

**INFLUENCE OF FINANCIAL PERFORMANCE ON SOCIAL BENEFIT
SERVICE DELIVERY IN TANZANIA: A CASE OF NATIONAL SOCIAL
SECURITY FUND**

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**A DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE
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CERTIFICATION

The undersigned, certifies that he has read and hereby recommends for the acceptance of The Open University, a dissertation entitled “*Influence of Financial Performance on Social Benefit Service Delivery in Tanzania: A Case of National Social Security Fund*” in partial/fulfillment of the requirements for the degree award of a degree of Master of Project Management of the Open University of Tanzania.

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DECLARATION

I, **Stephen Theophan Amlima**, declare that, the work presented in this dissertation is original. It has never been presented to any other University or Institution. Where other people's works have been used, references have been provided. It is in this regard that I declare this work as originally mine. It is hereby presented in partial fulfillment of the requirement for the Degree of Master of Project Management of The Open University of Tanzania.

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ABSTRACT

This study aims to assess the influence of Financial Performance on Social Benefit Service Delivery, specifically assess the prospects and challenges for the organization's financial system operation in relation to social protection delivery system, determine financial performance variables that lead to inefficiencies in social security fund and to examine the potential prospects, on how NSSF may improve its financial performance for social services delivery. The study used 100 respondents selected using Stratified sampling, both secondary and primary data were utilized. Comparative analysis was done indicating changes in various financial variables reflecting financial performance and obligations of the organization to deliver to its stakeholders. Some of the key indicators for example are seen in section 4.13 for the year 2012/13 to 2017/18. Major challenges facing the NSSF were observed to be categorized into 12 groups as the respond from the interviewees. Five major challenges were on how NSSF tries to create value for its stakeholders were taxation charged on funds investment income, limited investment revenue, limitation to foreign investment by NSSF, untimely payment of contribution and defaulters on rent and loans. Furthermore, NSSF appears to be controlled by the power of Government policies and the organization while it has to be more influenced by the voices and power from its member as members are the one to contribute to the value of the organization not only employees and administration decisions. There is a need for a harmonized policy and regulation of all social security funds in Tanzania. The researcher recommends that NSSF should be more creative in solving community-based problems not to look on pay off investment only for their own profit and leave the members unsatisfied and therefore there should be a balanced approach with more coverage of the Tanzania population.

Keywords: *Financial performance, operations, social security, service delivery*

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LIST OF ABBREVIATIONS

HQ	Head Quarters
ILO	International Labour Organization
Mill	Million
MUCCOBS	Moshi University College of Cooperative and Business Studies
NMSPF	National Multi- Sect Oral Social Protection Framework
NSSF	National Social Security Fund
OUT	Open University of Tanzania
TVR	Travelling
UK	United Kingdom
URT	United Republic of Tanzania
US \$	US Dollars

CHAPTER ONE

INTRODUCTION

1.1 Introduction

This chapter presents the background of the study, statement of the problem, research objective, research objective, General and specific objective, research questions, significant of the study.

The role of social security is increasingly being recognized by governments and international financial organizations for its role in poverty alleviation, promotion of social justice, and economic growth in the country (ISA, 2009:1). As such, the coverage of pension system has its vital impact toward development of society. As of now, it is universally admitted that no stable and sustainable development is possible without social peace, and no social peace is possible without social security for all (Gechert, Paetz & Villanueva, 2020). After several decades of pension reforms around the world, there has been increasing concern among policy-makers and researchers about the slow progress in extending coverage of the pension systems to private and informal sector including not formalized employees particularly in low- and middle-income countries (Gechert et al., 2020; Holzmann et al., 2009; Hu and Stewart, 2009; ISSA, 2009; Mesa-Lago, 2008; Roziqin 2020).

According to van Ginneken (2008b), there are three dimensions to pension coverage: (1) the proportion of potential beneficiaries covered by the pension system as a whole;

(2) the risk contingencies covered; (3) the level of benefits. Pension coverage in many economic activities in both the private and public sectors, and consequent labour market structures, and demographic trends portending rapid ageing in many low- and middle-income countries have lent urgency to the issue of extending coverage. The objective of such extension is increasingly to prevent poverty in old age, and therefore there is a tendency to integrate pension schemes with overall poverty reduction and development strategies.

According to ILO (2017), although many developing countries have considerable experience with a variety of insurance or social security schemes, the most part attempts at extending coverage through social security protection to informal sector are not well documented. It has been seen that, when the subject of social security is mentioned, it only responds to the needs of a small percentage of the African population. Conventional social security is a recent phenomenon in many African countries, particularly in Eastern and Southern Africa. This helps to explain why conventional social security systems are not well developed in the majority of African countries.

1.2 Background to the Study

Tanzania has been implementing World Bank's policies and cannot avoid such a system, where National Social Security Fund(NSSF) has been observing critical note in terms of social security system. However, much has been observed in terms of competition in service provision and performances of many institutions of the came into being (Wright, Leyaro, Kisanga, & Byaruhanga, 2019). Where social benefit

delivery needs to be observed. The present study carries a purposeful analysis, focusing on financial matters to uses social economic benefit delivery structure and mechanism as it may be reflected by the National Social Security Fund (NSSF) is therefore a case to reflect upon financial performance for social benefit delivery system

The aim of social security system is to avoid disruption in ones means of livelihood so as maintain a reasonable standard of living. Since social protection aims to evade destitution and smoothing consumption in this regard it becomes vital to assess the level of protection available to the citizens. According to the statics by (ILO, 2017) about 80 percent of the global populations are not covered by any social security protection, and that several groups and institution are being formed for the purpose. The Tanzania National Social Security Policy of 2003, argue that, “Efforts shall be made to enhance awareness and sensitization of the society, regarding the importance of social security services provision as a right”.

National Bureau for Statistics, (2018) indicated that, “The total labour force for Tanzania was estimated at 16 million, where 5.4 percent of the total labour or 207 of the population is covered by the mandatory formal social security system.93 percent of the capable workforce is engaged in the informal sector in both rural and urban areas out of that 80 percent is engaged in the agrarian economy. According to US Trustee Report (2012) funds that, social security expenditures exceeded noninterest income in 2011.The first occurrences since 1983 and the Trustee estimate that these expenditures will remain greater than non-interest income throughout the 75-year projection period. The deficit of non-interest income to expenditures was about US \$49 billion in 2010

and US \$ 2011.

According to Emanuel el E, (2008) in his study of Social Security reforms in Tanzania said that, “The challenges facing Tanzania Social Security System include uneven benefit packages among existing social security institutions, inadequate regulated investment activities, limited coverage and the role of social security institutions in the fighting against poverty. In responding to these challenges, some of the social security institutions have implements parametric reforms in an attempt to adopt changes brought by the changing social economic environment.

The current researcher has tried to link between financial performance and social benefit delivery system, focusing on NSSF HQ in Dar-es-Salaam, where operation activities need to be measured as the inputs for success delivery of the services depends much on the success of financial system management of Social Security System. According to Gaya (2011), he went forth on the challenges facing public pension system in Tanzania public pension systems are related to inherent institutional design and the governance problem. The current researcher focused on the role of resources (financial resources management system) in the performance of Social Security Scheme performance focusing on NSSF was established by the Act of parliament No 28 at 1997 to replace the NPF Scheme. NSSF is a compulsory scheme providing a wide range of benefits which are based on internationally accepted standard as the NSSF (NSSF 2011). The current researcher has gone through financial matters, design challenges and prospects ahead for NSSF to be able to link services delivery structure and financial structure designs for NSSF as a pension Scheme to be able to attain its

core and subsidiary objectives, reflecting the NSSF financial operation at the headquarters in Dar-es-Salaam, looking at financial systems.

Designing and implementation of social security protection programs in developing countries entails real challenges on both demand and supply side as quoted from Gosh et al., 2008; Nyangarika and FSM, 2020) he proceeds with the claim that, Tanzania, social security has never stopped adapting the changing environment, however today after decade, the challenges appear to be right to social security. The structure prepares the way for mechanism to achieve or fail.

The NSSF plan and budget preparation for NSSF begins in February and ends on April each year. The delivery system of NSSF has a connection to economic growth of the country and challenges across the community. Where by parameters of the economy is reflected by the household appeared important for the current researcher. The success on operation and delivery system appeared to depend much and how the NSSF is organized structure and its responsibility and financial resources and systems in place (see fig1 below). The leadership of NSSF has pledged to improve its operational system to increase the quality and quantity of benefits it provides to its members. Up to the end of 2007, the NSSF net value stood at about us \$ 650 million or sh.747 billion, making it the biggest social security Fund in East and Central Africa (NSSF newsletter, 2009).

1.3 Statement of the Research Problem

While social security is essential for poverty alleviation, promotion of social justice, and country's economic growth (see ISA, 2009), most of developing countries have

serious difficulties in providing a comprehensive coverage of social security to their populations especially in informal sector. In Tanzania, the social security system comprises of several schemes each covering statutorily defined category of people and is therefore fragmented (Wright *et al*, 2019).

Social Security are faced with unpredictable challenges in response to growing criticism about acceptable expenditures for government programs and questions about the appropriate role of government in providing social protection through social insurance and assistance programs (Midgley and Tacy, 2006). According to NSSF, (2010) Trustee Report, Social Security was facing cash deficit this year and the next year. Deficit was expected to briefly disappear then to resume in 2015, when they would become permanent and grow dramatically (Blahouse, 2010). NSSF plan and budget (2011, 12) was geared towards achieving targets on contribution, collection and investment income.

From the few observations above the current researcher had to undertake a critical research linking between financial performance and social benefit delivery system taking the case of NSSF HQ in Dar-es-Salaam. Wright *et al*, (2019) highlights that, “Social Security Funds do not provide adequate social protection to members. There are the challenges like Uneven benefit packages inadequately, regulated investment activities, delaying in making payments to members and cover very few people and benefits paid are in adequate”. Therefore, this study aims to assess challenges and prospects for financial system operation in NSSF in relation to social protection delivery system.

1.4 Research Objectives

1.4.1 General Objective

To assess the influence of financial performance on social benefit service delivery in Tanzania's National Social Security Fund.

1.4.2 Specific Objectives

- i) To assess the financial performance variables in social security funds (NSSF).
- ii) To determine financial performance variables that lead to inefficiencies in social security fund taking a case of NSSF in Tanzania.
- iii) To examine potential prospects on how NSSF may improve its financial operations to advance its social services delivery system in Dar-es-Salaam.
- iv) Presenting recommendations on how NSSF may improve its social services delivery.

1.5 Research Questions

- i) What are the financial performance variables in social security funds that NSSF use for efficient service delivery?
- ii) What are the financial performance variables that lead to inefficiencies in social security fund taking a case of NSSF in Tanzania?
- iii) What are the potential prospects for NSSF to improve its services delivery system using its financial system operations in Dar es-Salaam?
- iv) How can NSSF financial performance be reflected in social benefits services delivery system in Dar-es-salaam?
- v) What should be done for NSSF to improve its social services delivery?

1.6 The Relevance and Significance of the Research

1.6.1 Social Security Industry

Social Security reflects one of the methodologies in public action to improve or protect human capital, ranging from labour market interventions, public mandated unemployment or old age insurance to target income support social protection interventions assist individuals household and communities to better manage the income risks that leave people vulnerable(World Bank,2010).The current research study therefore become significant and relevant study not only for Tanzania, but elsewhere in the world.

1.6.2 Policy Makers and NSSF Structure

Policy makers find challenges across the Social Security Scheme stakeholders, appearing to be uneven benefit packages among existing Social Security Institution, inadequate investment activities, limited coverage and many more the current reflects on both financial performance and strategic policies across NSSF structure.

1.6.3 Management Focus

The research enhances researcher's knowledge on how Social Security financial system works at large considering compensation, risk management stakeholder views, finances and policy structure in the current social economic perspective.

1.6.4 Employees of NSSF

The study brings more light to the employees of NSSF and management on how financial system may help organization in the daily operation across Tanzania, where

challenges could be managed and prospects be taken on board for organization.

1.6.5 Inward – Outward Observations

Inward and Outward observation may make NSSF and its stakeholders to understand challenges and prospects and action plan may be chalked out for positive results. Financial system analysis promotes an understanding of NSSF inwardly and outwardly in Tanzania.

1.6.6 Macro level Investment and NSSF

At Macro level, investment of NSSF appears to be much financially, but much need to be known in terms of services to the grown population and challenges of poverty across NSSF member's financial operations provided by NSSF may be well understood, across Social Security Schemes and future implications of such funds.

1.6.7 Government View and Funds

The government may be able to chalk essential policies and strategies reflecting finances and services, with contribution pertaining Social Security funds such as NSSF. Better policy making in the government may be ushered across Tanzania.

1.6.8 Financial Department Services

Financial department across NSSF will be able to understanding the challenges and prospects evolving NSSF large operation across Tanzania. Much of financial matters are exposed through numbers and therefore being clarified for all stakeholders. The current research study will add value at the level in which the current researchers tries to attain. In respect to existing body of knowledge. It is a building block of the existing

body of knowledge, where several stakeholders will be able to draw background for further observation of the same lines of researcher in finance and organizational study. Therefore, much is expected from the current research to be useful to the NSSF stakeholders in terms of resources management and policy issues across Tanzania. The researcher has tried to use the financial reports on how the organization performs financially and improves on social benefit delivery system. The study is essentially significant for NSSF financial managers across Tanzania.

1.7 Scope of the Study

The study focused on the assess challenges and prospects for financial system operation in NSSF in relation to social protection delivery system, NSSF Head Offices, it assumed all the information's from the branches are found at the headquarters.

1.8 Organization of the Study

This research consists of five chapters, chapter one is the general introduction, and this one presents the background, the statement of the problem, the objectives of the study, research hypothesis, the significance of the study, scope and limitation of the study, and the outline of research project.

Chapter two, literature review which is critical analysis of theories and what other researchers have explained on the subject and where the research projects fit in, the research gaps to be clearly identified. Chapter three were give out an explanation of the study design, sample and sample size, data collections and data collection tools, and how were analyze and presented.

Chapters four were presents data analysis, results and discussions of findings. Analysis of results, this chapter described the research findings their analysis and look an attempt of interpreting the main findings of the study based on the stated objectives. Chapter five were cover the summary of the major findings; conclusion and recommendations and area for further studies were given in this chapter.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The present study aimed at reviewing several literatures on the matters related to selected and proposed topic of research. Much on the links between service delivery and financial operations of NSSF needs to be reviewed in Tanzania and elsewhere. The chapter review several literatures to suit the current gaps and objectives. It builds theoretical foundation, upon which the research is based and several previous observations by previous researchers and authors are exposed with their gaps need to be filled.

2.2 Conceptual Definitions

2.2.1 Social Security

Refers to a formal system or arrangement concerned with protection against socially recognized conditions, including poverty, old age, disability, unemployment, sickness, orphanage and others. According to (Friedlander and Apte 1980; also Paul Spicker 2006).

2.2.2 Social Protection

Refers to a set of benefits available (or not available but considered necessary) from the state, the market, civil society and households or through a combination of these agencies to individuals and households to reduce or deal with multidimensional deprivation (Olivier MP & Kalula, 2004).

2.2.3 Social Assistance

Refers to government social protection programmes designed to protect the destitute with no other means of adequate support and incapable of contributing adequately to their social protection benefits (Collin Gillion et al 2000: 13).

2.2.4 Pension

Refers to an arrangement whereby regular periodic payments (usually monthly), like a wage or salary are made to an aged (old) member for some defined period or to dependants upon the member's death. Pension may be provided by the public (state) or private sector.

2.2.5 Social Assistance

Includes general assistance where cash benefits are provided for all or most people below a specified minimum income level, two: categorical assistance in which cash benefits are provided for specific groups, sometimes at a level above the minimum; and three: tied assistance where the state provides free or subsidized access to specific goods or services either in kind or in cash (Collin Gillion *et al.* 2000: 13).

2.3 Theoretical Review

2.3.1 Social Exchange Theory

The most comprehensive social exchange theories are those of the American social psychologists John W. Thibaut (1917–1986) and Harold H. Kelley (1921–2003), the American sociologists George C. Homans (1910–1989), Peter M. Blau (1918–2002), Richard Marc Emerson (d. 1982), and Claude Lévi-Strauss (1908–2009). Homans

defined social exchange as the exchange of activity, tangible or intangible, and more or less rewarding or costing between at least two persons. After Homans founded the theory, other theorists continued to write about it, particularly Peter, Blau and Richard. Emerson, who in addition to Homans are generally thought of as the major developers of the exchange perspective within sociology. Homans' work emphasized the individual behavior of actors in interaction with one another. Although there are various modes of exchange, Homans centered his studies on dyadic exchange. John Thibaut and Harold Kelley are recognized for focusing their studies within the theory on the psychological concepts, the dyad and small group. Lévi-Strauss is recognized for contributing to the emergence of this theoretical perspective from his work on anthropology focused on systems of generalized exchange, such as kinship systems and gift exchange.

Social exchange theory views exchange as a social behavior that may result both in economic and social outcomes. Social exchange theory has been generally analyzed by comparing human interactions with the marketplace. The study of the theory from the microeconomics perspective is attributed to Blau. Under his perspective every individual is trying to maximize his wins. Social exchange process brings satisfaction when people receive fair returns for their expenditures. The major difference between social and economic exchange is the nature of the exchange between parties. Neoclassic economic theory views the actor as dealing not with another actor but with a market and environmental parameters, such as market price. Unlike economic exchange, the elements of social exchange are quite varied and cannot be reduced to a single quantitative exchange the retrenchment of the state and broad neoliberal

economic policies. The so-called Washington consensus led by the American Government and the Bretton Woods Institutions (World Bank and International Monetary Fund (IMF)) took centre stage. (Barya, 2011).

Here, not only was the role of the state in the economy challenged, what had been traditionally regarded as the obligation of the state in providing certain basic services (such as health, education, water and others), then not seen as rights, was also being negated by the so-called Washington consensus. In terms of social security, deregulation processes were put in motion with the aim of leaving everything to the market because “the state had failed (Barya, 2011).

In the past two decades, research on social security in Tanzania has bifurcated between the study of modern and traditional and informal social security schemes. The focus has been mainly on formal social security and particularly on the protection of workers against contingencies associated with temporary or permanent loss of income. Formal social security schemes cover only 5% of the labour force and 6% of the population, most of those covered are working in the urban formal sector and these schemes provide few benefits (Bossert 198-7, Wangwe and Tibandebage 1999).

Since the main aim of social security is to help individuals maintain a reasonable standard of living when faced with social and economic contingencies, there has been an increasing recognition of the need to understand the adequacy of benefits. Studies by Mataba (1983) and Mlyansi (1991) show that the amount of benefit provided by various formal security

schemes in Tanzania is insufficient to avert poverty and they have thus failed to provide adequate social protection to members in distress. Moreover, these schemes are faced with a host of other problems, such as the small rates of interest awarded annually to members, the evasion of payment of premiums by employers and a lack of transparency, the delaying of benefits and disparities in risks covered (Barya, 2011).

2.3.2 Overview of the current Social Security Industry in Tanzania

2.3.2.1 Social Security Services in Tanzania

The process of development of social security in the world has been actively supported and promoted by the International Labour Organization. The ILO as an agency of the United Nations (UN) is charged with the task of social security development in the world. The ILO convention 102 sets the social security minimum standards which serve as guidelines for social security contingencies which must be covered to include: -old age, Invalidity, Death of the bread winner, Maternity, Sickness, Unemployment, Employment injury and occupational diseases, Family care and Health care.

In Tanzania according to the Public Service Social Security Act, 2018 there are two major mandatory government schemes that provide social security in Tanzania Mainland these include National Social Security Fund (NSSF) and Public Service Social Security Fund (PSSSF). Under this law the entire workforce would be served by the Public Service Social Security Fund (PSSSF) and the National Social Security Fund (NSSF), which cater for the public and private sectors.

By 2007 the Social Security Schemes in the Mainland covered approximately 760,000

long-term beneficiaries, representing only 2 percent of the total population or 4 percent of the total labour force. The funds cover loss of employment, retiree benefits and workers' compensation in the event of injury in the workplace. However, the benefits and services offered by the funds fall below International Labour Organization (ILO) minimum standards in terms of number, quality and their indexation to the current levels of earnings (URT,2009).

2.3.3 Structure of the Social Security Sector

According to (ILO, 2008) Provision of social security services in the country shall be structured as follows:

- i) ***Social Assistance Programmes***: The Government shall enhance the capacity to attend to the social assistance programmes that constitute services such as primary health, primary education, water, food security and social welfare services to vulnerable groups such as people with disabilities, the elderly and children in difficult circumstances on a means tested basis.
- ii) ***Mandatory Schemes***: Mandatory social security institutions that shall operate under the social insurance principles in accordance with minimum acceptable standards and benchmarks.
- iii) ***Supplementary Schemes***: Supplementary schemes shall be established to cater for different social services like health, pensions and other types of insurance over and above those provided by mandatory and social assistance programmes. These schemes shall be run by employers, private companies, professional bodies and community-based organizations (CBOs).

With regard to coverage, according to ILO (2008),

- i) Social welfare services shall be improved and extended to enhance accessibility to disadvantaged groups, including people with disabilities, the elderly and children in difficult circumstances.
- ii) A legal framework shall provide for all employees in the formal sector and devise means of extending coverage to the informal sector such as agricultural, mining, fishing and small businesses.
- iii) There shall be an act to support the formation of mutual assistance initiatives by the non-governmental organizations (NGOs), CBOs and other groups operating at community level.
- iv) Employers, financial institutions, professional associations, insurance companies, social security institutions and other organizations shall be enabled to establish supplementary schemes to provide social security benefits over and above those provided by mandatory and social assistance programmes.

2.3.4 Social Security Reform Path Challenges and Options

The challenge in many African countries continues to be the building up of credible and sustainable social security institutions, anchored on a clear concept of equity and supported by rules of the game that assure adequate governance. Development of a broad approach to social security that includes all persons both inside and outside the formal system can only be developed gradually and as a result of the efforts countries undertake to design and implement new social protection schemes (Sanchez, 1999).

The initial focus will in most cases be on the reform of formal social security arrangements, to an extent greater than is probably warranted. But there is hardly any choice given the current difficulties with formal social security systems. In doing so, it is necessary to proceed gradually and by taking careful stock of the existing situations. Social security reform is a difficult area of social policy, since the entitlements it creates are difficult to reverse later on, and long-term effects are difficult to visualize without the support of detailed technical analysis. Solutions that may appear attractive in the short-term can end up having very negative long-term effects. Countries must avoid at all costs strategies that cannot be sustained over time.

According to Sanchez (1999) it has been stated that improving social protection for the informal and traditional societies is going to take time, as it requires identifying mechanisms that are tested and feasible. This can only be done by using the lessons that will be gathered from the multiplicity of efforts to improve social protection coverage in the continent. Overtime, it is likely that the problems with the elderly in the informal sector will increase. By then, hopefully the mechanisms will be in place to allow societies to supply them with adequate protection.

2.4 Review of Empirical Studies

Empirical studies in social science are when the research ends are based on evidence and not just theory. This is done to comply with the scientific method that asserts the objectives discovery of knowledge based on verifiable facts of evidence.

Social insurance is the form of compensation provided and controlled by the

government for elderly, disable or unemployed people, acceptance in social insurance program are not guaranteed and individual, seeking to be covered have to meet certain requirements (Robert 2001). Robert had a limited coverage on how the society must be insured as the being created or financial budget on the matter above.

The UN-Report has a theory that Social Security Regulatory Authority is the main regulator of all pension schemes, tasked with improving coverage levels of the pension funds especially to the informal sector and rural based population such as farmers and pastoralists at present almost 6.5 percent of population in Tanzania is covered by pension fund this is relatively low as what could be expected in terms of funds and investment.

The perception of social security system in Tanzania needs to be evaluated by put efficiency performance and acceptability of their design features (John 2012) The current study will therefore take upon the above into consideration to access the NSSF operations and its financial performance for several years till now in their financial plans.

DFID (2005) strongly believes that countries which are poor with limited experience of social transfer system, the capacity to administer and deliver transfer is likely to be weak in the early stages of implantation. The current proposed research through NSSF HQ budget plans and implementation will analyses the financial matters involving the daily operations across challenges and prospects of NSSF and reflected elsewhere in Africa.

Since the main aim of social security is to help individuals maintain a reasonable standard of living when faced with social and economic contingencies, there has been an increasing recognition of the need to understand the adequacy of benefits. Studies by Mataba (1983) and Mlyansi (1991) show that the amount of benefit provided by various formal security schemes in Tanzania is insufficient to avert poverty and they have thus failed to provide adequate social protection to members in distress. Moreover, these schemes are faced with a host of other problems, such as the small rates of interest awarded annually to members, the evasion of payment of premiums by employers and a lack of transparency, the delaying of benefits and disparities in risks covered, and extending their coverage to informal sectors.

Despite the literature on poverty in Tanzania, most studies do not link poverty and social security policies and programmes. Hence give out the gap for this study to be conducted to assess the benefit of extending coverage of social security policies and povert, as it will be in hand with the Millennium development goals of trying to improve livelihood of the community. Therefore, this cutter for this study to be undertaken to assess the matter, although it has seen, perhaps the only exception is the study by ILO (1982). According to this, the basic needs of Tanzanians were in danger of being eroded by the market-oriented policies advocated by the World Bank and the International Monetary Fund. It advised Tanzania to pursue economic growth with redistribution as well as to provide public welfare services so as to ensure the satisfaction of basic human needs. Social security was not, however, perceived as one of the strategies needed for poverty alleviation.

Table 2:1 below offers a critical reflection amongst selected few African countries on social transfer costs equipment, considering purchasing power terms to the poorest 10 percent of household, for 7 countries including Tanzania.

Table 2.1: Social transfer cost equipment to us 0.5 a day (purchasing power terms) to poorest 10 % households

No	Countries	% of GDP	% of Estimated Govt Expenditure	% of Development Assistance (2003 level)	Cost of Benefit (US \$ Million)
1	Burkina Faso	0.3	1.8	3.0	13.4
2	Cameroon	0.2	1.2	3.1	27.8
3	Ethiopia	0.7	2.4	3.4	50.8
4	Guinea	0.2	0.7	2.7	6.3
5	Kenya	0.5	1.7	16.0	77.2
6	Senegal	0.1	0.6	2.3	10.4
7	Tanzania	0.7	3.1	4.9	82.4

Source: *DFID (2006) accessed through www.dfid.gov.uk/pubs/files/social-transfer.pdf*

Table 2.1 above gives a comparative social transfer cost equipment to US 0.5 a day related to purchasing power across 10% household of seven Africa nations, including Tanzania.

From table 2.1 above the researcher needs to know the reality focusing on Tanzania's NSSF, based on its subsystems and structures, comparatively on costs of national social transfer programs in poor societies with much to be reflected in social economic and political environments. The current study will reflect on Tanzania NSSF schemed finances and its systems focusing on challenges and prospects in Dar es Salaam. Among the projects that are listed in (NSSF's 2010/11) list are constructions of the storey 12 billion shillings Maadili house in Dar-es-Salaam. The project will be located

in Dar-es-Salaam and will be undertaken as a loan to the government on the basis of Design-Finance-build- transfer arrangement. The loan to carries an interest of 11 percent (Pegged against a 10 years). These are some of financial operations needed to be observed by the researcher to understand financial resources in relations to NSSF strategic operations.

Machica, (2011) highlights that social security works up to date, but some key challenges facing social security included fragmented legal and regulatory frameworks, where different Scheme report to different ministries. Much need to be observed in terms of its finances and cost of such operations in terms of NSSF. What could be financial implication of the above matter as one considers the NSSF headquarter in Dar-es-Salaam?

In Tanzania, one of perceived challenges on Social Security Operation is that Social Security System include un even benefit packages among the existing Social Security Institutions, in adequate regulated investment activities limited coverage and the role of social security institution. In the fighting against poverty (Grosh.et al 2008). The above needs to be understood in the context of financial structures and operations across NSSF. The author above needed an in depth study on resources available and its utility through NSSF Operations?

2.5 Research Gap Identified

Based on the literature above, much have been written on plans for Social Security Schemes, their investments and structure of operations yet is important to understand

the link between financial resources and expected performance in terms of challenges and opportunities as the market for social security expands and be competitive.

Only few researches have analyzed the situation on regard to NSSF in Tanzania. Therefore, this study cut across the need of having in depth analysis of the impact of the challenges and prospects for financial system operation in NSSF in relation to social protection delivery system in Tanzania.

2.6 Theoretical Framework

The concept of Social Security Protection could be briefly covers proactive measures, preventive measures, transformative measures and promotive measures.

The measures link with performance of NSSF financial systems and Social benefit measured through cost benefit analysis. General investment and financing social economic issues are reflected in institution framework in which Social Security Scheme is expected to operate largely environment and cost-benefit analysis across services and budgetary operative measures.

As the functions of NSSF board shall be, subjected to the provisions of the act to invest moneys available in the Fund. Currently NSSF needs to diversify further its investments; surpassing the challenges over investment as to where fund could perform better.

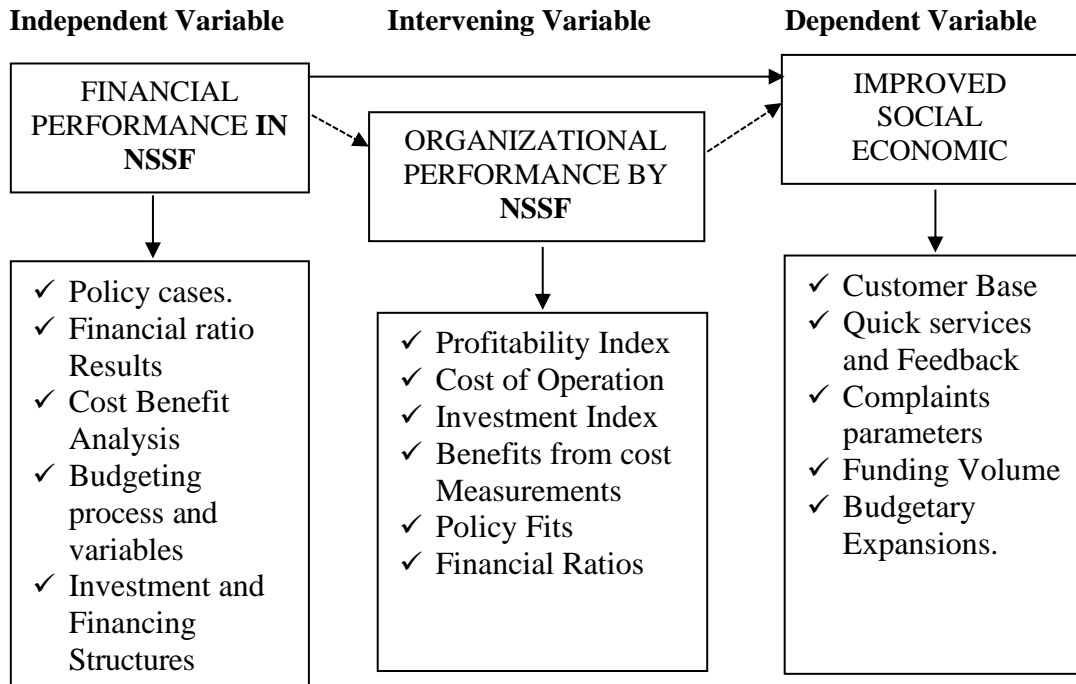


Figure 2.1: The conceptual framework for the present research

Source: By the Researchers (2019)

Figure above shows the conceptual framework on which the researcher articulated the consideration on the current research study, which links between independent, intervening and dependent variables. The current researcher studied on the challenges and prospects by considering NSSF as a case study at Dar-es-Salaam headquarters.

This considers three major variables financial performance by NSSF HQ, organizational performance by NSSF HQ and improved social economic benefits of NSSF stakeholder's status intended which were then categorized as dependent, intervening and independent variables based on 'Financial Performance and Social Benefit Delivery System. A Case of NSSF HQ in Dar-es-Salaam, considered as a research topic currently.

Major principles of investments have been safety, yield, liquidity, social-economic utility, maintenance of asset value and diversification, across NSSF financial structures. One of great successes of NSSF is the investment in the construction of Dodoma University, where it is a long-term contribution in the economy and peoples' lives in terms of service industry.

NSSF demographic projections implications where, the ratio of retirement pensioners to active contributors will increase from 1.74 percent in 2009/10 to 4.99 percent in 2058/2056. This reflects favorable age dependency ratio reflecting features of a young scheme but without significant increase in cost of the scheme.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter is on the methodology which was employed during the study. In light of this, the areas of the study and reasons which underpin the choice of area are explained. It provided explanations on research design and approach, the population, sample and sampling procedures, data collection methods and instruments to be used during data collection. Explanation on how instruments validated and how data collected and analyzed.

3.2 Research Philosophy

Research philosophy is the foundation of knowledge, the nature of that knowledge and the process by which the knowledge is developed based on how the researcher views the world (Kabou, 2008; Saunders et al., 2009). The study reflected the Philosophy of Positivism which is an approach that seeks facts or causes of social or business phenomena, with little regard to the subjective state of the individual. It is the procedure of applying scientific method to study social reality. Considering the purpose of this study is looking at causative relationships, the type of investigation, the extent of researcher involvement, the time period over which data was collected and the type of analysis, the philosophical approach guiding this study is positivism.

3.3 Research Strategy and Design

A descriptive research design was used in this study this, enhances the current

researches to earn a comprehensive information required to cover the current investigation required to cover the current investigation, where both qualitative and quantitative approaches were utilized. A case study approach and SWOT-analysis were used to analyses the selected situation and information. Quantitative approach through percentage, trend analysis, ratio analysis frequencies, averages and variance analysis were also used for further analysis and confirmation. Secondary data have been the core of data stream for the current study.

3.4 Area of the Study

The study is based on NSSF headquarter in Dar-es-Salaam analyzing financial performance and social benefits delivery system. NSSF has the vision that the fund envisions becoming a leading provider of social needs using competent, innovative result oriented and dynamic resources and state of NSSF is based on respect, intergrity, innovativeness, promptness reliability and accountability.

3.5 Sample and Sampling Procedures

Since the study is based on both primary and secondary data from NSSF head office, random sampling was applied to some few financial variables to be analyzed critically with time (from financial year 2013/2014 to 2017/18) budget statements as secondary data. A total of 100 employees were interviewed as reflected by table 3.1 below from different sections of the organization (NSSF-HQ). The combination of secondary data and primary data offers the strength on validity and reliability, where by further interview of 100 employees had to be conducted in link with secondary information obtained. The researcher tried to analyze selected financial variables, seen in the tables

related to the research problems further the sample composition of interviewees and where critical observation was done is indicated on table 3.1 whereby stratified sampling was applied based on several key areas/sections of NSSF.

Table 3.1: Sample respondents' interviewees

S/N	Section of Organization	Respondents	Percentage From Population
1	Finance and Accounts	40	40
2	Administration	15	15
3	Compliance	10	10
4	Registration	20	20
5	Other Staff	15	15
	Grand Total	100	100

Source: Source: Researcher's Findings, 2018

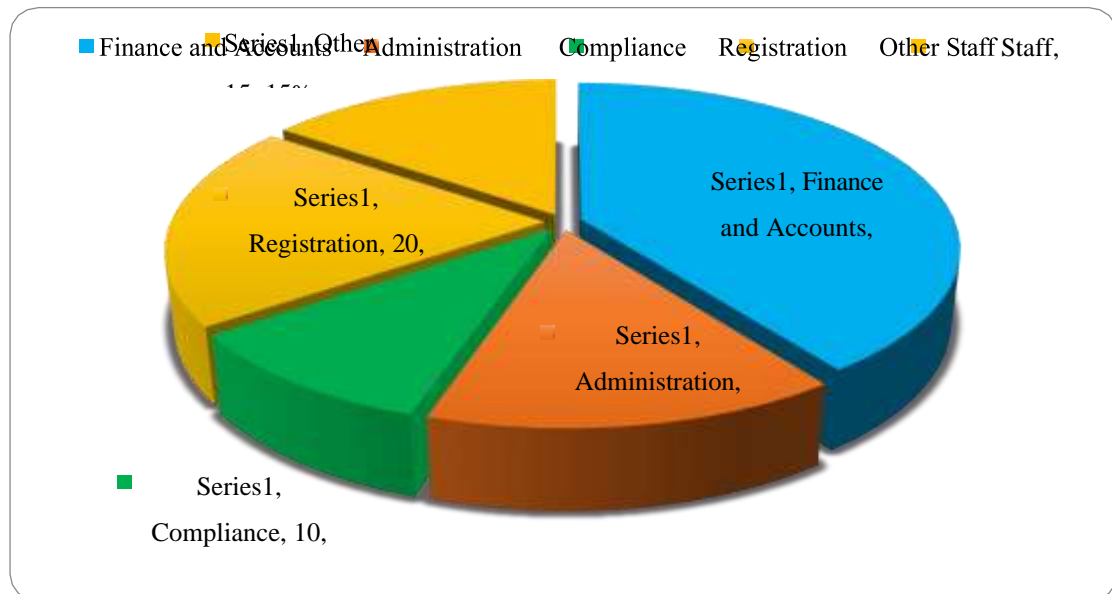


Figure 3.1: Sample respondents' interviewees

Source: Source: Researcher's Findings, 2018

The sample size was focused on time perspective available for the research to be done, financial cost needed to be incurred by the researches and the core population targeted.

Every part of organization had to be covered; where by a total of 100 respondents were interviewed as explained by table 3.1 above and therefore stratified sampling technique was used.

3.6 Data Collection Instruments

Several questions were asked directly from the interviewees from the organization from each section as explained by table 3.1 and compared with the secondary information from their financial and budgeting reports. Observation and case study were significant tools to gather information required, and documentary review of several documents from each section listed in Table 2.1.

3.7 Validity and Reliability of Instruments

For comprehensive analysis both primary data from interview and observation were linked to secondary information from documents reviews. Reliability is explained by Miles and Huber man (1994) as to whether the process of study has consistency, is stable over time across researchers. While Cohen *et al*, (2000) explain validity as ability of research instruments to measure and the degree to which the results can be generalized to the wider population, cases or situations in this study multiple instruments and technique were used in which one instrument or technique complement one another.

CHAPTER FOUR

ANALYSIS, FINDINGS & PRESENTATION

4.1 Introduction

The chapter presents the results obtained from the field and review of documents on the problem of research and research question focused on the present research study NSSF is fully funded scheme running under defined benefit principles. All funds collected are wholly invested for the purpose of financing benefit payments. It is however noted as background that in each particular financial year the fund set are side at least 75 percent of its investible fund for investment purpose. The NSSF was established by the Act of Parliament No. 28 of 1997 to replace the defunct National Provident Fund (NPF). According to Tanzania National Social Security Policy (2003) it states that, “Every human being is vulnerable to risk and uncertainties with respect to income as means of life sustenance. To contain these risks, everyone needs some form of social security guaranteed by the family, community and the society as a whole.

4.2 Background Characteristics of Respondents

The researcher tried to understand and know the compositions of respondents. 100 respondents were asked several questions about their sex, age in profession (experience) and so on and the following are summarized results of the field observations, across NSSF office.

Table 4.1 reflects the respondents’ categorization and characteristics from the field; from NSSF Dar es Salaam showing demographic characteristics, of the sample,

framing perception and answers expected by the current research study without ignoring response and number level.

4.2.1 Financial Projections (Prospects)

Average replacement ratio for retirement pension for NSSF is expected to increase from 33.7 percent in 2009/2010 to 65.8 percent in 2058/2056 and the implication on service appears that the scheme approaches maturity as most pensioners attain maximum years of service. The cost of scheme measured in terms of pay as you go cost rates is expected to increase from 11 percent in 2009/2010 to 16 percent in 2058/2059. Reserve ratio will decrease from 6 percent in 2009/2010 to 2.2 percent in 2058/2059 where reserve ratio over equilibrium period of 20 years is 3.6. This shows that, if NSSF stops receiving contribution today, it can still be able to meet its obligations for 6 years. In 20-year time it is possible to stop receiving contributions and meet obligations for 3.6 years. In 50-year time this is possible for only 2.2 years.

Table 4.1: Key performance indicators currently

S/N	Indicators	2015/16	2016/17
1.	Return on Investment	10.20%	15.80%
2.	Projected Inflation	12.03%	10.38%
3.	Projected real Return on Investment	-1.83%	5.42%
4.	Targeted Real Return on Invest	Less than 1%	Less than 5%
5.	Investment Income (Tsh mil)	120,031.8 Mill	180,095.7 Mill
6.	Total Investment (Tsh mill)	751,354.5 Mill	951,837.5 Mill
7.	Rent collection Defaulting rate (Industrial Average)	3%	2%

Source: Researcher's Findings, 2020

Current NSSF financial performance indicates some improvement as compared to previous year and appears to be able to deliver its obligations to stakeholders if above financial indicators will be maintained.

Table 4.2: Respondents categorization and characteristics

S/N	Respondents		Selection/Formulae	
			Frequency	Percentage
1	Gender	Male	66	66
		Female	34	34
2	Age	18 – 28	12	12
		29 – 39	20	20
		40 – 49	65	65
		50 – 59	3	3
		60 +	0	0
3	Education	Primary level	12	12
		Secondary –O	5	5
		Secondary –A	15	15
		Certificate	3	3
		Diploma	15	15
		Degree	50	50
		Others	-	-
4	Experience	Less than 10 yrs	30	30
		11 - 21 yrs	50	50
		22 - 32 yrs	15	15

Source: Researcher's Findings, 2020

From the table 4.1, the researcher found that out of 100 employees interviewed 66 percentage were male and the 34-percentage female, most of them were at the age between 40 to 49 which is 65 percent of the sample, followed by the age gap of 29 to 39 which 20 percent. There were no employees of age 60 years and above. Majority of works are done by male in the organization.

The organization is run by the officers who are having degree qualification (50 percent) and Diploma level (15 percentage). This shows currently the organization is pushing for more professionalism and knowledge base for better services. On experience with the organization, majority of employees fall under 11 to 21 years of working with NSSF. Followed by less than 10 years, which are 50 and 30 percent respectively. The least group are the employees who have worked for 33 years and

above which is 5 percent. This shows that NSSF is shifting towards young professional blood to cutter for competitive market services.

Table 4.3: NSSF balances between its financial performance and services expected from stakeholders

S/N	Policy and Stakeholders Reflection	Response	Frequency	%
1	Do you have financial regulation to support stakeholders' services?	No	40	40
		Yes	60	60
		TOTAL	100	100
2	Do the employees know how to link between financial performance and service delivery benefit?	Yes	62	62
		No	38	38
		TOTAL	100	100
3	Do you use stake holders' perception to improve on NSSF financial performance?	Yes	72	72
		No	28	28
		TOTAL	100	100
4	Do you have benefit cost analysis system reflecting organizational objectives and stakeholders objectives in NSSF?	Yes	65	65
		No	35	35
		TOTAL	100	100
5	Are all employees support financial system based on stakeholders need?	Yes	100	100
		No	0	0
		TOTAL	100	100
6	Do you see some challenges in organizational performance against services delivered by NSSF?	Yes	90	90
		No	10	10
		TOTAL	100	100
7	Is NSSF financial performance creating Social Benefit?	Yes	100	100
		No	0	0
		TOTAL	100	100
8	Do you see any required improvement on balancing between NSSF financial performance and services delivery systems?	Yes	100	100
		No	0	0
		TOTAL	100	100
9	Is financial performance necessary for better service delivery at NSSF?	Yes	45	45
		No	55	55
		TOTAL	100	100

Source: Researcher's Findings, 2020

From table 4.3 several core-selected questions were asked in all section of the organization pertaining the NSSF financial performance being linked with service delivery system and results were given in terms of percentage and frequencies levels. On 9 questions posed for interviewees from NSSF. 60 percent agreed that financial regulation do support stakeholders' services, while 40 percent did not support 55 percent of employee commented that NSSF employees do not know how financial performance could be linked with service delivery system per se.

72 percent of the 100 employees agreed that NSSF does benefit-cost analysis reflecting organizational objective and stakeholders' objectives. 65 percent of interviewed employees appear to support financial system of NSSF based on stakeholders needs, while

100 percent of the employees admit that there are challenges in organizational performance against services delivered by NSSF. 90 percent agreed that NSSF performance creates social benefit while 10 did not agree and 45 percent agreed that financial performance is necessary for better services delivery at NSSF while 55 percent did not agree on the above. Therefore 100 percent agreed that there should be an improvement on balancing between NSSF financial performance and services delivery system. From above sampled results from NSSF 100 employees, much needs to be understood or improved when measuring financial performance to be reflected by services delivery system by NSSF Majority of stakeholders appear to think that is no connection between organizational performance and services delivered by the organization which need to be balanced between the two sides to support one another.

More observations had to be done across NSSF financial figures from 2008 to 2012.

The fund's operations are influenced by various factors constituting its operating environment. These are both external and internal factors domestically, it is found to be Government plans, policies, program, budget and legal framework as well as domestic economic factors, External factors include regional and international underpinnings particularly movements in global markets and the global economy. NSSF formulate guidelines with much emphasis on internal factors. Where reflections of its financial variables reflect its operational performances

Table 4.4: Challenges facing NSSF and percentages of respondents

S/N	Challenges	Strong Agree	Agree	Not sure	Strongly Disagree	Disagree	Total
1	Many clients	60	20	5	5	10	100
2	Low Investment Return	25	5	15	5	50	100
3	Slow Internet slow Financial services	84	16	-	-	-	100
4	Lack of cooperation NSSF and stakeholder	2	3	15	80	-	100
5	Delay of cheque	100	-	-	-	-	100
6	Error and misinformed	-	90	4	6	-	100
7	Delay in Contribution	86	2	2	5	5	100
8	Bad Regulations	74	6	14	4	2	100
9	Bad Leadership	-	2	82	16	-	100
10	Ignorance in Financial Dept	2	-	1	83	14	100
11	Change in Govt Policies	82	16	2	-	-	100
12	Competition in Social Services markets	96	4	-	-	-	100
13	Less Motivation on Employees	18	82	-	-	-	100
14	Lack of Awareness on New policies	96	4	-	-	-	100
15	Poor Economic conditions	84	5	6	-	-	100
16	Difficulties in Financial system	10	90	-	-	-	100

Source: Researcher's Findings, 2020

Based on the interview conducted across 100-interviewees from NSSF, above table 4.4 summarizes on the core challenges as NSSF as an organization need to perform considering financial resources and system and what is expected from its stakeholders on services delivery system. The numbers in Brackets () signify the percentage of response on the specific challenge while the un-bracket gives the frequency response on perceived challenge across NSSF.

Major challenge (100 percent) was indicated to be the delay of cheque ,followed by lack of awareness on new policies in NSSF and the government (96 percent) and competition in social security services (96 percent),changes in government policies(82 percent)slow internet system connected to financial processed (84 percent) poor economic condition(84 percent)as strong agreed.90 percent agreed that error and misinformed to be a challenge, less motivation on employees(82 percent) agree 82 percent were not sure if bad leadership is a critical challenge for NSSF. 83 percent strongly disagree on ignorance in financial department to be a challenge.

Much needs to be improved by NSSF as the competition across social security industry becomes stiff and real. The social security sector in Tanzania Comprises of seven (7) social security institutions, namely the National Social Security Fund (NSSF) Parastatal Pension Fund (PPF)the Public Pensions Funds (PSPF), the Local Authority Pension Fund (LAPF)the Government Employees Provident Fund (GEPF)the Zanzibar Social Security Fund (ZSSF). These institutions invest a significant amount of their assets in financial markets and play a significant role in the development of the country's financial sector. The researcher found that however, the schemes are

fragmented, have low coverage and different designs in their benefit structures. It is expected that establishment of social security Regulatory with the objective of harmonizing and overseeing operations of social security institutions in the country will facilitate efforts to address challenges.

Table 4.5: Portfolio structure of NSSF investment (Tsh. Millions)

S/N	Variable	2013/14	2014/15	2015/16	2016/17	2017/18
1	Government Security	98,387.75	159,832.45	164,969.44	158,838.50	174,285.88
2	Fixed Deposits	37,647.23	35,545.18	68,298.55	146,292.92	183,103.82
3	Corporate Bond	15,331.84	12,755.00	10,804.50	8,054.00	6,418.00
4	Loans	81,782.72	117,315.96	182,251.48	283,949.73	387,378.34
5	Equity	91,489.16	96,911.50	61,047.41	62,988.00	69,208.75
6	Real Estate	100,263.36	108,292.55	182,908.64	198,558.00	214,452.53
7	TOTAL	424,899.09	530,652.64	670,280.03	858,681.15	1,034,847.32

Source: *NSSF Reports 2020*.

The above Table 4.5 show the financial Investment proportion holding as at 30th June 2013 whereby Investment of NSSF is 21 percent in real estate, 36 percent on loans, 18 percent deposits, 17 percent Government securities and 7 percent equity, 1 percent is invested in corporate bond. Based on competition in the sector, NSSF needs a critical financial performance to survive and offer better services for its stakeholders

The table 4.5 above shows investment of NSSF has been increasing from 2013/2014 to 2017/2018 and the general trend appears to be maintained in the future as NSSF tries to build on income generation activities which are also depicted on table 4.6 below. There has been a progressive investment which builds capacity and value for servicing the members of NSSF.

Table 4.6: Income from investment (Million Tsh) NSSF HQ

S/N	Investment	2013/14	2014/15	2015/16	2016/17	2017/18
1	Gov't Securities	9,533.70	10,731.9	12,700.9	17,162.7	17,100.1
2	Fixed Deposit	1,827.50	2,502.80	3,020.10	4,941.03	9,477.01
3	Corporate Bond	621.8	927.4	1,659.23	1,587.32	1,329.16
4	Loans	4,371.00	5,259.40	9,928.40	10,335.6	12,609.3
5	Equity	2,717.40	4,238.40	5,238.52	4,897.59	5,090.32
6	Real Estate	2,225.50	2,804.60	3,959.60	4,871.15	9,117.65
	Total	21,296.9	26,464.5	36,506.8	43,705.5	54,723.6

Source: Researcher's Findings, 2020

From the above table 4.6, the researcher found that 7 percent was income generated by investment on equity, real estate generated 13 percent of income, Government securities generated 25 percent, fixed deposit generated 25 percent, corporate bond generated income of 2 percent while loans 28 percent equity 7 percent and real estate 13 percent from investment. The highest income for NSSF was generated through loans (28%), fixed deposit (25%) and Government securities (25%). Currently NSSF is facing competition from several social security institutions and therefore needs to diversify investment for sustainable organization performance and better services to maintain and increase their members and also to increase the income. The researcher found that with the differences in income generation due to different economic operations and economic performances, NSSF had to diversify its products to be able to capture its income and that the main principles of investments are based on safety, yield, liquidity, social-economic utility, maintenance of asset value and diversification. All the six categories in table 4.6 appear to have been increasing and therefore generating more income from investment, adding value to organization and to its services.

The researcher found out on the guide on NSSF investment policy reflecting the Board

of Trustees are based on: Where to invest, Investment criteria, Targets of Investible Funds, Annual Investment Allotment and Investment procedures.

The policy appears to have created an uptrend of NSSF total investment since 2013/2014 to 2017/2018. The challenge has been observed that the investment is yet to serve the large part of community to create security through the total investment increases every year and much of the funds collection is done in the salaried employees of Tanzania. This needs to be changed as the main objective of NSSF is not to create funds for organizational investment, but funds should be used for social security objectives.

The administration of NSSF had earlier sort to influence the patterns of investment and the future investment direction has been focused as depicted by table 4.7 below. The researcher observed 4 areas of concentration by the NSSF. Future investment for value addition is indicated in table 4.7 categorized into major groups being real estate, infrastructure, loans provision and financial and capital market investments. Each investment is having sections where investments will be done or expected to be done by the fund.

Table 4.7: Future investment for value addition

S/N	Real Estate	Infrastructure	Loans	Financial/Capital Market
1	Satellite cities	Bridges example Kigamboni	For NSSF members	Focus on listed stock or securities
2	Building and selling	Roads example Dar-Chalinze road	Government	Focus on Government securities
3	Housing financing (Finance)	Power generation		

Source: *Researcher's Findings, 2020*

Five major challenges were found by the current researcher on value creation process for NSSF and its stakeholders which were Taxation charged on Funds, Investment Income, Limited Investment revenue, Limitation to Foreign Investments, Untimely payment of contribution and Defaulters on rent and loans.

But apart from above challenges, Investment function appears to be inseparable activity of any dynamic social security institution and this has been a focus by NSSF currently and in the next future. NSSF has a total of 49 offices across the country and needs to be increased to cover the services needed by social security stakeholders across Tanzania.

The researcher managed to observe membership size from NSSF and created table 4.7 on registration of members and employers the trend from 2013 to 2018 below. During the nine months, NSSF managed to reach membership size of 537,470 members, against the target of having 660,514 members, representing 85.2 percent performance. Performance under this has been 76.3 percent. A total of Tsh 340,056.1 million was collected against the target of collecting Tsh 445,541.5 million. Table 4.8 indicates the figures and projections (see below):

Table 4.8: Registration trend on members and employees

S/N	Period	Contribution Members		Contributing Employees	
		New	Total	New	Total
1	2013/2014	75,696	380,693	1562	14,465
2	2014/2015	84,554	408,970	1596	14,927
3	2015/2016	101,599	465,843	1756	16892
4	2016/2017	84,471	465,843	1756	16892
5	2017/2018	89,255	506,218	1755	17666

Source: Researcher's Findings, 2020

Table 4.8 shows an increasing trend in the total but much fluctuation is seen the column of new whereby looking for better policies is needed by the NSSF to make better compliance and encourage new members by discovering new avenues to add value on NSSF operations and financial generation to serve the members and society as NSSF is now facing a stiff competition across other social security funds in Tanzania. Currently the contribution the contribution rate has been 20 percent of the employee's gross wage this is yet to confirm how it adds value not only to NSSF but to the members every day. Where the employer may deduct from the employees wage the amount not exceeding 50 percent of the contribution rate delayed contributions are charged a penalty of 5 percent for each month delayed.

Table 4.9: Performance indicators 2017/2018

Indicator	2017/18 Target	9-month Target	9 months Actual	Performance %	Projected to June 2018
Degree of Compliance	76%	76%	72.0%	94.7%	76%
Active members/Total members	87%	87%	77.56%	89.01%	87%
Degree of satisfaction	97%	97%	81.56%	84.53%	97%
Total Contribution	594,055	445,541.5	340,056.1	76.3	594,055.3

Source: Researcher's Findings, 2020

Table 4.10: Contribution in Tsh''000,000'' from June 2013 to June 2018

S/N	Period	Contribution	Members Contribution		
			Members	Contribution	Percent
1	2013/14	126,966.99	380,693	293,341	77.09
2	2014/15	162,379.14	408,970	325,221	79.52
3	2015/16	201,733.90	449,039	347,791	77.45
4	2016/17	255,715.59	465,843	366,083	78.59
5	2017/18	315,317.95	506,218	391,863	77.41

Source: Researcher's Findings, 2020

Fluctuation in terms of contribution shows there is a delay of funds to be contributed and therefore compliance appears to be one of the costly affair in NSSF to fulfill its core objectives in building value as the percent changes 2013/14 (77.09), 2014/15 (79.52), 2015/16 (77.45), 2016/17 (78.59) and 2017/18 (77.41). This shows as well less improvement in terms of contributions.

Retirement Pension formula for NSSF has been underlined by the following formulae:

$$N = 1.5 * B / C$$

Where: B = the balance on 30th/ June/1998

C=last contribution before 1st/July/1998

1.5 is the conversion factor

If $N > 108$ then:

$$N_1 = 108 + (N - 108) / 2 \text{ then Add Contributions after June 30}^{\text{th}}, 1998$$

Having the formulae above for conversion, NSSF had intended the following:

- Obtain pension credit for founding members
- Take into accounting the time value of money
- Convert 10 percent contribution rate paid prior to July 1989 into 20 percent currently payable to the Fund.

And therefore, Retirement Pension Formulae:

Monthly Pension = Average insurable Monthly Earnings*Applicable Percentage
(AIME)

$$\text{Pension} = [1/50 * 15 + 0.015 * (N - 15)] * \text{AIME}$$

Where N = the number of completed years of working life.

The formulae above have been challenged by theoreticians and other stakeholders as it does not favor value creation to a member, but it creates more profitable lines on releasing the cost from NSSF to be borne by its members in the long run and less adjustment has been observed in terms of minimum Pension in Tsh. The current researcher summarizes on value making rates observed in table 4.11 below for comparative analysis (Value creation and rate fixation).

During the financial year 2013/14 the fund projects to collect Tsh.1, 268,936.30 million from contribution, maturing investment income from investment and other sources. This is an increase of 18.6 percent over the 2012/13 projected budget for total sources of funds. The estimated total income that is sources excluding maturing investments is Tsh 893,691.2 million representing a growth rate of 20.4 percent over the projected total income to June 2013. Table 4.11 highlights the core sources of funds for NSSF value addition.

Table 4.11: NSSF core sources of funds

Source	2013/14	2014/15	2015/16	2016/17	2017/18
Contribution	315,317.9	394,681.61	420,242.2	594,055.3	706,416.30
Income from Investment	59,870.0	57,014.7	71,352.90	120,092.90	180,095.70
Maturing Investment	196,105.0	227,405.1	138,780.30	353,137.0	375,245
Other Sources	1,092.4	541.4	398.70	2,193.5	7179.20
TOTAL	572,385.3	679,642.80	629,029.40	1,069,478.7	1,268,936.3

Source: Researcher's Findings, 2020

During the financial year 2013/14, NSSF projects from the trend to collect Tsh 706,416.3 million in contribution and penalties being an increase of 18.9 percent over the 2012/13 projected contribution collection to June 2013 as extracted to appendix c1

Table 4.12: Pension in Payment as of January 2014

S/N	Descriptive of Value	Amount in mill Tsh
1	Total No of Pensioners in the payroll	4,989
2	Average Monthly Pension Rate	138,805
3	Minimum Pension Rate	80,000
4	Highest Pension Rate	10,446,376

Source: Researcher's Findings, 2020

Below is the Benefit payment trend in Tsh "000,000" from 2013/2014 to 2017/2018.

Table 4.13: Benefits payment trend from June 2013 to June 2018 in millions

S/N	Period	Benefit Value Created Tsh Million
1	2013/14	40,183.89
2	2014/15	50,522.7
3	2015/16	78,259.78
4	2016/17	80,212.78
5	2017/18	102,828.25

Source: Researcher's Findings, 2020

The current researcher found several matters on the compliance in NSSF as challenge as summarized below, which do affect critically the value creation for NSSF to perform much better including

- Large size of informal sector limits extension of coverage
- Fragmentation of social security laws creates a vacuum for pension contribution evasion
- Reaching out distant employers increases the cost of contribution collection
- Non availability of members for registration under finger print technology delays registration process and issuance of members (commented by NSSF administration)

- Understatement of wages affects members' future benefits
- High rate of withdrawal affects members accrued benefits rights
- Variation member's particular at the time of claiming benefits may delay benefits payment. The fingerprint technology will mitigate this problem
- Reluctance to enroll with SHIB for majority of members.

Above appear to be general operational constraints on the NSSF to be able to add value for the future performance, measured in terms of financial performance. NSSF estimates source of fund of Tsh.1, 268,936.3 million will be applied for benefit payment, capital expenditure, and administrative expenses and for investment purposes. Table 14.14 summarizes the application as expected to create value for NSSF and its stakeholders.

Table 4.14: Summary of application of funds (Tsh mill)

S/N	Category	2013/14	2014/15	2015/16	2016/17
1	Benefit payment-NSSF	128,908.1	149,270.8	209,109.8	198,196.0
2	Benefit payment-TTCL	905.6	717.75	850.0	770.0
3	WESTADI	-	-	-	34.0
4	Administrative Budget	50,710.0	64,792.6	94,290.4	103,266.8
5	Capital Budget	9782.0	11,018.9	13,812.90	14,832.0
6	Investments	489,337.2	485,944.1	851,415.6	951,837.5
	TOTAL	679,642.8	711,744.15	1,069,478.70	1,268,936.3

Source: Researcher's Findings, 2020

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents conclusion and recommendations in the current study. It also provides the suggested areas for further studies; Limitations of the study are also discussed together with the recommendations that need to be taken into considerations for future study.

5.2 Summary of the Study

It was stated that the study was going to assess challenges and prospects for financial system operation in NSSF in relation to social protection delivery system Particularly to assess the financial performance variables in social security funds (NSSF), determine financial performance variables that lead to inefficiencies in social security fund taking a case of NSSF in Tanzania, examine potential prospects on how NSSF head quarter may improve its financial operations to improve its social services delivery system in Dar-es- Salaam and recommendations on how NSSF head quarter may improve its social services delivery.

The government is still needed to regulate and harmonize between NSSF investment trends, fund collection and value addition to benefit the intended core objective provide social security services for the community in Dar es Salaam and elsewhere.

5.3 Summary of the Major Findings

There is a need for a harmonized policy and regulation of all social security funds in

Tanzania so as to maintain value created by these funds not to invest on several asset building activities only, but to be able to balance with the re-distribution of such value to the economy and society of Tanzania for security purposes.

NSSF appears to be controlled by the power of Government policies and the organization while it has to be more influenced by the voices and power from its member as members are the one to contribute to the value of the organization not only employees and administration decisions.

Major analyses are keenly observed in the tables and statement on chapter four containing in tables, in the form of financial values, ratios, percentages and trend analyses by the researcher.

5.3.1 Major Recommendations from Study

The researcher recommends that NSSF should be more creative in solving community-based problems not to look on pay off investment only for their own profit and leave the members and their society unsatisfied and therefore there should be a balanced approach with more coverage of the Tanzania population.

NSSF needs to be a critical researcher and listen to its members and other stakeholders on how it can create more value for itself and for its members (a balanced approach)

Much should be transformed on how NSSF services its members and how funds need to be collected and distributed for value creation.

NSSF needs to balance the gender aspect where by much of efficiency could be resulted into value making by fair contribution from both employees considering gender participation and balance as the researcher found that out of 100 employees, 66 percent were men and 34 percent women.

Better services from NSSF sometimes don't depend on financial base but the spirit with which the employees and the organization will be ready to help the stakeholders through table 4.2, ninety percent (90%) of respondents said that NSSF financial performance creates social benefit, but 45 percent highlighted that financial performance being a necessary condition for better services delivery at NSSF and the 55 percent said not the necessary condition.

There should be a balance between service delivery and organizational performance in NSSF. NSSF should consider so many factors as describe by the respondents in table 4.3, appears mixed on how value can be created by solving those challenges with time.

The future outlook for NSSF appears bright if the future investment will be done appropriately with time as explained on table 4.6, for NSSF value addition. NSSF should use technology and better management to improve on contribution and investment.

All challenges noted by the current study should be taken seriously by NSSF and also could be the background for future researchers on the area of Social Security Scheme and Policies in Tanzania. As Tanzanian population is growing and the Social Security

Schemes are growing with their markets and funds and their investments need to add value to the livelihood and satisfaction of their stakeholders within the expansion of their financial base and operations. The researcher encourages policy makers and other stakeholders to consider ways on how to solve challenges and improve on opportunities through NSSF community operations

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APPENDICES

Appendix A: Media and Public Relations Policy

SHIRIKA LA TAIFA LA HIFADHI YA JAMII

1.0 INTRODUCTION

- 1.1 Media and Public Relations are an essential tool for the day to day operations of the National Social Security Fund. It is therefore of utmost importance that the Fund develops, and continues to develop, both a pro-active, as well as a re-active, relationship with the media, so as to enhance and build the reputation of the Fund within the Community, as well as Internationally.
- 1.2 The Media and Public Relations Policy (MPRP) is necessary to safeguard the Fund's Corporate Image and reputation. It is crucial for the Fund's image to be safeguarded by proper execution of all Funds activities and events by ensuring minimum quality standards are met and by ensuring that all execution protocols are adhered to.
- 1.3 The Media and Public Relations Policy (MPRP) will guide the Fund's Management on the responsibilities of Public Relations and Customer Services department of the Fund by stating the tasks under Public relations and its lines of responsibilities to avoid confusions or misunderstanding while dealing with the media or issues of reputational management for the Fund.
- 1.4 The Media and Public Relations Policy (MPRP) will ensure that the Fund will be represented, at all times, accurately, and in the best possible light. When information is released, every effort must be made to avoid misrepresentation, misunderstanding, and/or confusion.

- 5.4 Corporate Social Responsibility (CSR), The Public Relations Office will manage the Corporate Social Responsibility programs for the Fund in accordance with the Fund's Donation Policy. Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large – This is done by donating to various social causes and agenda through the PR-Protocol Unit.
- 5.5 Customer Relationship Management (CRM), The Office of Public Relations will maintain the complaint handling system of the website and ensure all complaints are routed to appropriate units and follow up on timely responses to all queries and complaints. This will also be done through the call centre.
- 5.6 Public Education through Mass Media.**
- 5.6.1 The Office of Public Relations and Customer Services will educate the Fund's stakeholders on the operations of the Fund, services/benefits offered and other positive activities of the Fund to build the Public's confidence and enhance member registration efforts through the PR-Public Education Unit.
- 5.6.2 The Office of Public Relations and Customer Services will also in liaison with the Directorate of Operations carry out Member seminars to enhance the awareness of the Funds activities and Image.

:/NSSF/HQ/CPCS/BM 7
y 2012

- 5.1.7 The Office of Public Relations is normally responsible for the continuous development of high quality coverage in the local, regional, national, international and specialist publications as

SUMMARY OF SOURCES & APPLICATION OF FUND FOR 2013/14

APPENDIX B

42,507.0

FIG IN TSHS. '000,000'

A: SOURCES	Budget for 2012/13	Budget for July-Mar 2013	Actual July-Mar 2013	Variance	% of Variance	Perf.	Projection to Jan-13	Budget for 2013/14	Growth rate
i Contributions	594,055.3	445,541.4	340,056.1	(105,485.3)	-23.7%	76.3%	594,055.3	706,416.3	18.9%
SUB TOTAL	594,055.3	445,541.4	340,056.1	(105,485.3)	-23.7%	76.3%	594,055.3	706,416.3	18.9%
B Income from Investment									
a Two Year Treasury Bonds	1,736.5	1,541.7	2,092.6	550.9	31.7%	135.7%	1,736.5	2,341.8	35.2%
b Five Year Treasury Bonds	6,514.2	4,522.4	5,338.6	806.2	12.4%	117.8%	6,514.2	9,834.7	50.7%
c Seven Year Treasury Bond	8,165.6	5,601.2	6,407.0	805.8	9.8%	114.4%	8,165.6	13,015.1	58.4%
d Ten Year Treasury Bond	13,025.9	10,858.5	13,136.2	2,277.7	17.5%	121.0%	13,960.9	18,465.8	32.0%
e Income from Treasury Bills	679.0	351.9	0.0	(351.9)	-51.8%	0.0%	0.0	670.7	
f Income from Fixed Deposits	13,275.7	6,633.4	14,864.3	8,230.9	124.1%	224.1%	16,044.4	24,358.0	51.8%
g Income from Special Deposits	316.3	232.0	257.6	25.6	8.1%	111.0%	316.3	1,465.3	363.3%
h Interest from Government projects	67,161.1	47,674.1	10,629.8	(77,044.3)	-114.7%	22.3%	30,354.4	58,661.0	83.3%
i Interest from Loans	5,811.5	3,349.2	8,877.3	5,528.1	95.1%	265.1%	11,373.1	10,416.2	-8.4%
j Rent Income	14,628.1	10,971.0	8,532.3	(2,436.7)	-16.7%	77.8%	14,628.1	21,357.4	46.4%
k Kinyerezi scheme	106.8	80.1	43.8	(36.3)	-34.0%	54.7%	106.8	106.1	-0.7%
l Mtoni Kijichi affordable i:	2,912.0	2,512.0	73.0	(2,839.0)	-97.5%	2.5%	2,912.0	2,421.8	-16.8%
m Dividends & Capital gain	10,925.4	7,670.8	6,136.8	(1,534.0)	-14.0%	80.0%	10,925.4	7,373.2	-27.0%
n Sale of Serviced Plots								5,952.1	
o Sale of Real estate investments	698.2	698.2	0.0	(698.2)	-100.0%	0.0%	698.2	698.2	0.0%
p NSSF / TTCL Investments	1,522.0	1,279.2	1,525.2	246.0	16.2%	119.2%	2,282.1	2,018.4	-10.6%
q Westall								140.0	
SUB TOTAL	147,560.2	104,385.7	77,914.3	-26,471.4	-18.0%	74.0%	120,092.9	180,095.7	50.0%
B Maturing Investments									
a Treasury Bills	0.0	0.0	0.0				0.0	0.0	

Appendix C 15
 Figures in Tshs'000,000

OTHER INCOMES FOR THE YEAR JULY 2013 - JUNE 2014

S/N	DESCRIPTION	BUDGET JULY - JUNE 2012/13	BUDGET JULY- MAR 12/13	ACTUAL JULY - MAR 2012/13	PERF. %	BUDGET 2013/14
1	Insurance Commission	234.51	175.66	20.47	11.64	234.51
2	Tender and Court Fees	294.51	213.38	1 119.39	524.59	1 492.52
3	Disposal of Assets	10.00	7.50	254.71	3396.13	20.00
4	Interest from staff loan	165.82	124.37	10.55	8.48	165.82
5	Current Acc. Interest	133.40	100.05	550.45	550.17	807.32
6	Miscellaneous					4 459.03
	TOTAL	826.24	621.16	1 955.57	314.82	7 179.20

Appendix E to E12, Appendix F to F26 and Appendix G as summarized in the following table:-

Table 15: Summary of Application of Funds (Fig in TShs. Million)

Category	2010/11	2011/12	2012/13*	2013/14
Benefit payments – NSSF	128,908.1	149,270.8	209,109.8	198,196.0
Benefits payments – TTCL	905.6	717.75	850.0	770.0
WESTADI	-	-	-	34.0
Administrative budget	50,710.0	64,792.6	94,290.4	103,266.8
Capital budget	9,782.0	11,018.9	13,812.9	14,832.0
Investments	489,337.2	485,944.1	751,415.6	951,837.5
Total	679,642.8	711,744.15	1,069,478.7	1,268,936.3

*Projection

4.4.2 Benefit Payment

During the 2013/14 financial year, the Fund projects to pay a total of **TShs. 199,000.0 million** as benefits. The projected benefits payments include TShs. 770.0 million and Tshs. 34.0 million to be paid under the NSSF / TTCL Pension Fund and WESTADI respectively. Breakdown of the projected benefit payment is given in **Appendix D**.

4.4.3 Administrative Expenditure

It is estimated that a total of **TShs. 103,266.8 million** will be utilized for administrative expenses reflecting an increase of **9.5%** over the projected expenditure to June 2013. Growth in planned expenditure for the year is attributed to budget increase related to improving service delivery, intensive registration in the Informal and Formal sectors, penetration to the non-traditional sector, increase contribution through inspection and seminars, staff salary increase of 15% as well as related expenses such as pension contribution, gratuity, skills and development levy and housing allowance.

DISTRICTS

Appendix E12

FIG IN TSHS '000'

VOTE	EMPLOYEES	DESCRIPTION	LUSHOTO	MASASI	MUFINDI	NZEG
51094	MEDICAL EXP		2,620	2,620	5,040	3,071
	SUB-TOTAL		2,620	2,620	5,040	3,071
51096	ENTER-TAINMENT EXPENSES		2,640	2,640	5,040	2,640
51098	OVERTIME ALLOWANCES		5,000	4,500	10,000	7,000
51012	INSP. & CC/CARE ALLOWANCE		-	-	-	-
51018	RISK ALLOWANCE		4,488	4,488	4,488	4,488
	SUB-TOTAL		12,128	11,628	18,328	14,111
51190	TRAVELLING ON DUTY		30,500	33,000	39,000	34,500
51191	TRAVELLING ON LEAVE		-	-	-	-
	SUB-TOTAL		30,500	33,000	39,000	34,500
51209	OFFICE CLEANING & MATERIALS		8,400	8,400	5,400	8,500
51201	ELECTRICITY		1,200	1,200	1,800	4,200
51202	WATER		300	300	1,800	2,400
51203	POSTAGE & RENTAL CHARGES		1,019	800	2,500	2,200
51204	TELEPHONE		1,700	1,800	2,520	2,520
51250	MAINTENANCE OF EQUIPMENTS		3,190	3,720	7,305	4,400
51254	PURCHASE OF EQUIPMENT		470	-	-	25
51251	MAINTENANCE OF FURNITURE		100	100	100	10
51253	PURCHASE OF FURNITURE & FITTINGS		2,700	1,000	950	1,600
51205	OFF UNIFORM		-	-	-	-
51206	OFF STATIONARY		3,505	4,016	4,432	3,200
	SUB-TOTAL		22,644	22,120	26,807	27,493
51252	FUEL EXPENDITURE		20,345	19,256	24,111	21,877
51253	MOTOR VEHICLE REPAIRS		7,473	7,003	8,450	8,500
51254	ROAD LICENSE		240	240	280	280
	SUB-TOTAL		28,058	23,499	32,851	30,377
51262	MAINT OFF BUILD		500	1,500	40,802	5,320
51256	MAINT RES BUILD		1,200	1,320	2,000	2,000
51301	FUMIGATION		1,700	2,820	42,802	8,320
	SUB-TOTAL		40	100	1,004	17
51208	LAND RENT		-	-	1,440	-
51209	OFFICE RENT		-	-	-	-
51210	HOUSE RENT		-	-	-	-
51211	HIRE SECURITY SERVICES		40	100	2,444	17
51155	NEWSPAPER		730	730	730	730
	SUB-TOTAL		730	730	730	730
51351	REGIONAL W COUNCIL		-	-	-	-
51353	MEMBERS SEMINARS		5,000	5,450	5,000	6,470
51354	PROCUREMENT EXPENSES		100	100	100	10
	SUB-TOTAL		5,000	5,450	5,000	6,470
51205	DISTRESSED BENEFICIARIES		100	100	100	10
	SUB-TOTAL		1,000	1,000	1,000	1,000
51507	DONATION		1,000	1,000	1,000	1,000
51450	TUGO		1,100	1,100	1,100	1,100
	SUB-TOTAL		1,100	1,100	1,100	1,100
51451	STAFF TEACOFFEE		1,628	1,628	3,056	1,628
51452	STAFF WELFARE		1,010	1,010	1,220	1,100
	SUB-TOTAL		2,638	2,638	4,276	2,728
51259	MAINT OF ESTATES		-	-	-	1,500
51260	PROPERTY TAX		40	50	100	100
51504	ADVERTIA & PUBLICITY		700	700	700	700
	SUB-TOTAL		740	750	800	2,300
51550	BANK CHARGES		2,500	1,400	6,200	5,800
	SUB-TOTAL		2,500	1,400	6,200	5,800
	GRAND-TOTAL		110,397	107,864	186,477	137,861

CONTRIBUTION COLLECTION TARGET FOR THE FINANCIAL YEAR 2013/14

APPENDIX C1

ALL MONETARY FIGURES ARE IN MILLIONS TSHs

REGIONAL CLASS	S/NO.	REGIONS	ANNUAL TARGET 2012/13	TARGET JULY-MARCH 2012/13	PERF. JULY-MARCH 2012/13	PER. (%)	PROJECTION TO JUNE 2013	THE TARGETS ARE BASED ON THE PROJECTIONS IN THE NEW 3 YEARS CORPORATE PLAN FROM 2013/14 TO 2015/16		% INCREASE FROM ANNUAL TARGET 2012/13
								TARGET ESTIMATES 2013/14	INCREASE OVER 2012/13 TARGETS	
A	1	TEMEKE	122,241.84	91,681.38	68,227.95	74.42	122,241.84	145,962.98	23,121.12	18.91
	2	ARUSHA	42,367.78	31,790.84	25,816.01	60.88	42,367.78	50,405.12	8,017.33	18.91
	3	KINONDWI	113,366.16	85,024.62	63,197.23	74.33	113,366.16	134,808.51	21,442.35	18.91
	4	MWANZA	18,215.87	13,981.80	8,888.48	68.31	18,215.87	21,661.28	3,445.39	18.91
	5	ILALA	99,893.96	74,912.99	48,279.77	64.65	99,893.96	118,775.27	18,882.29	18.91
	6	KILIMANJARO	15,653.85	11,740.39	11,458.17	97.58	15,653.85	18,614.66	2,960.81	18.91
	7	MOROGORO	18,766.63	14,074.97	10,650.28	78.67	18,766.63	22,318.20	3,549.57	18.91
SUB TOTAL			430,516.13	322,887.08	237,198.45	73.45	430,516.13	511,844.97	81,428.85	18.91
B	1	SHINYANGA	3,523.62	2,542.54	2,377.60	68.07	3,523.62	4,109.96	666.44	18.91
	2	KAHAMA	24,431.78	18,323.84	16,469.86	69.99	24,431.78	29,052.87	4,621.09	18.91
	3	GETA	11,866.47	8,899.10	8,254.58	82.78	11,866.47	14,109.73	2,244.26	18.91
	4	TANGA	11,421.18	9,573.39	8,212.02	85.78	11,421.18	13,593.30	2,162.12	18.91
	5	IRUNGA	8,848.20	6,836.15	6,819.52	89.57	8,848.20	10,521.77	1,673.57	18.91
	6	KIGOMA	2,954.35	2,215.70	1,659.87	74.91	2,954.35	3,513.14	558.79	18.91
	7	PWANI	3,645.24	2,733.93	2,792.76	102.15	3,645.24	4,334.71	689.47	18.91
	8	MBEYA	6,270.69	6,953.02	6,876.84	87.38	6,270.69	11,024.18	1,753.49	18.91
	9	KAGERA	6,701.73	5,026.30	3,815.43	77.90	6,701.73	7,969.32	1,267.59	18.91
	10	TABORA	5,604.37	4,205.28	4,287.59	102.01	5,604.37	6,864.39	1,060.02	18.91
	11	MARA	9,787.52	7,340.64	7,063.72	96.23	9,787.52	11,638.76	1,851.24	18.91
	12	DODOMA	5,488.43	4,116.32	4,275.32	103.88	5,488.43	6,526.52	1,038.09	18.91
	13	MTWARA	2,652.73	1,989.55	2,110.05	106.08	2,652.73	3,154.47	501.74	18.91
	14	RUVUMA	1,887.13	1,418.35	1,224.28	86.50	1,887.13	2,244.06	356.93	18.91
	15	SHIGIDA	1,207.53	905.55	888.36	97.78	1,207.53	1,435.93	228.40	18.91
	16	RUKWA	1,799.22	1,348.75	1,244.35	92.26	1,799.22	2,138.47	339.25	18.91
	17	LINDI	951.79	713.84	389.80	54.62	951.79	1,131.81	180.02	18.91
	18	MANYARA	1,799.22	1,349.41	1,140.21	84.50	1,799.22	2,139.53	340.31	18.91
	19	NJOMBE	1,889.96	1,267.47	1,228.21	98.59	1,889.96	2,008.60	119.64	18.91
	20	GDE	48,000.00	36,000.00	23,321.99	64.51	48,000.00	57,079.83	9,079.83	18.91
SUB TOTAL			163,540.06	122,654.39	102,859.50	83.86	163,539.18	194,471.37	30,932.19	18.91
GRAND TOTAL			594,056.19	445,541.48	340,058.11	76.32	594,058.39	706,416.34	112,368.15	18.91

SOURCE: CH/IRM'S REPORTS

INCOME FROM TREASURY BILLS FOR 2013/14

APPENDIX C₂

FIG. IN TSHS '000,000

Old Investments

Invest. Date	Face Value	Cost Price	Income	Maturity
91 Days				
182 Days				
364 Days				
SUB-TOTAL	0.00	0.00	0.00	

New Investments

91 Days

Yield rate 7.0%

Invest. Date	Face value	Cost price	Interest	Maturity
Jul-13	1,282	1,260.2	22.1	Oct-13
Aug-13	1,340	1,317.4	23.1	Nov-13
Sep-13	1,371	1,347.0	23.6	Dec-13
Oct-13	1,525	1,498.4	26.2	Jan-14
Nov-13	2,974	2,923.0	51.2	Feb-14
Dec-13	1,965	1,931.5	33.8	Mar-14
Jan-14	1,682	1,652.9	28.9	Apr-14
Feb-14	1,716	1,686.3	29.5	May-14
Mar-14	1,761	1,731.1	30.3	Jun-14
Apr-14	3,091	3,091.1		
May-14	1,533	1,533.4		
Jun-14	6,425	6,424.6		
SUB TOTAL	26,665.5	26,396.9	268.6	

182 Days

Yield rate 8.0%

Invest. Date	Face value	Cost price	Interest	Maturity
Jul-13	1,638	1,575.3	63.0	Jan-14
Aug-13	1,442	1,386.7	55.5	Feb-14
Sep-13	1,401	1,347.0	53.9	Mar-14
Oct-13	1,451	1,404.8	56.2	Apr-14
Nov-13	3,172	3,050.1	122.0	May-14
Dec-13	1,339	1,287.7	51.5	Jun-14
Jan-14	2,066	2,066.1		
Feb-14	4,216	4,215.7		
Mar-14	9,442	9,442.2		
Apr-14	5,461	5,461.0		
May-14	3,450	3,450.0		
Jun-14	6,425	6,424.6		
SUB TOTAL	41,513.3	41,111.2	402.1	
GRAND TOTAL	68,179	67,508	670.65	

BENEFIT PAYMENTS FOR THE YEAR JULY 2013 - JUNE 2014

Appendix D1

Table 1: Benefit Payment

Amount in Tshs. Million

2013/14 Budget
(Based on New
Corporate Plan)

S/N	Type of Benefits	2012/13		9 - month		9 - month Actual		Projection to Jun-13		2013/14 Budget (Based on New Corporate Plan)	
		Budget	Budget	Budget	Budget	Members	Tshs. Million	% performance	Members		Tshs. Million
A NSSF Scheme											
S/N	Description	Amount in Tshs. Million	Amount in Tshs. Million	Members	Amount in Tshs. Million	% performance	Members	Amount in Tshs. Million	Amount in Tshs. Million	Amount in Tshs. Million	
1	Retirement Pension	12 911.95	9 683.96	10 112	22 846.73	235.92	13 483	30 462.31	28 699.02	8.70	
2	Invalidity Pension	31.95	23.96	14	4.65	19.41	19	6.20	82.54	82.54	
3	Survivor's Pension	50.46	37.85	196	66.10	174.68	261	88.13	21 662.62	21 662.62	
	Special Lumpsum	8 694.16	6 520.62	1 748	17 527.17	268.80	2 331	23 369.56	50 852.88	50 852.88	
	Sub-Total (Long Term Benefit)	21 688.52	16 266.39	12 070	40 444.65	698.78	16 093.33	53 926.20			
4	Maternity Benefits	2 808.41	2 106.31	3 321	2 565.64	121.81	4 428	3 420.85	3 195.55	3 195.55	
5	Funeral Grants	37.51	28.13	144	130.65	464.41	192	174.20	162.63	162.63	
6	Employment Injury	50.14	37.61	60	48.93	130.12	80	65.24	60.85	60.85	
7	SHIB	1 265.37	949.03	78 362	2 537.17	267.34	104 483	3 362.89	5 193.29	5 193.29	
	Medical Preventive Campaign	200.00	150.00						213.03	213.03	
	Sub - Total (Short Term Benefit)	4 361.43	3 271.07	81 887.00	5 282.39	983.68	109 182.67	7 043.19	8 825.35	8 825.35	
	Total	26 049.95	19 537.46	93 957.00	45 727.04	1 682.46	125 276.00	60 969.39	59 678.22	59 678.22	
B Withdrawals											
	Withdrawals	107 690.01	80 767.51	38 290	139 025.96	172.13	51 053	185 367.95	138 516.88	138 516.88	
	Sub Total	107 690.01	80 767.51	38 290	139 025.96	172.13	51 053	185 367.95	138 516.88	138 516.88	
	Grand Total	133 739.96	100 304.97	132 247.00	184 753.00	1 854.59	176 329.33	246 337.33	198 195.11	198 195.11	
C TTCL Scheme											
	Pension	793.28	504.96	1 018	566.54	95.22	1 357	755.39	770.89	770.89	
	Sub Total	793.28	504.96	1 018	566.54	95.22	1 357	755.39	770.89	770.89	
D Westad Scheme											
	Payment	303.45	227.59	1	22.71	9.98	1	34.06	34.00	34.00	
	Sub Total	303.45	227.59	1	22.71	9.98	1	34.06	34.00	34.00	
	TOTAL	134 836.69	101 127.52	133 266.00	185 342.25	1 959.79	177 688.00	247 126.78	199 000.00	199 000.00	

Figures in Tshs "000,000"

INVESTMENTS IN PROJECTS/LOANS FOR THE FINANCIAL YEAR 2013/14

APPENDIX G

FIG. IN TZ 000,000'

Vote No.	Budget	Stage	Budget	Remarks
	2013/2013	Reached	2013/2014	
A.COMPLETED PROJECT				
	500.00	100%	400.00	Retention monies
	2,000.00	100%	2,000.00	Retention monies
	4,000.00	100%	2,000.00	Retention monies
	500.00	100%	300.00	Retention monies
	1,000.00	100%	500.00	Retention monies
	5,000.00	100%	3,000.00	Retention monies
			8,200.00	
B. ONGOING PROJECTS				
	5,000.00		5,000.00	Supervision and construction
	10,000.00		10,000.00	Supervision and construction
	10,000.00		3,000.00	Supervision and construction
	30,000.00		20,000.00	Supervision and construction
	3,000.00		5,000.00	Supervision and construction
	15,000.00	40%	15,000.00	Supervision and construction
	2,000.00		4,500.00	Supervision and construction
	2,000.00		-	Supervision and construction
	1,500.00		3,500.00	Supervision and construction
	500.00		5,000.00	Supervision and construction
	9,000.00		15,000.00	Feasibility study supervis and construct
	2,000.00		2,000.00	Supervision and construction
	5,000.00		25,000.00	Supervision and construction
	5,000.00		5,000.00	Supervision and construction
	5,000.00		10,000.00	Supervision and construction

FIG. 14 TZ 100,000				
	Budget	Stage	Budget	Remarks
	2012/2013	Reached	2013/2014	
GT ACQUISITION				
Dodoma and Dar es Salaam	1,000.00		15,000.00	To be advertised
Sub Total			15,000.00	
F. GOVERNMENT PROJECTS				
Single houses and offices	1,000.00		10,000.00	Consultancy and construction
Public servants houses	2,500.00		10,000.00	Consultancy and construction
Sub Total			20,000.00	
G. INFRASTRUCTURE PROJECT				
ONGOING				
Kiamboi Bridge	60,000.00	25%	70,000.00	Supervision and construction
Muranga Kinyere power transmission	11,000.00		-	Consultancy and construction
Sub Total			70,000.00	
NEW				
Power generation Muranga	54,500.00		47,500.00	Procurement plant and consultancy
Power generation Makarati	4,500.00		1,000.00	Consultancy
Dar Chaine Road	1,000.00		5,000.00	Feasibility study and consultancy
Sports Academy	-		8,000.00	Zoning and initial infrastructure
Sub Total			58,500.00	
H. AGRICULTURAL PROJECTS				
Mutan	-		5,000.00	Zoning and initial infrastructure
Beshe	-		5,000.00	Zoning and initial infrastructure
Sub Total			10,000.00	
I. INDUSTRIAL DEVELOPMENT PROJECTS				
Tandahimba	-		7,000.00	Consultancy and initial works
Sub Total			7,000.00	
J. MAJOR MAINTENANCE OF OFFICE BUILDING				
Preventive maintenance of various buildings after conditional survey	1,000.00		2,000.00	
Sub Total			2,000.00	
12900 MAJOR RENOVATION OF ESTATE BUILDINGS	Units	Unit price	Total	
Rehabilitation of Ifhathi EPZ (Balance payment and retention monies)	1	120	120	
Rehabilitation of Social Security House (Balance payment and retention monies)	1	130	130	
Electric fence at Mwachiri executive apartments	1	40	40	
Face lifting Dodoma Area C flats, Mwigoma (Khorde flats), Ifhathi EPZ, Tabata I & II, Mtwi Beach, Masaki I & II, Dodoma, Mtwi EX-T/A)	8	90	720	
Total renovation at Ifhathi EPZ	1	100	100	
Face lifting Takera and Kinyere (DM houses)	2	45	90	
Connection of sewage system at Ganglonge Jingo	1	82	82	
Roof treatment at Mothi Corro Complex	1	72	72	
Construction of fence and drainage system at DCM's residence Tukuyu	1	24	24	
Renovation of Water Front building	1	100	100	
Construction of wall fence for RM's house Ngembe	1	54	54	
Sub total			1,521.00	
GRAND TOTAL			418,031.00	