zanzibar are an essential source of in Pension funds are collective investment undertakings that manage employee savings and retirement. Their primary objective is to provide pensioners who have reached retirement age with income in the form of a lifetime pension or capital. Unlike public pension funds managed on a pay-as-you-go basis, pension funds are managed by capitalization. When members reach retirement age, they are provided with either an annuity or a capital paid by the fund. Formation on economic and social conditions

of household individuals, Survey can be used to measure the welfare of households, poverty, and how equally distributed in standard of livings (Ligon et al., 2017).

### **2.2.3 Retirement Age**

The retirement age is the age at which people can receive full retirement benefits upon leaving the work force. In the United States, for example, the normal retirement age for receiving full Social Security benefits is 67 years of age for persons born after 1959. Birth years prior to 1960 have various normal retirement age requirements. Retirement prior to the normal retirement age reduces benefits, and retirement after the normal retirement increases benefits. Normal retirement age is often referred to as "full retirement age" (ZSSF,2014).

### **2.2.4 Social Welfare**

Social welfare can be defined both as a system and as an overall effort. This means that it can be designed as a systematic set of programs that assist the population in different stages of their lives but, that system comes from an effort and intention to provide that social welfare situation on the first place. Overall, social welfare means an ongoing attempt to take care of particular needs identified in the society. There are many different social welfare programs and they are implemented very differently depending on the country that we are looking at. There are unemployment care programs, elderly-people programs, retirement programs; assistance for disabled individuals, widow's care, among a wide range of support efforts most frequently developed as part of a government agenda to attend those particular situations (Julia, 2019).

### **2.2.5 Economic Development**

Economic development is the process by which emerging economies become advanced economies. In other words, the process by which countries with low living standards become nations with high living standards. Economic development also refers to the process by which the overall health, well-being, and academic level the general population improves. The purpose and priorities of economic development are clearer, let's wrap this up by sharing some expert views regarding the links between economic development and place branding. Again, some are fairly obvious, but others aren't. Differences in opinion occur where a person's understanding of 'place branding' differs. In fact, every professional discipline understands it differently (Anne, 2004).

### **2.2.6 Theoretical Literature Review**

This study on pension scheme will underpinned by various theories and approaches that together offer a holistic appraisal. There are many theories and approaches that can potentially guide this area of concern. This study focused on pension reforms in Zanzibar which is a developing country. Hence the theoretical paradigms adopted to deepen the understanding of the situation include: Welfare economic approach and Theory of Finance.

#### **2.2.6.1 Welfare Economic Theory of Social Security**

Lange (2010) states that welfare economic theory is concerned with the conditions which determine the total economic welfare of a community. It is concerned with how economies use policies to improve the wellbeing of its citizens. One way is by ensuring that citizens have financial security at old age and social protection. One of

the policies an economy uses is social policy. Hill (1997) argues that social policy is concerned with housing, social security education and health. Social security can be grouped in three categories: contributory benefits, non-contributory benefits which are not means tested but are contingent upon an individual being in a specific category like a child or disabled and lastly means tested benefits. Pension forms part of the social security that is contributory and it is imperative that the government should establish frame works in which they should operate.

Barr (1993) suggests that government can achieve this by using two options. The first is the PAYG system where the government taxes its current workers and uses the proceeds to pay pensioners. The limitations are that, with time the aging community grows at an exponentially high rate than the working generation. This in return puts a strain on the economy and the working generations end up suffering by paying high taxes while the retirees receive low pension benefits. In addition the PAYG is prone to high political interference especially in developing countries. To improve on this Barr, advocates for governments to increase the retirement age. This approach is however impractical for most developing economies since most of them have very low life expectancies.

Secondly, Barr argues for a voluntary private pension, where the working generation contributes a fraction of their salary in a pension fund to fund their retirement. This is ideal for developing economies in that it reduces pressure on government pension expenses, increases economic stability through the fund's investment and it is free of political-interference. Care however should be considered since the financial investments are subjected to financial risk and if pension benefits are not invested in

profitable portfolios would lead to income loss. It is therefore important for government to pay attention to its pension system and ensure that its social security system is not eroded and that additional burden should not be placed on the state.

#### **2.2.6.2 Financial Theory of Efficient Markets and Pension Savings**

Elton *et al.*, (2011) indicates that, efficient markets mean that security prices fully reflect all available information. All riskless investment in the efficient market must have a zero net present value at the time an investment is made. To decrease investing in risky portfolios financial theory argues that we must invest in portfolios with low standard deviation. Markowitz portfolio selection model suggest that this is achievable by diversifying investments and in return leads to portfolios with high expected returns and low standard deviation. It is assumed that investors will invest their saving only in portfolios with high expected returns. The aim is to earn high income in the future. Altman (2008) argues that as economies grow, the population grows with it. The older are living longer and the cost of supporting them is rising. If economies wish to reduce the substantial rise of elderly living in poverty they must employ policies that focus on ensuring that individuals save more money while they are economically active.

The pension reform of Malawi thus aims at encouraging people to save more as they work. This is characterized by defined contribution. However for it to work members need an extensive knowledge of financial concepts especially risks associated with various asset classes. Members need to understand their risk profiles and savings behavior. The financial out-come is that firms would offload their contingent liabilities and members would acquire investment risk. Secondly there is need to

encourage employers to provide high contribution to occupational pensions. The third need is to spend more public money on pensions and pensioners. The second and third aforementioned needs are normally incorporated in PAYG (MGCDSW, and Help Age international, 2016).

However in the case of Zanzibar, increasing pensions led to high taxes for current workers. Even with the increased taxes poor management of the pension fund led to misallocations of the proceeds (ZSSF, 2014). This section reviews theoretical framework which may be appropriate to proposed study which intends to understand assessment of Zanzibar pension scheme fund towards household welfare. The selected theory that addresses assessment of pension scheme theory are Welfare economic theory of the social security and financial theory of Efficient Markets and Pension Savings.

### **2.3 Empirical Literature Review Studies**

This chapter was present empirical findings of the research area that consist of the pension fund of the retirement household welfare. It also give an overview of the assessment and highlights the effective ways of implementation the retirement on getting their funds in daily life.

#### **2.3.1 Effect of Old Age Pension Scheme on Social Welfare of Members**

The revolution of long life is now upon us. In most countries of the world, until very recently, half of all human beings died before the age of 20. Only a handful lived to see the birth of their grandchildren. But today, more and more people are living very long lives. According to United Nations (UN) projections, persons aged 60 years or

older will number almost two billion by 2050. Older people will exceed the population of children, marking an unprecedented event in human history. Developing countries will experience the most rapid growth of the world's older population.

The ageing of populations is a human milestone that reflects better public health and nutrition, but the shift brings new policy issues to the fore. Particularly, there is the question of how older persons sustain themselves as they live past the period of active work. The UN estimates that today 140 million older persons, particularly older women, are living on the equivalent of less than USD 2 per day. Older people are among the poorest of the poor for several reasons. Traditional family support is declining in virtually every country. Having worked for subsistence or very low wages, few elderly people have savings or other resources of their own for old age. Nor do they have access to job-based social protection benefits. Also, they may suffer from disabilities such as sight or hearing loss that restrict their ability to work. Elderly widows may face particular disfavour and discrimination in their communities.

Paradoxically, older women often have important care-giving responsibilities. They may be raising grandchildren or taking care of sick, middle-aged children in communities hit by the crisis of HIV/AIDS. Or they may be supporting grandchildren whose parents have left for jobs in distant places. As sole breadwinners, these grandparents may find themselves unable to provide adequate nutrition, access to health care or education for their children, grandchildren or themselves. One grandmother in a village in Africa described her situation this way:

When we don't have food, I put a pot with water on the fire. When my grandson asks for dinner, I say it's cooking, hoping that he will fall asleep fast enough so he doesn't find out. Global Action Aging (GAA Report, 2007) has compiled a number of articles and reports focused on social pensions, as well as a list of sources of information. We believe that older persons have the unconditional right to income security.

#### **2.3.1.1 Maintain Dignity to Older Persons**

Universal Social Pensions are the most effective way to provide dignity to older persons. The world is aging fast. Developing nations increasingly face difficulties supporting their older population. In most developing countries, the elderly live at the bottom of the socio-economic strata. Older women, in particular, confront harsh conditions. Women usually take care of their children and family, an activity that puts them in a disadvantaged position when older. Many people in the developing world hold informal jobs or work without wages in rural areas. These older persons enjoy no proper pension system have scarce retirement savings, if any. Most poor countries have no pension system, save for the military and government officials. By providing cash transfers to older persons, governments can meet their obligation to protect the most vulnerable sector in their society.

#### **2.3.1.2 Sharing of Benefits in the Member of Household**

Where social pensions exist, older persons share their benefits with the members of their household, buying food, supplies, and providing clothes and school materials for their grandchildren. Often older persons care for relatives infected with HIV/AIDS, as well as look after their orphaned grandchildren. In the latter case, social pensions



save lives. Recent examples of several poor countries that have implemented a social pension system show that they are neither complicated nor very costly. In fact, financial projections show that social pensions take less than 3% of a national budget.

### **2.3.1.3 Reduction Number of Living in Poverty**

In Zambia, in 2006, it was estimated that 64 per cent of the population lived in poverty. In this context, the Government of Zambia has been running a set of pilot cash transfers to test which could best form the basis of a national social protection system. As the situation is particularly problematic in households headed by older people, the Katete district transfers US\$11 a month to everyone over 60 years old. The report states that those increased incomes have not only permitted the older people and their relatives to live better, but also changed perceptions of older people from being a burden, to being a resource.

The population of older people is increasing dramatically in India. In addition, there is widespread poverty. To assist the elder poor, the government adopted a means-based social pension system. Unfortunately, the scheme did not always benefit the intended recipients. Help Age India started monitoring this scheme through the Poorest Area Civil Society program. To understand more about these “monitoring groups” and the means-based pension, HAIIndia conducted a study. It revealed that the social pension provides a secure means of monthly income to older people. They noted that the pension had improved their quality of life, improved their status in the family and gave them greater self-confidence. Respondents also felt that the monitoring groups helped make the pension application process more effective.

#### **2.3.1.4 Providing an Option for Working and Living Style to the Person**

Very little data exists about older workers in the informal sector. Help Age International conducted research on older people and work in Bangladesh, Peru and Uganda. Among findings was the lack of pensions available to older persons within the informal employment sector, including 90% of workers in Uganda. A universal pension for older people would enable them to have a greater choice of work. It would provide them with money to travel to work, giving them access to loan schemes or simply allowing them to pay for basic goods or services such as food or healthcare.

In a 2008 report from India, researchers found that households with older members are not likely to be poorer than households without elders. Other study findings have significant policy implications. Policies that aim to reduce the mortality rate among older people have the potential to reduce poverty among older people as well. The researchers highlight that if the demographics continue to change as the trends in their study show, then the proportion of poor older people will increase in the coming years and they will be increasingly dependent on social pensions.

Global Action on Aging and other aging organizations see social protection as an indispensable but often overlooked strategy for development. This Help Age International Report describes the need for Africa to invest in social services for poor people. This report summarizes the meetings held by participating countries as well as key recommendations. The general findings include the importance of high level political commitment to making improvements, and a number of other measures to assure effective social protection programs.

Between 1980 and 1981 the Chilean government introduced a pensions based on individual capital accounts i.e. the value of the pension depends on funds accumulated and the rate of return. The new regime considers three types of pensions: old age, disability and survivor pension. Just like the pension reform in Malawi, when an individual retires, he has two options: he can buy a life annuity from an insurance company with the accumulated funds or make scheduled monthly withdrawals from his account. Both nations' aim is to reduce old age poverty.

In 2006, a diagnosis of the Chilean system revealed that a significant portion of the population lacked sufficient funds to support them-selves during old age. There were personal pension gaps, which are closely associated with informal sector and low paid jobs, they're also associated with younger workers, married women and the self-employed. These gaps in coverage will lead to poverty and hardship for the elderly population and inflated future government welfare expenditure. To fix this the government introduced a Pension Reform Law No. 20,255 in 2008. The act indicated the self-employed should have mandatory contribution (Júaregui, 2010). Malawi just like Chile is an economy where 50% or more of its employees are the youth, 54 % of its population have low incomes (World Bank, 2012). Therefore Malawi can use some of the solutions employed by Chile as a guide in developing the pension reform. Malawi should expect that approximately after 25 years of implementation, the pension reform challenges experienced by Chile in 2006 might crop up and thus must be ready to solve them.

Dostal's paper on Nigerian Pension Reform 2004-2010 analyses early results of the 2004 Nigerian pension reform. He pointed that in 2010, the pension system was

privately managed and funded pension accounts covered around four million Nigerians in the country with a workforce of around 50 million people. The study focuses on shortcomings of the new system. The study demonstrates in a model calculation using GDP per capita and the development of financial markets as indexes in measuring the funded accounts performance. This measure was used because most of the contributions were invested in the financial market. This so far produced negative real returns for pension savers. Most crucially, the reform has failed to contribute to basic social security in old age for the majority of Nigerians employed in the informal sector.

Placing these individual accounts in financial markets only increases public debt. Thus, agreeing with academic literature which offers no support for funded pensions in the context of developing countries with low GDP (Davis 1995, ch.11; Barr and et al., 2008). This should raise concern on the sustainability of the reform in Malawi. The mistake that the Nigerian government did was lack of portfolio diversification, lack of management accountability and pension savers had little knowledge of financial markets.

### **2.3.2 Effect of Old Age Lump Sum Pension Scheme on Social Welfare of Members**

This is a social security fund paid in lump sum to beneficiaries. A member can only benefit from this scheme when he or she has attained age of 60 and retires from any salaried activity as long as you have at least 12 months of contributions and less than 15 years of insurance with RSSB.

Kenya in 2006 introduced voluntary membership and contributions with the aim of securing pension for the informal sector. The statutory contributions to the National Social Security Fund (NSSF) are set at 15%. The employee pays half and the other half is paid by the employer. A lump sum benefits can be given on retirement at or after age 50, earlier invalidity, on permanent emigration and to survivors on death of a member. In 2003 a study was conducted to measure the effects of the new pension reform through portfolio weighting in land and property assets. It was noted that the level of contributors rose from 750,000 to 1 million which resulted in economic improvement. However the level of benefits outgo remained static at just over Ksh 2billion, reflecting a combination of a decrease in early withdrawals as well as the impact on benefit outgo of the lower allocation of interest to members' individual accounts (Raichura, 2008).

### **2.3.3 Effective and Adequate of the Current Pension Scheme Fund in Providing Benefit for Retirement**

Current pension scheme fund is a voluntary scheme that enables individuals to freely open provident funds and personal pension scheme which are managed by Pension Fund Managers. This is supported by tax benefit incentives to provide additional funds for workers who want to make contributions to enhance their pension benefits. It also allows individual to make additions or top-ups that are 16.5% of their gross salary. This scheme is particularly designed to meet the contribution needs of workers in the informal sector (Ghana National Pensions Act 2008).

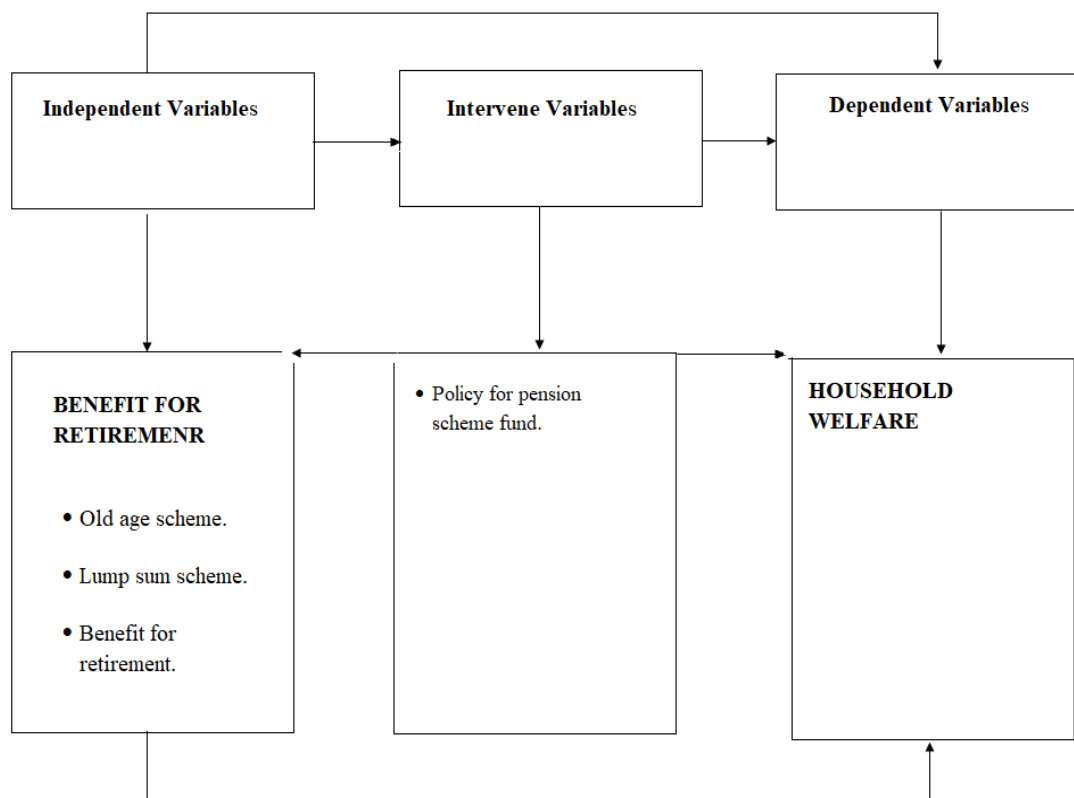
## **2.4 Conceptual Framework**

The conceptual framework show the effect of dependent variable of pension scheme

fund of the retirement house hold welfare performance challenges was based on received information, the identification, the analyze, the response and the monitoring and control mechanism challenges in housing and scheme fund to the retirement. The research study was successfully conducted which was not yet done in Zanzibar.

### 2.4.1 Conceptual Framework

Conceptual mode/framework was developed as a response to the relationship between dependent and independent variables.



**Figure 2.1: Conceptual Framework**

### 2.4.2 Description of the Variables, Variables Construction and Definition

The Data was cover information necessary to the assessing of Zanzibar pension scheme fund of the retirement house hold welfare

#### **2.4.2.1 Dependent Variables**

From the conceptual framework above, the Zanzibar pension scheme fund was focused on this research and therefore is treated as a dependent variable; the measurement of dependent value output is a pension timely paid in adequacy was established by measuring, comparing and analyzing schedule performance such as actual payment received in required dates. In order to identify the vital aspects of retirement benefit, the indicators of increases of number of poverty conditions, should be known through coordinated work defined roles, and responsibilities of the related staff, in political and legal problems.

#### **2.4.2.2 Independent Variables**

The independent variables concepts on the level of the success of the retirement, the management was attain alignment and performance and translated into Policy for pension scheme fund, Legal framework, and contribution of ZSSF Zanzibar social security fund as well individual effectiveness plans framework where by success economical set up to be considered, regarding to the theoretical research model. This process ensures integration between assignment, functional, costs, time and individual retirement benefit.

#### **2.4.2.3 Intervening Variables**

These variables was show that, presence of independent variable is not enough as there are other factors which facilitate to assessing the effects of the challenges factors that may facilitate the pension scheme fund in Zanzibar. These factors include the policy of pension scheme fund and national policy. The ZSSF needs to

have a strategy planning that will assist the ZSSF to give the standard of living for the retirement of Urban in to assess the effects of the household welfare.

### **2.4.3 Research Gap**

From literature review, several studies seem to have examined their research into the relationship between assessments of pension scheme fund in house hold welfare. However none of the study was conducted at West Urban Region. Therefore, this research assesses the Zanzibar pension scheme towards house hold welfare at the Ministry for Finance. And this research topic was a bridge the gap in Government to pensioners of household and for retirements to see for what extent that amount given per month is adequacy. This research aims to contribute knowledge and emphasis on Zanzibar pension scheme fund to the retirement at west Urban Region.



## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

Research methodology is the systematic way to solve research problem (Kothari 2004). It is a science of studying how research is done scientifically. In this chapter, researcher present the methodology and procedures used in the research, which include research design, area of the study, sample frame, sample size, sample technique, data types and sources, data collection methods, and data analysis, data validity and data reliability.

#### **3.2 Research Design**

According to Kothari (2004), research design is the arrangement of conditions for collection and analysis of data in manner that aims to combine relevance to the research purpose with economy in procedures; it is the conceptual structure within which research was conducted. Nature of this study compelled itself into qualitative method of research design. The qualitative approach was suitable, as the purpose of the study was to explore the reality of assessment of Zanzibar pension scheme fund of the retirement house hold welfare. It was qualitative because, the researcher was observed and interprets data from questionnaires respondents and in that respect; researcher was the study. The sampling technique of non-probability sampling also limits the research into qualitative nature.

#### **3.3 Area of the Study**

The study was limited to public organization located in Zanzibar; however their scope of operations was not necessarily limited in Zanzibar these include, Zanzibar

Social Security Fund (ZSSF) in Customer Service Department in its Unit such as Benefit Unit, Registration Unit, Data entry Unit, Compliance and Inspection Unit.

### **3.4 Populations**

According to Best (2007), “A population is defined as any group of individuals who have one or more characteristics in common that are of interest to the researcher. The target population for the study constituted of staff from Benefit Unit, Registration Unit, Data entry Unit, Compliance Unit and Store Unit in ZSSF organization.

### **3.5 Sampling frame**

In this study, the sample frame consisted were: (7) Staffs of Benefit Unit, (4) Staff of Registration Unit, (3) Staffs from Data entry, (4) staffs from Compliance and Inspection Unit. In general, within the sample frame, researcher considered the employees outfitted with knowledge assessment of Zanzibar pension scheme fund of the retirement house hold welfare to reveal reality data increase responses rate.

### **3.6 Sample Size**

According to Sounder *et al*, (2006) sample size is the number of items to be selected from the universe to constitute a sample. The size of sample should neither be excessively large, nor too small but it should be optimum. The optimum sample is one which fulfils the requirements of efficiency, representative ness; reliability and flexibility Kothari (2004). Under the great care and concentration researcher had selected the sample size in random approach for finding the size the researcher was use 21 respondents out of 80 of the staffs of ZSSF, these Units are Benefit units, Data entry Unity, Compliance and inspection Unity, this procedure were restrict

researcher to use more time to interpret the study findings at high concentration in order to avoid bias of sample selection approach. The sample size of this study was be as follows:

**Table 3.1: Study Sample**

<b>Unit</b>	<b>Expected respondents</b>	<b>Percentage of respondents</b>
Benefit Unit	7	33.33
Registration Unit	4	19.04
Data entry Unit	3	14.30
Compliance Unit	7	33.33
<b>Total</b>	<b>21</b>	<b>100</b>

**Source:** Survey data (2019)

### **3.7 Unit of Analysis**

It is the major focal element which were analyze in the study (Kothari, 2004). However, the researcher ask several workers in order to get clear pictures of real data in all three study objectives but actually they were representing and responding, this were reflected from their demographic questionnaire, such as ‘working experience’ and “position held in the Units.

### **3.8 Sample Techniques**

#### **3.8.1 Sample Techniques**

According to Sekaran (2000), sampling is the process of choosing an appropriate number of samples in a population in order to make it possible to do generalizations for the study. Sampling assisted the researcher to save time, cost and human

resources in contrast to examining the entire population. The non-probability purposive sampling was used to draw a sample from the sampling frame reflecting the specific objectives of the study in order to improve response rate and study validity. Considering the disadvantage of this sampling type of creating bias in this study and consequently effect the findings, researcher was more careful on handling this default during the interpretation of findings and conclusions.

### **3.9 Type and Source of Data**

The primary and secondary data were collected and used for analysis purposes. The primary data were collected through self-administered survey questionnaires. The same questionnaires were provided to all group of respondent (Benefit unit, registration unit, data entry unit, and compliance unit). Secondary data are those which have been collected and used by others in the first hand, it can be published or not published Sounder *et al*, (2006). This study used documentary review as secondary data from official journals, reports, books, official websites, internets and search engines like Google scholar.

### **3.10 Data Collection Method**

Questionnaires were used to collect data from respondents in all units at Zanzibar Social Security Fund (ZSSF).

#### **3.10.1 Questionnaires**

Questionnaires with closed-ended were asked to respondents from all selected unit in the organization. The aim of questionnaires were to get representative and efficient data from the selected sample in order to examine the true nature of the assessment

of Zanzibar pension scheme fund of the retirement household welfare.

Questionnaire instrument were used in primary data collection as Kothari (2004), stressed that, questionnaire has a merit of free from bias of interviewer, most preferable for larger sample and provide adequate time to respondents. According Sounder et al (2006), questionnaire is the most widely used data collection techniques for survey strategy. That is because all respondents were provided with the same set of questions; it enhances the efficient way of collecting data large sample.

### **3.10.2 Validity of the Study**

According to Kothari (2004), validity is the most critical criterion which indicates the degree to which an instrument measures what it is supposed to measure. Alternatively it is the extent to which differences found with a measuring instrument reflect true differences among those being tested. The importance of validity in this study was to portray sound qualitative measurements to permit further descriptive analysis. The following were the strategies taken by researcher to ensure validity of study through questionnaires.

Strategies adopted earlier to ensure the validity were; (1) pilot questionnaires were provided to each group of respondent, the unclear or not understood questions were corrected. The questions were made too short to provide direct meaning to respondents and simple English language was used in the questionnaires. In order to be clear and consistency in data processing as commented by Bapir (2012), researcher made the following strategies to ensure qualitative validity.

Keep the questionnaire as short and simple to facilitate clear understanding

Design questionnaire in attractive form using word processor

Provide the questionnaire with logical and sequential structure to attract attention of the respondent and confine them to the specific objectives

Divide the questions into three parts including its subsections reflecting the study objectives and demographic characteristics, the parts were:

Section A: Demographic data

Section B: Old age pension scheme

Section C: Lump sum pension scheme and Current scheme fund.

### **3.10.3 Reliability of the Study**

In qualitative research, reliability compel researcher to indicate the data collection methods, and that the data presented was true and collected accurately in such a way that if another researcher will use the same method of data collection will portray same findings (Sounder et al, 2006) According to Bapir (2012) argued that, reliability in a qualitative study can be improved with proper tabulated data that are open to supplementary of researcher and reader (supervisor). To that respect, the researcher designed direct, short and clear questionnaires under the guidance of research supervisors, Dr. Musabila A. Kilangi (PhD) in a repetitive form. This was stressed by Charles (1995) argued that, reliability in qualitative study can be determined through the test-retest method at two or more different times.

While threats to reliability are a reality, it is hoped that change of analysis (factor analysis to descriptive analysis) the sample size, targeted population and sampling methods used to select respondents should result in a fairly reliable outcome.

#### **3.10.4 Data Analysis Methods**

Before making descriptive data analysis, data from respondents were edited, and labeled and finally corrected. This was in line with recommendation made by Houman (2008), who defines data analysis as the process of editing, adjustment, classification, summarization and expression of concept or meaning of data. The primary data extracted from questionnaires were summarized, coded and processed by using statistical package for social science (SPSS for windows version 21.0) to facilitate the analysis of data. Since this study used likert scale qualitative design, data were analysed through descriptive analysis, frequency and percentages to facilitate the description of the sample.

#### **3.10.5 Response Rate**

Based on study respondent rate (21), researcher decided to make the analysis techniques of using factor analysis instead descriptive analysis technique which were common used. The decision was taken under consideration of Hair at al., (2006) to recommends a preferable sample size for factor analysis of 100 observations, principally the sample should at least possess five times a number of observations than the number of factors for the analysis; this is to say a ratio of 10:1 (Observations: Factors) respectively. This study incorporated 49 observations and the factors for analysis were basically identified to be 12. This amounts to a ratio of 49:12 that is 4:1 meaning, an average of 4 respondents to a solo factor. This therefore invalidates the use of factor analysis method in this study.

#### **3.11 Ethical Consideration**

Ethics refers to the moral beliefs or philosophy and sometimes ways of life, social

norms for conduct that differentiates between acceptable and unacceptable behavior (Shah, 2011 and Akaranga et al, 2013). In this study the research ethics were kept into consideration when developing and administering data collection tools to avoid any harm, destruction and misery. This was done by obtaining informed consent from respondents before the research to ensure confidentiality of data obtained and gained more knowledge about the organization's culture before research. In order to protect the rights of the respondents, the purpose and benefits of the study were explained. Furthermore, the researcher sought approval for data collection which was presented to the relevant Organization.



## **CHAPTER FOUR**

### **RESULTS AND DISCUSSION**

This chapter presents the research findings and discussions with respect to research objectives formulated in the chapter one. The chapter is organized into two major sections. The first section presents and converse socio-demographic characteristics of the surveyed households such as gender, age, experienced of working in the organization, level of education, Current position in the organization and Experience in the organization. The second section is for specific objectives.

#### **4.1 Social Demographic Characteristics of Respondents**

##### **4.1.1 Gender of the respondents**

The result showed that 57.1% were male and 42.9% were female (Table 4.1). This reveals that males were more experienced in working on the Zanzibar organization of pension fund compare to female, and therefore this figure were nearly relate with A Companion to the World Development Report on Jobs which emphasize the women should give a chance as same as male at work place. The evidence is that; a large and growing body of evidence demonstrates both the business and the development case.

Booz & Company estimates that raising female employment to male levels could have a direct impact on GDP, increasing it by 34 percent in Egypt, 12 percent in the United Arab Emirates, 10 percent in South Africa, and 9 percent in Japan, taking into account losses in economy-wide labor productivity that could occur as new workers entered the labor force. Yet almost half of women's productive potential globally is unutilized, compared to 22 percent of men's, according to the International Labour

Organization. In places where women's paid work has increased, as in Latin America and the Caribbean, gains have made significant contributions to overall poverty reduction (ILO, 2010).

**Table 4.1: Sex of Respondents**

<b>Sex</b>	<b>Frequency Percent</b>	
Male	12	57.1
Female	9	42.9
<b>Total</b>	<b>21</b>	<b>100.0</b>

**Source:** Field Data (2019)

#### **4.1.2 Age of Respondents**

Age is a fundamental characteristic of a population. The results show that more respondents aged between 25 – 35 years who accumulate 57.1%, while other aged groups 36 – 45 had 28.6% and aged between 46 – 55 had 14.3% (Table 4.2). Age was more importance in working place because the young become most active and hardworking and older may be more experienced in any position especially in Zanzibar pension scheme fund of the retirement household welfare.

The evidence of that the young were finish their task on time compare to the old. This imply that all age were most important in the daily activities, but study of Predictors of Pension Finance Literacy: A Survey of Members of Occupational Pension Schemes in Kenya by Amos Gitau (2011) state that; older individuals are likely to be more knowledgeable on pension finance matters since retirement planning programs are limited to those who are about to retire where the goal of this

preretirement planning program is to help participants identify their basic retirement decisions and start preparing for retirement.

**Table 4.2: Age of the Respondents**

<b>Age</b>	<b>Frequency</b>	<b>Percent</b>
25 - 35	12	57.1
36 – 45	6	28.6
46 – 55	3	14.3
<b>Total</b>	<b>21</b>	<b>100.0</b>

**Source:** Field Data (2019)

According to Sumbi (2004) argues that the age between 18 and 55 is considered to be an active and productive group involved in many development activities. It can therefore be concluded that the majority of the respondents in the study are active, energetic who can have any ability of understand different issue concerning with the pension and retirement.

#### **4.1.3 Level of Education**

The finding indicate that the respondents had high level of education in the organization such as Bachelor education level 76.2% while 19.0% obtained Master education level and 4.8% attained Certificate level in the ZSSF organization and indicate that people employed according to their level of education (Table 4.3 ). It implies that the respondents had skills, capacity and knowledge to perform in all activities in their organizations effectively due to their level of education. Individuals with higher education has more knowledge on financial and pension matters

(Lerman *et al.*, 2006).

**Table 4.3: Education Level**

<b>Education</b>	<b>Frequency</b>	<b>Percent</b>
Certificate	1	4.8
Bachelor education	16	76.2
Master education	4	19.0
<b>Total</b>	<b>21</b>	<b>100.0</b>

**Source:** Field Data (2019)

The finding indicates that ZSSF had a large group of respondents that obtained high education which may be enough for everyone to understand and to justify that people from the study area had little sufficient knowledge concerning with pension. According to Kajembe and Luoga (1996) report that education tends to create awareness, positive attitudes, values and motivation. Due to these, it can be deduced that the respondents in the study area had little enough sufficient knowledge on understanding the pension scheme fund of the retirement household welfare.

#### **4.1.4 Current position in the Organization**

The finding showed that majority of the respondents had work in the Financial unit 61,9% while 33.3% working in the Data entry unit and 4.8% working in the Store unit at the ZSSF organization (Table 4.4 ). The number of years that individuals have worked is positively correlated to the individual's awareness on pension matters, this fact that; over their working lives individuals accumulate retirement savings and therefore develop interest in the management of the savings on their position in the organization.

**Table 2.4: Current Positions in the Organization**

Current positions	Frequency	Percent
Data Entry	7	33.3
Store	1	4.8
Finance	13	61.9
<b>Total</b>	<b>21</b>	<b>100.0</b>

**Source:** Field Data (2019)

The finding indicate that ZSSF had large group of respondents that working at Financial unit due to the nature of their work responsible which may be enough for everyone to understand and to justify that people from the study area had little sufficient knowledge concerning with pension and household welfare.

According to Cross *et al.*, (2001) position in the organization help to disseminate the duty and information which can help an organization implement - Get the people to know about a change in change faster, execute projects more effectively, strategy and make better decisions. Taking the time to identify people in these key roles can make the organization hold the keys to difference between successful and challenged specific parts of an organization and groups of project, a finished and an incomplete change people. They must be accessed in order to receive initiative, and a satisfied and a dissatisfied customer certain information.

#### **4.1.5 Experience in the Organization**

The finding showed that majority of the respondents had working at the post which has less than 5 years 38.1% while for 5 – 10 years 33.3% and 15 – 20 years were 23.8% in the ZSSF organization (Table 4.5). This imply that the number of years that individuals have worked is positively correlated to the individual's awareness on the

working post so in the organization the number of years justify the employees have an experience on their work.

**Table 3.5: Experience in the organization**

Frequency		Percent
Under 5	8	38.1
5 - 10	7	33.3
15 - 20	5	23.8
Above 40	1	4.8
<b>Total</b>	<b>21</b>	<b>100.0</b>

**Source:** Field Data (2019)

The finding indicate that ZSSF had large group of respondents which may be not enough experience at working and they are there and working according to their knowledge and education level concerning with financial management especially on pension. According to Hannah (2019) on this point, Ryan (CEO of Causecast) has some great words of advice: “The employee experience may be broad in scope, but it starts by optimizing every touch point that an employee comes in contact with, to create an integrated experience that feels holistic throughout every stage.”

#### **4.2 The Effect of Old Age Pension Scheme on Social Welfare of Members**

The findings showed that 52.4% of respondents understand on the old age pension scheme fund and they believed it has an effect to the household welfare in the daily life, and 47.6% they just as a neutral either they understand or not (Table 4.6). This is because majority of the respondents who work here were native who were born in Zanzibar and lived the area where retire demand pension. Therefore, most respondents were familiar with the pension scheme and know how fund assist

household welfare in the daily life to the society of Zanzibar, so that it revealed as the old age pension scheme are more important to the social welfare of the members..

**Table 4.6: The Effect of Old Age Pension Scheme on Social Welfare of Members**

	Frequency	Percent
Strong agree	5	23.8
Agree	6	28.6
Moderate	10	47.6
Total	21	100.0

**Source:** Field Data, (2019)

The findings imply that the old age pension scheme has more effect to the social welfare of member.

According to Robert *at el.*, (2006) Social pensions are aimed at providing an income floor and therefore at reducing poverty among the elderly population. To the extent that they are successful, they would also reduce the overall poverty rate. However, the efficacy of this kind of categorical targeting depends on the relative poverty rates of the elderly. For example, social pensions may have more relevance in countries where households with elderly members tend to be disproportionately poor. On the other hand, low poverty rates among the elderly would suggest that funds directed at SPs might be more effectively used in general social assistance programs or targeted to other categories of individuals.

Evidence from other studies which show the importance of old age pension scheme on social welfare of the societies were the study from Robert et al., (2006) Social Pensions Part I: Their Role in the Overall Pension System, the study of Jacques et al., (2016) improving the pension system and the welfare of retirees in Israel

economics department working papers no. 1288, the study of Fiona et al., (2009) Pensions in Africa, and study of Pablo Antolin et al., (2008) Forms of benefit payment at retirement.

#### **4.3 The Effect Old Age Lump Sum Pension Scheme on Social Welfare of Members**

The findings showed that 42.9% of respondents they were moderate on the effect of old age lump sum pension scheme on social welfare of retirement, and 23.8% become the same on agree and strong agree on lump sum fund help the Zanzibar's retirement, while 9.5% has strong disagree on the lump sum scheme fund if help the Zanzibar's retirements (Table 4.7). This is mean that old age lump sum scheme fund has an effect on social welfare of retirement, due to the evidence of majority of the old retirement much depend to the pension for their daily life.

**Table 5.7: The Effect Old Age Lump Sum Pension Scheme on Social Welfare of Members**

	<b>Frequency</b>	<b>Percent</b>
Strong agree	5	23.8
Agree	5	23.8
Moderate	9	42.9
Strong Disagree	2	9.5
<b>Total T</b>	<b>21</b>	<b>100.0</b>

**Source:** Field Data; (2019)

According to Robertet, *al.*, (2006) Social pensions are aimed at providing an income floor and therefore at reducing poverty among the elderly population. To the extent that they are successful, they would also reduce the overall poverty rate. However, the efficacy of this kind of categorical targeting depends on the relative poverty rates of the elderly. For example, social pensions may have more relevance in countries



where households with elderly members tend to be disproportionately poor. On the other hand, low poverty rates among the elderly would suggest that funds directed at SPs might be more effectively used in general social assistance programs or targeted to other categories of individuals.

#### **4.4 The Determine of the Current Scheme Fund Effective and Adequate Benefit for Retirement**

The findings showed that 42.8% of respondents agree the current scheme fund can benefit the retirement, and 33.3% they just as a neutral either it can benefit or not, and 23.8% disagree if the current scheme fund can benefit the retirements (Table 4.8). This mean that current scheme fund are effective and more adequate benefit for retirement, due to the evidence of majority of the respondents understand well the life of retirements from the society of Zanzibar and they have a familiar with the daily activities concerning lump sum pension fund.

**Table 6.8: Effective and Adequate Benefits of the Current Scheme Fund for Retirement**

	<b>Frequency</b>	<b>Percent</b>
Strong agree	4	19.0
Agree	5	23.8
Moderate	7	33.3
Disagree	5	23.8
<b>Total</b>	<b>21</b>	<b>100.0</b>

**Source: Field Data; (2019)**

According to Andrew (2011) the recently convened Saving Working Group was intended to stimulate public discussion about New Zealand's savings performance and to provide high level advice on options to improve national savings. While there may be no reason to change New Zealand's current retirement saving institutions, it

is possible that economic welfare may be enhanced if the schemes are modified or if schemes similar to those used in other OECD countries are introduced. It is also possible that increasing longevity will mean the current schemes are less suited to future generations than they are to current generations, and will benefit from change.

This note provides an overview of the reasons why governments intervene to help people manage their retirements, and the costs of these interventions. It then uses this cost-benefit framework to provide a discussion of the main options facing New Zealanders if they wished their government to alter the way it intervenes to help people manage their retirement as life expectancy increases.

## **CHAPTER FIVE**

### **CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Overview**

This chapter comprise of summary of findings from the research, conclusion as proposed by researcher, recommendations and areas for further study. The chapter has significantly shown proper summary of the findings.

##### **5.1.1 Summary of the Findings**

The postulated findings in this chapter are essentially reflecting the analysis and presentations made in chapter four of this study. The topic for this study was about Assess of Zanzibar Pension Scheme Fund of the retirement house hold welfare, the researcher organized the summary basing on the research objectives.

##### **5.1.2 Objective one: To analyze the Effect of Old Age Pension Scheme on Social Welfare of Members in West Urban Region**

The findings indicate that, most respondents were familiar with the pension scheme and know how fund assist household welfare in the daily life to the society of Zanzibar. Majority of retirement depend on pension to afford their daily need hence the old age pension scheme has a lot of effect to the social welfare in West urban region.

##### **5.1.3 Objective Two: To Examine the Effect Old Age Lump Sum Pension Scheme on Social Welfare of members in West Urban Region**

The finding indicate that majority of respondents they were familiar on the effect of old age lump sum pension scheme on social welfare of retirement because they

identify how old age lump sum fund help the Zanzibar's retirement by show the degree rate of their satisfaction.

#### **5.1.4 Objective Three: To Determine if the Current Scheme Fund is Effective and Adequate In Providing Benefit For Retirement**

The finding showed that majority of respondents agree the current scheme fund can benefit the retirement by show their level of agreement, so the current fund is effective and adequate in providing benefit for retirement.

### **5.2 Conclusion**

Zanzibar Social Security Fund has Social Security Pension Scheme like Old Age Pension Scheme, and Current Scheme Fund benefit which is provided to beneficiaries, at the right amount, and right time. The Social Security Pension Scheme has promoted the welfare of beneficiaries who retire from their work and it beneficiaries their families. On the basis of the research findings, the study revealed pension are most important and influence effective to retirement life. The ZSSF staff had skills and knowledge in performing different activities which acquired through different units.

The West Urban Region Society was most beneficiaries with the old scheme pension which were promote their welfare of their life. On the other hand, the study revealed that organizations has much agree on the old lump sum scheme fund was very important and most beneficiary of the welfare life of the retirement. Moreover, current lump sum scheme was most suggested to beneficiaries of the life in the ZSSF staff member by show their level of agreement due to their experience, their

knowledge concerning with the pension. In summary it conclude that old age pension scheme were more important in welfare of society, and current scheme fund were mostly suitable in Zanzibar society with the old age lump sum pension has contribute more in the welfare of the retirement society in Zanzibar West Urban Region.

### **5.3 Policy Implication**

Every countries has own policy on pension for retirement by followed the principle and regulation of declaration for universal of human right, hence this study try to justify by connect the finding and related policy from different areas and Zanzibar if among the country which follow the requirement, example; ILO, (2010) Income security for older people is outlined in Recommendation 202 as one of the four social security guarantees of a social protection floor, along with universal health, and income security for children and persons of working age. International Labour Organisation, Recommendation 202 Concerning National Floors of Social Protection.

ILO, (2012) Overall and primary responsibility of the State. It refers to the obligation of the State, as the overall guarantor for social protection, to ensure the «financial, fiscal and economic sustainability» of the national social protection system «with due regard to social justice and equity» by collecting and allocating the needed resources with a view to effectively delivering the protection guaranteed by national law (ILO Social Protection Floors Recommendation, 2012 (No. 202)). Pension systems exist in all countries with the objective to eliminate old-age poverty and provide income security for older persons. In most countries, the right to social

security for all is enshrined in the Constitution and/or secured by law. The right to social security is also asserted in Articles 22 and 25 of the Universal Declaration of Human Rights. Countries aim to achieve universal pension coverage at adequate benefit levels.

These standards prescribe that earnings-related schemes need to provide periodic payments of at least 40 per cent (Convention No. 102) or 45 per cent (Convention No. 128) of the reference wage after 30 years of contribution or employment. These standards also require that pensions need to be periodically adjusted following substantial changes in the cost of living and/or the general level of earnings. G 10, (2005) Demographic developments coupled with the growing need to provide for retirement privately will probably prompt an increase in the flow of saving and the stock of savings directed to fund retirement, whether or not this is accompanied by an increase in national saving rates.

African Union, (2008) the concept of a social protection floor aligns closely with the African Union's Social Policy Framework – adopted in 2008 – which defines a “minimum package” of social protection including “essential health care, and benefits for children, informal workers, the unemployed, older persons and persons with disabilities. In Government policy and legislation in the next phase would be influenced by reports and investigations commissioned by the Mouton Committee of 1992, jointly with the Katz Commission on Tax reform of 1995 (Van der Berg, 2002).

The terms of reference for the Mouton Committee of inquiry were to investigate and make recommendations regarding principles that should apply for a retirement

provisions system in the Republic. The report made 108 recommendations that would be the foundation for reform in the sector in the next phase (FSB, 1991). The majority of the population was not covered for retirement in their old age. Only an estimated 5.5 million people's retirement needs were covered versus 9 million people between the ages of 15-64 who weren't members of any retirement fund (Van der Berg, 2002).

Before 1998, only civil servants were covered by the social insurance scheme. ZSSF was established under the Zanzibar Security Fund Act No. 2 of 1998, and was subsequently amended by the Zanzibar Social Security Fund Act No. 9 of 2002, and then re-enacted by Act No. 2 of 2005. No formal social security system for the overall population existed prior to 1998, with public sector workers being the only segment of the population to benefit from pension coverage. Insurance under ZSSF offers the following benefits: Old age benefits (a national scheme for public and private sector employees which has mandatory and voluntary parts); Invalidity benefits; Maternity benefits; and Survivors benefits. These justified that the finding are likely go through the policies and declaration of human rights.

## **5.4 Recommendation**

The researcher suggests the following recommendations;

### **5.4.1 To the Government**

The Government may also wish to impose social security programmes in primary, secondary and university study curriculums in order to impart more knowledge on the youth to fully understand the concept of social security. Doing this will help such

individuals understand the relevance of social security, make wise decisions regarding pension savings and deviate them from the idea that pension schemes are a savings vehicle where one has to access incase of termination or resignation.

The Government through the parliament needs to review the existing legal framework relative to pension fund acts, there is a loophole in the benefits package for pension schemes which allow the grant of withdrawal benefit. It is high time such laws are established in line with main objective of social security. It is recommended that regular indexation be carried out so that benefits remain with economic value, the payment should be in accordance with the prevailing Social Economic situation prevailing at the time. It also recommended that the country introduce a universal identification system, where every citizen or resident should be issued with such a social security number, which can be used for accessing other services and benefits.

There should be a right-based approach to social security. The government should consider social security as a human right. Contributors, should have a say on management, the new forms should make it compulsory for a workers representative to be in the Board, unlike the current management of some social security schemes, in which there is no single worker's representative.

#### **5.4.2 To Employers**

The employers should regulate the relationship between the contributions made by the members to ZSSF before retirements to be proportional to the benefit they receive after retirement. The employers should revisit the amount of pension it pays to its retirees especially those who stopped working. The pension increased should



reflect the economic depression furthermore pension should be paid on time by removing unnecessary procedures in processing and claiming the retirement benefits. Employers should remit promptly the contributions they deduct from their employees' salaries to ZSSF.

Zanzibar Social Security Board should ensure that there is proper accountability of the pension funds in order to benefit the beneficiaries effectively and promote their social welfare by ensure the old scheme fund become more effective to retirement welfare of their society. The board should ensure that the fund is well invested and well redistributed to the beneficiaries so the lump sum more increased in order to make the social welfare of the retirement is promoted. ZSSF should ensure the current scheme fund more effective and the pension promoted to the retirement in order to reduce their hardship of daily life. The board should also ensure that the fund is timely distributed to the member concerned and be promoted according to the real life where they live.

### **5.5 Recommendation for Further Research**

Similar studies should be carried out in other Country and also in other sector like social welfare fund and pension system where there is various numbers of dynamic of employees who expect to retire. Furthermore, there is need for future researchers to carry out a study on the Impact of Public Pension on Household Consumption, the effects of pension funds on markets performance, and assessment on pension to the retirement, and even effective and efficiency of pension to the retirement life.

## REFERENCE

- Adda, J. & Giorno, C. (2016). Improving the Pension System and the Welfare of Retirees in Israel Economics Department Working Papers No. 1288.
- African Union, (2008). "Social Policy Framework for Africa." In First Session of the AU Conference of Ministers in Charge of Social Development Windhoek, Namibia. Windhoek.
- Altman, M. (2008). Formal-Informal Economy Linkages, Employment Growth and Development Initiative. Human Sciences Research Council, Pretoria: HSRC.
- Amos, G. N. (2011). Predictors of Pension Finance Literacy: A Survey of Members of Occupational Pension Schemes in Kenya. *International Journal of Business and Management*, 6(9), 101-112.
- Andrew, C. (2011). Mandatory Retirement Income Schemes, Saving Incentives, and Kiwi Saver, Motu Economic and Public Policy Research: MOTU.
- Anne, O. K. (2004). *Front matter, Governance, Regulation, and Privatization in the Asia-Pacific Region*. Chicago: University of Chicago Press.
- Antolin, P., Pugh, C. & Stewart, F. (2008). Forms of Benefit Payment at Retirement, OECD Working Papers on Insurance and Private Pensions, No. 26, OECD publishing, © OECD.
- Atlas, M. (2017). Pension funds: definition, function and types of proposed contracts, IMF Working Paper No. WP/19/22.
- Bapir, M. A. (2012). Is it possible for qualitative research to be properly valid and reliable? The University of WARWICK. *Information, society and justice journal*, 3(2), 117-125.
- Barr, (1993). Poland: Income Support and the social safety Net during the

- Transition, Report No. 9661, Washington: World Bank.
- Beck, T. & Levine, R. (2004). Stock markets, banks and growth: Panel evidence. *Journal of Banking and Finance*, 28, 423-442.
- Bijlsma, M., VanEwijk, C. & Haaijen, F. (2014). Economic Growth and funded pension systems. Netherlands Bureau for Economic Policy Analysis Discussion Paper 279. Netherlands: CPB.
- Burns, J., Keswell, M., & Leibbrandt, M. (2005). Social assistance, gender, and the aged in South Africa. *Feminist Economics*, 11(2), 103-115.
- Caporale, G., Howells, P., & Soliman, A. (2005). Endogenous Growth Models and Stock Market Development: Evidence from Four Countries. *Review of Development Economics*, 9(2), 166-176.
- Chan-Lau, J. A. (2004). Pension Funds and Emerging Markets, IMF Working Paper WP/04/181, International Monetary Fund, Washington, DC.
- Cross, R., Parker, A., Prusak, L. & Borgatti, S. P. (2001). Knowing What We Know: Supporting Knowledge Creation and Sharing in Social Networks. *Organizational Dynamics*, 30(2), 100-120.
- Daniel, S. (2015) SOCIEUX in Action. Retrieved on 30<sup>th</sup> March, 2019 from; [https://ec.europa.eu/europeaid/sites/devco/files/socieux-newsletter-issue3-july-2015\\_en.pdf](https://ec.europa.eu/europeaid/sites/devco/files/socieux-newsletter-issue3-july-2015_en.pdf).
- Davis, E. P. & Steil. B. (2001). *Institutional Investors*. Cambridge, MA: The MIT Press.
- Davis, P. & HU, Y. (2008). Does funding of pensions stimulate economic growth? *Journal of Pension Economics and Finance*, 7(2), 221-249.
- Davis, P. (2006). Pension Funding, Productivity, Ageing and Economic Growth.

Paper presented at the Third conference for the Monetary and Stability Foundation. Frankfurt: Deutsche Bundesbank.

DeLong, J. B., Shleifer, A., Summers, L. & Waldmann, R. (1990). Positive feedback investment strategies and destabilizing rational speculation. *The Journal of Finance*, 45, 379–395.

Economic and Social Research Foundation and Help Age International, (2016). *Baseline Survey Zanzibar Universal Social Protection for Older People (Forthcoming)*. Dar es Salaam: Help Age International Tanzania.

Elton, E. J. (2011). *Modern policy theory and investment analysis*, Asia, John Wiley & Sons Inc.

Financial Services Board, (1959 – 2014). Annual Reports of Registrar of Pension Funds. Pretoria. Retrieved on 12<sup>th</sup> June, 2019 from; [www.fsb.co.za/communication/reports.htm](http://www.fsb.co.za/communication/reports.htm).

Fiona, S. & Juan, Y. (2009). OECD Working Paper on Insurance and Private Pensions. No. 30.

Hair, J. F., W. C. Black, B. J. Babin, R. E. Anderson, R. L Tatham, (2006). *Multivariate Data Analysis*, 6<sup>th</sup> Ed., Upper Saddle River, NJ: Pearson University Press.

Hannah P. (2019) Employee experience and why it's critical: retrieved on 03<sup>rd</sup> October, 2019 from; <https://blog.jostle.me/blog/employee-experience>.

Hendricks, F. (2008). The Private Affairs of the Public Pensions in South Africa: Debt, Development and Corporatization. (UNRISD Programme Paper United Nations Research Institute for Social Development, Number 38.

Hill, M. (1997). *Understanding Social Policy*, Oxford: Black Well Publishers.

- Hills, J. (1997). Response to the Pensions Review, *The Review of Political Economy* 18(3), 427-48.
- Hu, Y. (2012). Growth of Asian Pension Assets: Implications for Financial and Capital Markets. (Asian Development Bank Institute Working Paper No 360). Japan: ADBI.
- Hu, Y., (2006). *Pension reform in China - a case study*, 2<sup>nd</sup> Ed., London: Brunel University.
- Ihucha, A. (2013). “Withdrawals cause alarm for Dar Pension Schemes”. The East African. A report of independent review of retirement income. Dar es Salaam, Tanzania.
- ILO, (2008). Can Developing Countries Afford Basic Social Security? ILO Social Security Department, Geneva.
- ILO, (2010). Women in labor markets: Measuring progress and identifying challenges. Geneva, ILO.
- ILO, (2012). Social Security for All: Building social protection floors and comprehensive social security systems. The strategy of the International Labour Organization, Geneva: International Labour Office.
- IMF, (2005). Ageing and pension system reform: implications for financial markets and economic policies, a report prepared at the request of the Deputies of the Group of Ten, IMF.
- International Labour Office, Social Security Department – Geneva: ILO, (2008) Tanzania Mainland. Social Protection Expenditure and Performance Review and Social Budget. Executive Summary.
- Jeremy, (2016). The Church of England Funded Pensions Scheme Annual Report

and Financial Statements 2016.

Kajembe, G. C. & Luoga, E. J. (1996). Socio-Economic Aspects of Tree Farming in Njombe District. Consultancy Report Submitted to the Natural Resource Conservation and Land use Management Project, Faculty of Forestry, Sokoine University of Agriculture, 19pp.

Kakwani, N. & Subbarao, K. (2005). “Aging and poverty in Africa and the role of social pensions”, World Bank Pension Reform Primer working paper series, discussion paper No. 0601, World Bank.

Kaushal, N. (2014). How Public Pension affects Elderly Labor Supply and Well-being: Evidence from India. , *Elsevier*, 56(C), 214-225.

Kothari, C. R. (2004). *Research Methodology, Methods and Techniques*. Jaipur: New Age International (P) Limited.

Lakonishok, J., Shleifer, A. & Vishny, R. W. (1992). The impact of institutional trading on stock prices. *Journal of Financial Economics*, 32(1), 23–43.

Lange, M. (2010). *States and Economic Development, The Handbook of Politics: State and Society in Global Perspective*, New York: Springer Publishers.

Lerman, R., & Bell, E. (2006). Financial Literacy Strategies: Where do we go from here? The Urban Institute, Report No. 1. retrieved on 06<sup>th</sup> March, 2019 from; [www.papers.ssrn.com/so/3/Delivery.../ssrn\\_ID923448\\_Code545810.pdf?](http://www.papers.ssrn.com/so/3/Delivery.../ssrn_ID923448_Code545810.pdf?)

Levine, R. (1997). Financial Development and Economic Growth: Views and Agenda. *Journal of Economic Literature*. 35, 688-726.

Levine, R. (2004). Finance and Growth: Theory and Evidence. (National Bureau of Economic Research Working Paper 10766). National Bureau of Economic Research. Retrieved on 30<sup>th</sup> March, 2019 from <http://www.nber.org/papers/>

w10766.pdf.

Levine, R., & Zervos, S. (1998). Stock Markets, Banks and Economic Growth. *The American Economic Review*, 88(33), 537-558.

Ligon, E. (2017). Estimating household welfare from disaggregate expenditures. CUDARE Working Paper.

Manyalla, I. J. (2011), Risk management in Tanzania “experiences and challenges In the social security sector” Brain Capital Excellence Ltd, DSM.

Martinez, S. (2004) Pensions, Poverty and Household Investments in Bolivia. *Journal of the American Statistical Association*, 75, 591–593.

Martinez, S. (2005). Pensions, Poverty and Household Investments in Bolivia, Working paper, University of Berkely.

Merton, R. & Bodie, Z. (1995). A conceptual framework for analysing the financial environment. In *The Global Financial System: a Functional Perspective*, edited by Crane, D. B. Cambridge, MA: Harvard Business School Press.

National Pensions Regulatory Authority (n.d.). Ghana National Pensions Act, 2008 (ACT 766). (pdf) retrieved on 12<sup>th</sup> March, 2019 from; [http://nptra.gov.gh/pdf/NPRA\\_2008\\_Act\\_766.pdf](http://nptra.gov.gh/pdf/NPRA_2008_Act_766.pdf).

Raisa, M. L. (2012). Spillover effects of pension funds on capital markets. The EU-15 countries case. *Annals of the “Constantin Br^ancu,i” University of T^argu Jiu, Economy Series*, 4, 164–170.

Robert, H. & Palmer, E. (2006). “The Status of the NDC Discussion: Introduction and Overview” In *Pension reform – Issues and Prospects for Non-Financial Defined Contribution (NDC) Schemes*, ed. Robert Holzmann and Edward Palmer, pp.1–16. Washington, DC: World Bank.

- Samson, M., Lee, U. Ndlebe, A., Mac Quene, K., van Niekerk, I., Ghandi, V., Harigaya, T. & Abrahams, C. (2004). The Social and Economic Impact of South Africa's Social Security System. Commissioned by the Department of Social Development, Cape Town: EPRI.
- Saunders, M., Lewis, P. & Thornhill, A. (2006). *Research Methods for Business Students*, 06<sup>th</sup> Ed. New York: Pearson Education Limited.
- Seekings, J. (2016). The Introduction of Old Age Pensions in Zanzibar. *International Journal of Social Welfare*, 25(4), 388–98.
- Sekaran, U. (2000). *Research Methods for Business: A Skill Building Approach*, 3<sup>rd</sup> Ed., New York: John Wiley & Sons.
- Sumbi, P. E. (2004). Community perception on cost and benefits of different forest management approaches: A case study of Udzungwa Mountain Forests and the surrounding Miombo Woodlands Tanzania. Master of Science Thesis. University of Wales. 166pp.
- Towers Watson. (2014). Towers Watson Global Pension Assets Study. Retrieved from; <http://www.towerswatson.com/en-AU/Press/2014/02/Global-pension-fund-assets-hit-record-high-in-2013>.
- Vander, B. S. (2002). Issues in South African Social Security, Bureau for Economic Research Working Paper 1/2002). Stellenbosch: University of Stellenbosch Department of Economics.
- Zanzibar Social Security Fund, 'Zanzibar Social Security Fund Annual Report and Financial Statements of the Zanzibar's Social Security Fund for the Year Ended 30th June 2016', ZSSF, 2016.
- ZSSF, (2014). Zanzibar Social Security Fund, discussion QN.



## **APPENDICES**

### **Appendix 1: Questionnaire**

#### **REQUEST FOR INTERVIEW**

#### **SURVEY QUESTIONNAIRE ON ASSESSMENT OF ZANZIBAR PENSION SCHEME FUND OF THE RETIREMENT HOUSE HOLD WELFARE**

Dear Respondents,

I master students at Open University of Tanzania Master of Monitoring  
&Evaluationofthe Open University of Tanzania.

I am doing a research study on “**Assessment of assessment of Zanzibar pension  
scheme fund of the retirement house hold welfare Case Study of the West  
Urban Region.**

”.I would like to request for your assistance to answer questions which have been  
attached with this covering letter so as to facilitate my Master dissertation.

The information provided will be solely used for academic purpose, and on top of  
that anonymity and confidentiality of every respondent will be highly secured.

Regards,

Ali

<b>SECTION A: DEMOGRAPHIC DATA : Respondent's details</b>						
Please tick the most correct answer.						
1	Which Unit do you work for?	Benefit Unit Registration Unit Data entry Unit Compliance Unit				
2	What is your current position in the Organization	1. Manager 2. PMU 3. Auditor 4. Store 5. Finance 6. IT				
3	How long have you been in the organization	Under 5 5-10 10-15 15-20 20-2 25-30 35-40 Above 40				
4	What is your gender/sex	Male                      2. Female				
5	Which of the following best describes your age?	Under 25 25-35 36-45 46-55 Above 55				
6	Which is your highest educational level?	Primary education Secondary education Certificate Bachelor education Masters education PhD education				
7	Do your organization use e-procurement	1. Yes                      2. No				
<p align="center"><b>SECTION B: OLD AGE PENSION SCHEME</b></p> <p>Please, indicate how important do you consider the following factors regarding the old age pension scheme For each statement below, please circle the number which most expresses the corporation truth.</p>						
Qns	Factors	Strongly agree	Agree	Moderate	Disagree	Strongly Disagree
1	Do you understand old age pension and its role?	1	2	3	4	5
2	Do you					

	understand how long old age pension scheme been operated in Zanzibar?	1	2	3	4	5
3	What exactly have you heard concerning the old age pension scheme?	1	2	3	4	5
<b>Qns</b>	<b>Factors</b>	<b>Strongly agree</b>	<b>Agree</b>	<b>Moderate</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
4	Do you understand the old age pension scheme role especial in the new retirement?	1	2	3	4	5
5	Do you understand the needs old age of pension scheme fund to the society of Zanzibar?	1	2	3	4	5
6	To what extent pension scheme fund assist household welfare in their daily life?	1	2	3	4	5
<p align="center"><b>SECTION C: LUMP SUM PENSION SCHEME</b></p> <p>Please indicate your level agreement or disagreement with each of the following Statements. For each statement below please circle the number that best illustrate view of truth.</p>						
<b>Qns</b>	<b>Factors</b>	<b>Strongly agree</b>	<b>Agree</b>	<b>Moderate</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
1	Do you understand the lump sum pension scheme fund?	1	2	3	4	5
2	Is lump					

	sum's role can help especially in the retirements life?	1	2	3	4	5
3	Are some of the difficulties or problems with the lump sum pension fund?	1	2	3	4	5
<b>Qns</b>	<b>Factors</b>	<b>Strongly agree</b>	<b>Agree</b>	<b>Moderate</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
4	Are there some of the benefits or advantages in the lump sum pension scheme funds.	1	2	3	4	5
5	Has the lump sum pension scheme fund can maintain and adding the value to society.	1	2	3	4	5
6	With respect to the lump sum pension scheme fund has the general public's reaction to the retirements.	1	2	3	4	5
<b>Qns</b>	<b>Factors</b>	<b>Strongly agree</b>	<b>Agree</b>	<b>Moderate</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
7	In your opinion, do you believe that the general public understands this lump sum pension scheme?	1	2	3	4	5

8	Is the lump sum scheme fund can to rectify some of problems to the retirement?	1	2	3	4	5
9	In which way the lump sum scheme fund can help the Zanzibar's retirements?	1	2	3	4	5

### **CURRENT SCHEME FUND**

Please indicate how important do you consider the effective and adequate in providing benefit for retirement following factors are facilitating the scheme fund. Please circle the number which most expresses the truth.

<b>Qns</b>	<b>Factors</b>	<b>Strongly agree</b>	<b>Agree</b>	<b>Moderate</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
1	Do you understand about current scheme fund?	1	2	3	4	5
2	The current scheme fund can benefit the retirement?	1	2	3	4	5
3	Do you think the current scheme fund will be benefit upon retirement.	1	2	3	4	5

<b>Qns</b>	<b>Factors</b>	<b>Strongly agree</b>	<b>Agree</b>	<b>Moderate</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
4	Do you think current pension scheme fund can assist the retirement in west Urban?	1	2	3	4	5
5	In what ways is the current scheme fund is worse than the old scheme to the retirement?	1	2	3	4	5
6	Have you incurred any difficulties with the current scheme fund?	1	2	3	4	5