

**ANALYSIS OF SOCIAL SECURITY SCHEMES IN TANZANIA WITH
RESPONSE TO THE ILO SOCIAL SECURITY (MINIMUM STANDARDS)
CONVENTION, 1952**

HAPPINESS MADUHU

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CERTIFICATION

The Undersigned certifies that he has read and hereby recommends for acceptance by the Open University of Tanzania, a Research Dissertation report entitled: ANALYSIS OF SOCIAL SECURITY SCHEMES IN TANZANIA WITH RESPONSE TO THE ILO SOCIAL SECURITY (MINIMUM STANDARDS) CONVENTION, 1952. This is in partial fulfilment of the requirements for the degree of Masters of Business Administration of the Open University of Tanzania.

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Date

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DECLARATION

I Happiness Maduhu, declare that this dissertation is my own original work for the Open University of Tanzania and has not been presented and will not be presented to any other University for a similar or any other award.

Signature

Date

DEDICATION

I dedicate this dissertation to my son, Alvin Filikunjombe, for he may be inspired to learn and acquire education for his future and success.

ABSTRACT

This study was conducted in Dar es Salaam comprising of six social security schemes in Tanzania with the main purpose of analyzing to what extent the social security schemes in Tanzania meet the International Labour Organization's (ILO) minimum social security standards provided by the ILO Convention of 1952.

The study findings are that although the social security schemes in Tanzania have done their best to offer social security benefits however such schemes fall short of what is stipulated in the ILO Convention 1952.

Findings indicate further that the non fulfilment of the minimum standards is contributed by a number of factors such as poverty and low income of the individuals. With response to the findings, this study recommends, at chapter five, that there needs to carry out legal, policy and institutional reforms plus an over haul the entire legal regime governing pensions so as to widen the benefits being offered to meet the ILO minimum standards.

The study recommends also that the ongoing Constitutional reviews should also ensure that the new constitution accommodates the right to social security as a basic human right, which need to be enforced. The constitutional protection of social security and pension rights should be extended to cover all citizen and residents without any discrimination whatsoever. Comprehensive legal and regulatory reforms in the Tanzania's social security system are necessary to enable establishment and provision of social security benefits to the tunes of international minimum standards.

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CHAPTER ONE

1.0 GENERAL INTRODUCTION

1.1 Introduction

Tanzania being a member of the International Labour Organization (ILO) follows the standards and guidelines posed by the ILO in its labour related affairs. In 1952 the ILO passed a convention referred to as the ILO Social Security (Minimum Standards) Convention, 1952 (NO. 102). Among other things, the primary objective of this instrument is to set some minimum standards which are to be adhered to by ILO member states especially those which ratify the convention. However even for such states which haven't ratified the convention, such minimum standards, though not binding, are applicable in a way or so in setting the social security schemes among member states.

This chapter draws some introductory issues regarding the paper describing the background to the problem, statement of the problem, some preliminary literatures and objectives of the study. This chapter as well talks of the research questions that guided the study and also about the methodology which has been employed plus the timeframe for the study.

1.2 Background to the problem

The concept of social security refers to a program that provides economic assistance to persons who are faced with unemployment, disability, or agedness, financed by assessment of employers and employees (Gaya, 2011). It is the society's arrangement whereby those without the means of livelihood are supported financially. Social security system is there so as to provide social protection to members of a certain

society by the means of providing benefits which are the result of contributions made by the individuals requires the protection. In Tanzania, the social security system provides for compulsory contribution and non-compulsory contribution. According to the Social Security Regulatory Authority (2011), among the benefits normally paid through the social security schemes include retirement income, disability income, Medicare and medic aid, and death and survivorship benefits. Social Security is one of the largest government programs in the world, paying out hundreds of billions of money per year. Relatives and spouses, in many countries social security schemes are also eligible to receive Social Security benefits, even if they have limited or non-existent work histories.

The history of social security system of the world shows that in earlier cultures there was no need of involving government to establish social security schemes for their societies because of the existence of strong family ties which provided mutual assistance necessary for the protection of the family members (Feldstein and Liebman 2002). Prior to the turn of the 20th century, the majority of people in the world had their economic security provided by the extended family. However, this arrangement changed because extended family and the family as sources of economic security became less common.

With such economic changes dues to increasing of population and social changes, caused and called for establishment of social security system to protect the whole society at large- against social risks such as sickness, injuries, old age, famine and other natural disasters beyond control of human being (Feldstein and Liebman 2002). This is true for Tanzania whereas during the early days after independence there was

less need for social security schemes because of the socialist ideology and hence less importance was paid to such schemes. However, the need for social security has increased over time where it became apparent that Tanzania had to establish social security schemes (Gaya, 2011).

According to the SSRA (Social Security Regulatory Authority) (2011), to the present time Tanzania mainland has about six social security schemes which are; the Government Employees Provident Fund (GEPF), the Local Authorities Pensions Fund (LAPF), the National Health Insurance Fund (NHIF), the National Social Security Fund (NSSF), Parastatal Pensions Fund (PPF) and Public Service Pension Fund (PSPF).

While the social security provided by the state or state institutions (through established legislation) covers most of the labour force in organized sector of the public and industrial employment, the vast majority of the unorganized rural population and people in the informal urban sector are left out uncovered (Gillion, 2000). However, even for the small number of population that is covered by the social security schemes in most cases there is a varied range of benefits offered to employees under such schemes.

Tanzania's social security industry has a vast range of benefits being offered through a number of government established institutions (Gaya, 2011). Such institutions offer a varied range of employee benefits where such benefits need to be provided in a manner which satisfies the employee. It is for this reason that in 1952 the UN through the ILO (ILO, 1952) came up with some standards considered to be the

minimum standards for social security schemes in the world so that there is created kind of a uniform range of benefits to be offered by the social security arrangements in various states. However, as to whether such schemes of benefits meet the minimum standards set out under the ILO (ILO, 1952) is yet to be established. It is the intention of this study therefore, to assess the extent to which the social security schemes in Tanzania meet the minimum standards as per the said ILO Social Security (Minimum Standards) Convention, (ILO, 1952).

1.3 Statement of the problem

The social security schemes in Tanzania do offer a variety of benefits some being long term benefits and others being short term benefits. Payment of benefits to members is key function performed by the social security schemes in Tanzania. Benefit payment is supposed to be done precisely and consistently because it is the reason for why a person decides to contribute on a certain fund and it touches an individual's interest so it should be done in a manner which does not harm an individual entitled to that benefit.

However, whether such benefits do meet the minimum standards provided by the ILO Social Security (Minimum Standards) Convention, 1952 (No. 102) is the question or problem which has been addressed in this study. It is therefore, the intention of this study to investigate on the benefits offered by the Social security schemes in Tanzania and to analyse the extent to which the Social Security Schemes in Tanzania do meet the minimum standards set by the ILO Convention (ILO, 1952 No. 102).

1.4 General objective

The main objective of this study is to provide an analysis of the Benefits Offered by Social Security Schemes in Tanzania with Response to the ILO Social Security (Minimum Standards) Convention (ILO, 1952 No.102).

1.5 Specific objectives

To meet the above major objective, this research focused on the following specific objectives;

1. To examine the minimum standards set by the Convention (ILO, 1952).
2. To assess the benefits offered by the Social Security Schemes in Tanzania in relationship with the minimum standards set by the ILO Convention (ILO, 1952).
3. To examine the extent to which the social security schemes in Tanzania do meet the ILO social security (Minimum Standards) Convention 1952.
4. To analyze the impediments towards the realization of the Minimum Standards set by the Convention (ILO, 1952) in Tanzania and suggest some solutions.

1.6 Research questions

This study has been guided by the following research questions:

1. What are the minimum standards set by ILO, (1952)?
2. What are the benefits offered by social security schemes in Tanzania?
3. To what extent do the social security schemes in Tanzania meet the ILO Social Security (Minimum Standards) Convention 1952?
4. What are the impediments towards the realization of the Minimum Standards (ILO, 1952) of Social security in Tanzania and what can be the solution?

1.7 Significance of the study

This study has its own significances both to the government in general and to individuals. The significances are as follows:-

The study is helpful to the Government especially the Social Security Schemes department because it provide a base or a guideline towards the review of the current minimum social security standards. This is because; the study provides a clear understanding on how the minimum social security standards are supposed to be as far as the ILO Social Security (Minimum Standards) Convention (ILO, 1952) is concerned.

Furthermore, it is useful to the Social Security Regulatory Authority (SSRA) in supervising social security schemes in Tanzania if they comply to the minimum standards set by ILO because the study contains the said minimum standards which the schemes need to adhere to.

Also, the study is helpful to individuals on understanding what are their rights when comes to the benefits given by the Social Security Schemes in Tanzania because the study clearly elaborate on the benefits supposed to be paid to the individuals eligible for the said benefits.

Apart from that, also the study acts as a mirror to social security schemes in Tanzania in making sure that they operate in accordance with the requirements needed so as the aim of reducing poverty in Tanzania is attained. Furthermore, the study stands as a literature review to other researchers who want to investigate on issues concerning

the Minimum standards on Social Security Schemes and the ILO (Minimum Standards) Convention (ILO, 1952).

Also, the study creates awareness and understanding of the minimum standards set by the ILO Convention about Social Security schemes to the majority of people who didn't have any idea of the existence of the said standards. Furthermore, the study provides an understanding of the Tanzanian Social Security Schemes because the study provides a clear elaboration of the Schemes in Tanzania.

CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Definition of key concepts

2.1.1 Social Security

According to International Social Security Association (ISSA, 2012) Social security means any programme or system of social protection established by legislation that provides individuals with an assistance of income security when faced with the contingencies of old age, survivorship, incapacity, disability, unemployment or rearing children. Maghimbi et al, (2002) has defined social security to mean the protection provided by society to its members through public measures against the economic and social distress which otherwise would be caused by the stoppage or reduction of earnings arising from contingencies. Social security is a form of protection from the government to the individuals upon contributions made by the individual. Social security came into existence so as to reduce poverty to individuals who retire as a result of old age.

The ILO (ILO, 2008) Argues that, developing countries have to ensure that proper systems of social security which reflect the international standards are in place. In this paper (*Can developing countries afford basic social security?*) the ILO (ILO 2008), makes reference to international Instruments such as the Human right (articles 22 and 25 of the Universal Declaration), the ILO Convention number 102 (Minimum Standards) plus the SADC Social Security Code stressing that social security is an essential human right issue.

The Paper (ILO, 2008) also discusses Social security as an economic necessity in developing countries. This is because where there is a standard social security system, poverty and issues of inequality in the society become solved to a great extent. Finally, the paper (ILO, 2008) stresses on the importance of maintaining the minimum standards of social security in developing countries arguing that observance to minimum standards of social security;

Raises the incomes of the poor increases domestic demand and, in turn, encourages growth by expanding domestic markets, enhances human capital and productive employment thanks to a better educated, healthy and well-nourished workforce, and as such, it is indispensable part of institutional tissue of an efficient market economy. (ILO, 2008)

Social security has also been defined by Mattoo (2000) as that Government, which is the symbol and representative of society is responsible for fixing a minimum standard of living for all its citizens". The Author also argues that, social security a tool for social revolution and that being the fact, social security need to be preserved, supported as well as being developed for better future of it. Also, the Author argues that the preservation or well maintenance of social security is important to both men and women so as to make them become more productive at work. If people are given proper protection that they no longer worry for tomorrow, this will make them work hard at work and this will lead to economic growth. So in other words, social security can be an obstacle to economic growth of the nation if it is not well supported and developed.

2.1.2 Benefits

Benefit can be defined as an advantage, importance or any positive return gained from something (Free Dictionary, 2000). It is not necessary for benefit to hold any monetary value. It is a result of a previous act done by the one entitled to receive the benefit. In general terms, benefit is considered to be a positive result of something.

Benefit under social security perspective may be defined as a payment made by the state or an insurance scheme to someone entitled to receive it. Under this perspective, benefit is a result of the contributions made by an individual requires the benefit. In Tanzania, the social security system provides for compulsory contribution and non-compulsory contribution. Compulsory contribution is where an individual automatically starts to contribute soon after being an employee of a certain sector. On the other hand non-compulsory contribution is where an individual decides on his or her own motive to start contributing so as to be able to get the benefits associated with that contribution (Wiel, 2008). Therefore, one can say that contributions are the pillars towards benefits.

2.1.2.1 Types of Benefits

Under social security system, there are two types of benefits which are long term benefit and short term benefit. Long term benefits are the one which an individual receives upon retirement or death. It's a type of benefit which takes long time to receive it, for example pension benefit; pension benefit is received after somebody retires or on old age (Mboghoina and Osberg, 2010). On the other hand, short term benefits are those benefits which does not depend retirement or death. They are benefits which an individual can receive when he or she needs them. For example

health benefit and maternity benefit, these benefits an individual can receive them at any time he gets sick.

2.2 Critical theoretical review

Under this section, there is a clear review of the theories and models available on the respective area of the study. The theories and models to review here are the theories in respect of the social security pension schemes.

One of the models under the social security schemes is the life cycle model as it has been stipulated by Cremer (2009). The life cycle model stipulates that all persons live under the two phase's model of utilization while the first phase is the saving phase and the second phase being the utilization phase. Under this theory, people need to save in the first phase and utilize out of the savings in the second phase. The model goes on by stipulating that, in the first phase, people are young and do work hard so as to maximize their saving for the future which is the second phase of living. Under the first phase, people are being paid wages in return of their labor supply. Whether the wage is high or low will determine the amount of savings in the second phase. In phase two, all the individuals are retired and utilizing the savings made under the first phase (Modigliani, 2005).

However, the life cycle model as per Cremer (2009) has its own limitations such as, the problem of uncertainty between the current situation and lower benefits. These conditions may affect the amount of savings to be utilized. The situations in any country do change in terms of tax systems and other monetary situations. Any changes on the tax system will eventually affect the utilizations of the savings by an

individual. Another limitation is that, the model works on the assumption that all people have a specific awareness of their economic future lifetime earnings. Other people are different.

Another theoretical argument under the study of social security schemes is whether the schemes should be funded or not (Daykin (2009)). Majority of people argues that funding pension liabilities may increase the amount of savings in the economy of the country. The increase in economy will later bring good outcome to people who have lost their working ability whether by being old or because of anybody incapability.

The funded pension schemes may motivate investments which may later increase the growth of the national economy. So it much worth if the pension schemes would be funded whether by the government or the world bank so that the social protection could be manifested. Daykin (2009) in his paper argues that funded complementary pension arrangements will be better able to cope with the pressures caused by an ageing population. He is also of the view that, the returns from investment done by the funded pension schemes will later reduce the costs of running a particular pension scheme.

The theory of funded or not have its strength and weaknesses. Starting with the strength, the theory concentrates on the welfare of the individuals that upon funding a particular pension scheme, the savings will increase something which leads to the real social protection. Also, strength is that, the action of funding pension schemes makes the government to have a real participation on providing social protection to

its individual because it prays a party rather than when the pension schemes were to fund itself and the individual's contribution only.

Also it is advantageous that when the government will decide to fund the pension schemes, the individuals will have trust to their government that it is taking part in making sure that the welfare of individuals is well maintained. It is also advantageous that the act of funding the pension schemes leads to the increase in economic growth and investments in the nation.

However, as per Daykin (2009) the theory has its own weaknesses which include the following; the theory will only be applicable to developed countries because developing country will fail to fund each and every pension scheme due to their financial situations being not stable. So the theory has not focused on the developing countries. Also, another weakness is that, the theory has not mentioned the source of the income to be given to the pension schemes. It is not clear if it is the government or the World Bank. Furthermore, the theory concentrates more on funding the pension schemes so as to increase economic growth rather than concentrating on funding the pension schemes for the purpose of upraising the life of people who have stopped working. The primary objective of the pension schemes is making sure that people continue enjoying better life even if they have stopped working. Increasing the economic growth is a secondary objective so the theory should concentrates on its primary objective rather that secondary objective.

Cremer (2009) examines a model with variable retirement where individual or workers are being faced with a challenge of insecurity on the duration of their working lives. It should be well understood that this model being explained here do

apply to the funded social security pension schemes only. Every individual who is working or being employed is faced with a challenge work duration is not known. It may happen a person is being injured that he can no longer be able to work; it can also happen the situation that such person is being terminated to work due different reasons therefore they become unable to work.

In the above model, the government or the social security pension schemes may be faced with the challenge that they can fail to distinguish between who cannot work due to a certain disability and those who decide not to work on their own reason. So this model comes in place to assist the government or a certain pension scheme in distinguishing between the social protection it can give to those who are out of work due disabilities not on their own will and the protection it can offer to those who out of work due to their own will so as to optimize the situation.

To optimize the situation, the model provides that the government should lower the benefits entitled to one who leave work on their own will and increase benefits entitled to ones who leave work due to disabilities whether being old or any injury.

This model by Cremer (2009) has its own weakness and strength. The strength is that, the model try to its best to bring about the social equality to the society. It is a social injustice to treat a person who simply decide to stop working without any known reasons and a person who stops working due to conditions beyond his or her control. Another strength is that, the model may play a part in encouraging people to work because when they stop working without any known reason they will have lower benefits compared to if they continue working until time tells them that they cannot be able to work anymore.

On the other hand, the weaknesses of the model by Cremer (2009) are that, the model is only applicable to funded social security pension schemes only. Pension schemes which are not funded cannot use this model. Another weakness is that, under this model, saving is not permitted causing the individual to depend benefit from the government only.

2.3 Social security concept and the underlying issues

The study of social security is an important and worth for further discussion because it is a sensitive issue which touches a very important part of a human life. The fact that every individual requires protection throughout his or her entire life makes the study to be worth enough to conduct research on it endlessly because issues under human life do change every day. Under the study of social security and social security schemes generally, there are a lot of issues and challenges facing the pension schemes in particular and social security in general. Under this segment, some current issues have been discussed.

According to ILO (2001), Employment and development, this is one among the issues under the study of social security. There is an ongoing debate that social security plays a role on discouraging people from working and saving individually. People do stop saving on their own because they believe that they have a huge amount of money in the social security pension schemes where they have their membership. On the other hand, social security is said to have positive effects economically because it leads to high economic development due to the fact that it makes people to increase their earnings and the productivity urge. On the issue of employment, social security schemes do cover only the employed ones leaving

behind the unemployed ones. In few countries there are unemployment benefits given to ones without employment but in a country like Tanzania, such benefits are not there.

Another issue provided by the ILO (2001) is the extension of the coverage of social protection. The ILO (2001) defines informal sectors as phenomena to be found in all sectors. It includes home workers, self-employed, unpaid family worker. Social protection is being limited to formal sectors only leaving behind the people who work on informal sectors. There are number of reasons for why the social protection is mainly being given to ones working on formal sectors one being the difficulties in collecting the contributions needed so as for one to have the social protection.

It is easy to collect the contributions to one on the formal sectors because the employer is well known and easy to access, but with workers on informal sectors this is difficult. Another reason for non-coverage of people working on informal sectors is that, people themselves do exonerate from being covered with the protection due to the reason that many are very young so they found the retirement age is too remote that contributing to a certain social security pension scheme is to waste their money because they are still young (Valdivia, 2005).

The ILO's Income Security Recommendation, (ILO, 1944 No. 67) requires that social protection should be extended to people under informal sectors and their dependents. In Tanzania for example, some social security pension schemes such as the Parastatal Pensions Fund (PPF) have extended their coverage to people working on informal sectors but the people themselves find difficult to give their contributions due to the reason stated above. In this issue, there are other social

security pension schemes that have not extended their coverage and others have extended the coverage to informal sectors.

Furthermore, the coverage being discussed in the issue by ILO (1944. No. 67) is not only the coverage on formal and informal sectors. It is also the coverage of social protection in terms of benefits being offered to the individuals. Other social security pension schemes do offer few benefits leaving other important benefits with no coverage. Benefits like medical care, maternity benefits are worth of the coverage as it has been provided under the Declaration of Philadelphia (1944). Also, under the Universal Declaration of Human Rights (1948) requires that the right to social protection should be given to each every member of the society; such social protection should include medical care benefits.

The financing of the social security schemes is another issue. The operation of many pension schemes does depend on the contributions made by the members of the particular pension scheme. So the pension scheme with fewer members will face an economic problem while the pension scheme with many members will have enough funds. The fact that pension schemes do depend on the fund being contributed by the members makes the pension schemes to impose a big amount of money for contribution to its members. Pension schemes being funded by the government is a bit practically rarely possible especially in developing countries like Tanzania.

Whether to fund or not to fund social security is question of national income policy preferences as the ILO (2001) analyses. If social security schemes are funded in developing countries, the schemes will expand and new schemes may probably be introduced. The sources of financing the social security schemes are through

contributions by employer or workers, taxes and investment income. So pension schemes with fewer investments may suffer a finance income while pension schemes with big investments won't suffer financial problems.

2.4 Empirical study

Olivier, et al (2012) in *Informality, Employment and Social Protection: Some Critical Perspectives For/From Developing Countries* provide for a short guideline on social security on the informal sector especially on definition, extent and the nature or character of social security in developing countries. In this paper the authors also venture on the challenges of making an extension of social security coverage to workers of the informal sector focussing on some conceptual limitations and constraints of the same.

Apart from the standards of social security, Olivier, et al (2012) adduces some causes for limited coverage of social security in developing countries. In particular the authors challenge the insufficiency found in the traditional concept of social security systems in developing countries. They argue for example that;

Social security coverage is extremely insufficient particularly in the developing countries. It is recorded that whereas, in the industrialised nations more than 90 per cent of the population is covered by various forms of state or market-organised social security systems, in sub-Saharan Africa and South Asia only 5 to 10 per cent of the active population are covered by social security schemes. Olivier, et al (2012)

Olivier, et al (2012) on the other hand, challenges the ILO (1952) minimum standards on the fact that the convention contains some conditions which on the other hand cannot be implemented by developing nations because of the claw back clauses in it giving room for developing countries to adopt lower standards and even apply the standards to certain categories of people only, leaving majority uncovered.

Dijkhoff (2012) reminds of the stance that social security be viewed as a basic human right. The author makes reference to the Universal Declaration of Human Rights (1948) that the declaration vividly maintains that ‘Everyone, as a member of society, has the right to social security. Social security is viewed as a necessary requirement to the individuals and therefore nobody should be denied if that right.

Dijkhoff (2012) is also of the view that the view that social security is a human right was based on the fact that “universal and lasting peace can be established only if it is based upon social justice.” Dijkhoff (2012) and that 1952 Social Security (Minimum Standards) Convention (No. 102) was adopted so as to give force and substance to the enforceability to such human right.

Dijkhoff (2012) however, does not venture on how and whether such minimum standards, stipulated by the ILO Convention (1952), are achievable in developing countries in equal standards as to the developed countries. However, just like the former authors, Dijkhoff (2012) also does not venture on the applicability of the ILO social security minimum standards.

According to the Tanzania Social Security Policy (2003), it recognizes the ILO Minimum Standards under the ILO (minimum Standards) Convention (ILO, 1952

No. 102). However the same Policy declares that the question of implementation of the minimum standards in Tanzania falls short of what has been prescribed under the ILO convention. That is to say, despite having ratified the ILO convention (ILO 1952), Tanzania still cannot offer the minimum standards of social security. To quote the Policy says “The number of benefits offered by most of the existing schemes, (in Tanzania), fall below the ILO Minimum Standards in terms of number, quality and indexation to the current levels of earnings”.

This is to say, despite the fact that the country boasts with many schemes of social security, still what is offered by such schemes is still of lower measure compared to the minimum standards set by the International Labour Organization (Tulia, 2007). To what extent does it fall outside the prescription of the Convention is something that is yet to be ventured.

In another instance, the ILO (2001), through 89th Session of International Labour Conference Report (2001), highlights some prospects for social security at the global level and links the relationship between Social security, employment and the concept of development. The report (2001) also discusses the issues of extending personal coverage of social protection and how to achieve the right to social security plus issues of gender equality. While the paper mentions about how social security schemes are funded the question of how ILO standards can be applied to strengthen the status of social security in the world is also emphasized. However, the paper does not mention how social security schemes in developing countries such as Tanzania meet or do not meet the minimum standards set under the ILO convention.

The ILO (2001) also assesses how social security schemes hassle in times of economic hardships. While the paper acknowledges the fact that majority of the world population still has no access to basic, leave alone the minimum standard social security, still this report does not make a mention on how and to what extent developing countries, especially those of Africa, South of Sahara, maintain the minimum social security standards as per the ILO 1952 Convention.

Another author, Frye (2005) unveils the concept of universal provision of social security by the state. She is of the view that thinking of universal social security access; “The first question that needs to be addressed is whether there is consensus that the optimal system of social security provisioning should be that the state should be the provider of free universal access to social security benefits, funded from state revenue.”

She then draws attention to Article 71(1) of Social Security (Minimum Standards) Convention (ILO 1952, No.102) which states that;

The cost of the benefits provided in compliance with this Convention and the cost of the administration of such benefits shall be borne collectively by way of insurance contributions or taxation or both in a manner which avoids hardship to persons of small means and takes into account the economic situation of the Member and of the classes of persons protected.

Finally Frye (2005) poses a question as to whether it should be necessary for developing countries to include a total commitment towards ultimate assurance of the minimum standards for universal social security ensuring every person benefits from social security.

Bandawe (2008), Deputy Director General, National Social Security Fund Tanzania on her presentation on the adequacy of the current social security benefits, she is of the view that, benefits are the contract between the insured who is an ordinary individual and the Social Security Institution (SSI). In her presentation, Bandawe (2008) has listed the benefits offered by the social security institutions both short term and long term benefits. According to the presentation, the benefits offered by the schemes are not adequate due to the reason that the coverage is only on formal sectors while the informal sector is left uncovered. Bandawe (2008) also argues that, the benefits are not adequate due to the fact that the immediate needs such as shelter, clothing and schooling are left uncovered while the schemes in Tanzania have put emphasis on most non immediate needs.

Bandawe (2008) then goes further by giving the challenges causing the benefits offered by the social security schemes be inadequate. The challenges given by the author are; Benefits offered are not relevant to Africa. Covariance risks like HIV/AIDS, famine, Civil wars are not covered, immediate needs not given the requisite priority, Benefits are too small to meet the basic needs, Short-term benefits cease after retirement, and maintaining the value of benefits against inflation.

Another author Baruti (2008) provides an overview of the Tanzanian social security system and examines the benefit offered by the current social security Institutions and the challenges facing the institutions in providing the required services. The author does not end there, he goes on giving the different strategies which can be used by the SSIs in facing the challenges as well as fighting poverty issue in Tanzania as poverty being the central issue in Social security system in Africa. Apart

from that, the author also gives a focus to the benefit packages that are most preferred by members before and after retirement.

Mattoo (2000) is another Author who has wrote about social security, this Author apart from defining the term social security, the Author is also of the view that the concept of social security has developed from man kind's mission for security or protection from different risks of nature which may disturb the whole life style. Also the need for protection arose from the fact that one may not work for his or her life time, it will come a time when this man will not be able to work again but still need to have the entire necessary requirement for life so social security came in place to resolve the mystery.

Mattoo (2000) also discusses the concept of social security under different perspectives such as the South Asian perspective and the Indian perspective. Under the above two perspectives, the Author is of the view that, social security in the developing countries in South Asia faces a lot of challenges which makes it difficult to persist. In South Asia, the availability of primary education and health care is poor and there is very low levels of social development which make social security schemes remain dormant and not helpful to the citizens. Social security is the key to social development of any nation. So if there is poor social security then social development will remain a mystery.

It is important that social security schemes be given first priority in any nation so as to foster the development of such nation. Mattoo (2000) argues that social security is one of the important dimensions of the development process. It assumes a place of

special significance in the developing countries, where poverty, destitution and income inequalities abound in large measure.

Finally, Mattoo (2000) gives the different strategies on how to foster the development of the social security in any developing country. She is of the opinion that, there should be a stronger teamwork among the different departments and ministries. Also, savings should not be performed by banks only. Social security schemes should do such task too.

Isaka (2011) in her paper which was presented during Regional social security forum for Africa in Arusha was of the view that, in order to have an adequate social security system, universality is needed. Isaka (2011) is of the view that, formal sectors and informal sectors should be provided with an equal opportunity to participate in social security. This means that, the coverage of social security should be extended to people working on informal sectors as well. The extension to informal sectors results to a fair and equal social security system in the Country.

Isaka (2011) went on saying that, benefits being provided by the social security schemes in Tanzania will be considered adequate if they play a role in achieving the social security policy outcomes which are to provide basic needs to people in demand of the protection. Therefore, the social security schemes should always strive to make sure that they provide adequate benefits to individuals as the social security policy requires.

2.5 Research gap

The ILO Convention (ILO, 1952) among other things stipulates some minimum standards under which all benefits provided by the Social security schemes in the Countries which have ratified the Convention should meet. This study therefore examines the social security schemes offered by Tanzanian social security organizations and find whether they meet the minimum standards set by the ILO convention of 1952.

Many Authors have investigated and written about the social security schemes and the benefits they give but they have not written on the extent to which those benefits given do meeting the minimum standards by the ILO Convention of 1952. Many of these studies have analysed the benefits, how the schemes operate, the extent to which those schemes cover in terms of sectors whether Government or not. Other Authors have written on the disparities of benefits given other being short term and other being long term. The focus of the past studies have been on the developed world, very few studies have focused on Africa. It is now the time to study the social security schemes of Tanzania and see whether or not these schemes do meet the said standards.

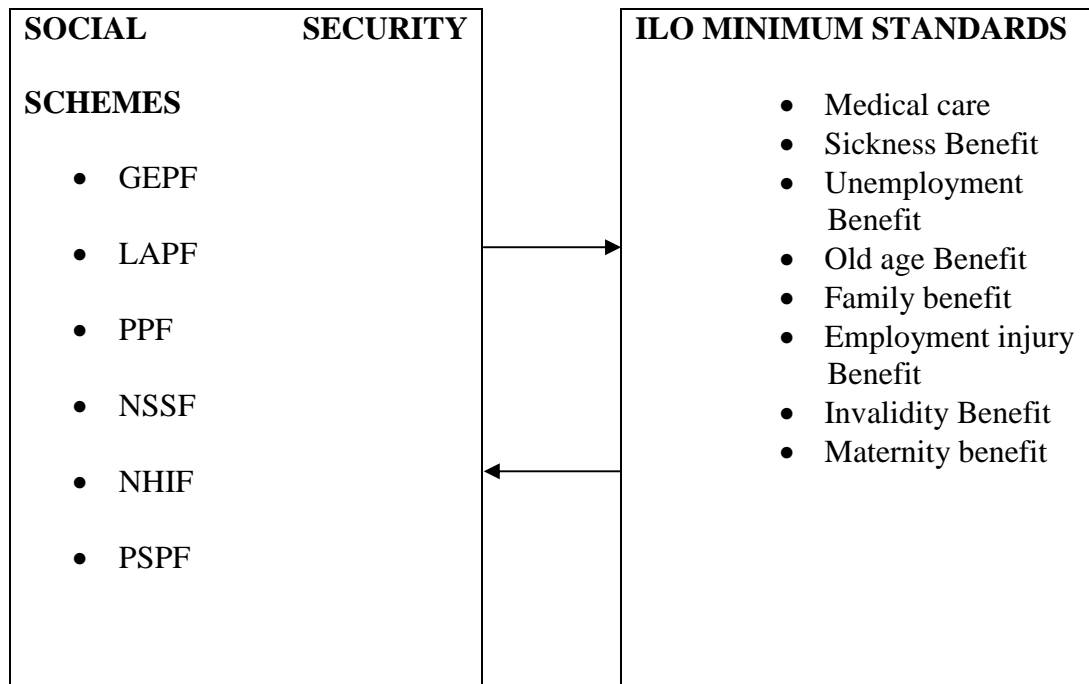
2.6 Conceptual framework

According to the ILO (2010), despite the fact that Tanzania has tried to put in place safe working environment, equal opportunity and treatment in employment and at least stability in security of work and ratified the ILO Convention on Social Security Minimum Standards, 1952 (No.102); the government still offers low pension benefit because majority Tanzanians tend to take termination benefits before their retirement

age. As such a need for development of developing an affordable universal kind of social security is still due.

In Tanzania, the social security schemes do provide a lot of benefits to the individuals. But there seems to be a disparity in those benefits between one pension scheme and another. Other schemes do provide short term benefit other provide long term benefit and sometimes one pension scheme do provide both short and long term benefit. Also on the disparity issue, other pension scheme does offer attractive packages of benefits while others are not. Furthermore, there is an issue of delay of benefits to the individual when such person needs them; this makes one pension scheme to be better than the other.

The above issues in the above paragraph are the result of the non-adherence to the minimum standard by the ILO Convention (ILO, 1952). The minimum standards are uniform all over the schemes so if they are well maintained they should be able to bring uniformity on schemes something which will eliminate the problem of people shifting from one scheme to another. So this research is going to remind the pension schemes in Tanzania on the minimum standards by the ILO Convention (ILO 1952). If the standards will be maintained, things will be much better and the social protection will be realised as well as increase in economic growth because people will be working free of worrying of how their tomorrow will be.



Talks of the question of Investments in social security maintains that about 17.2% of the global GDP is invested in the social security industry where as there is a varying degree of investment in social security depending on the level of development and level of investment in the industry.

When comes to research variables, variables are the factors or circumstances that are changeable during the process of an investigation or research. There are three types of research variables which are independent variables, dependent variables and controlled variables. Independent variables are those variables which the researcher or investigator is capable of handling them. This means are the variables which the researcher can allow or prevent them from changing. On the other hand, dependent variables are those variables which come as a result of changing independent variables. Controlled variables are the one which the researcher doesn't want them to change. The researcher controls them from changing.

In this study, there are no independent or dependent variables due to the fact that the study is a descriptive one in the sense that it describes the existing phenomenon being studied. The phenomenon in this study is the compliance of social security schemes to the ILO minimum standards. Being descriptive study, it describes the current state of compliance to the ILO Standards, so there are no presumed causes or effect and therefore there are no independent and dependent variables.

CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Research paradigm

There are a range of research categories in the world, basing on the quantitative or qualitative research category; quantitative research means a kind of research which deals with a quantity of something, it is that research which is more concerned with measuring the quantity of something. On the other hand, a qualitative research is the one concerned with quality of a certain phenomenon. Basing on the definitions, this study is a qualitative research because it has investigated on quality rather than quantity. As the Research title speaks, this study has investigated on whether the social schemes in Tanzania do meet the minimum standards set by the ILO Convention. So the study concentrated on investigating on how far are the social security schemes in Tanzania provide a quality services to individuals basing on the minimum standards by ILO.

3.2 Research design

This study is a descriptive one. Descriptive research is the one which describes the characteristics of a population or a phenomenon being studied. This research involved the interview of different people involved with social security schemes. Descriptive study only describes the current state of variables so there are no presumed causes or effect. Therefore this study is a descriptive one in the sense that it describes the phenomenon which already exists and the phenomenon is the compliance of the social security schemes to the ILO standards.

3.2.1 Area of the study

The study was conducted in Dar es Salaam. This is because, the research is a qualitative one and being so, it involves interviewing different professionals from the area of the research whereas the data was collected from social security schemes and the Social Security Regulatory Authority (SSRA).

3.2.2 Population of the study

According to Dowson (2002) research population is generally a large collection of individuals or objects that is the main focus of a scientific query. It is for the benefit of the population that researches are done. In this study, the population of the study includes the Social Security Regulatory Authority Officers as well as officers from the Social Security Schemes operating in Tanzania that is National Social Security Fund (NSSF), Parastatal Pension Fund (PPF), Public Service Pension Fund, Government Employees Pension Fund (GEPF), Local Authority (PSPF), and Local Authority Pension Fund (LAPF). From this population, a sample for the study was drawn.

3.2.3 Sample and Sampling Techniques

Sample means a group of people who are going to be studied to represent the rest of population. Due to the large sizes of populations, researchers often cannot test every individual in the population because it is too expensive and time-consuming. This is the reason why researchers rely on sampling techniques. Kothari (2010) commends that a sample has to be representative enough so that the obtained results can be generalized to the whole population.

This study employed probability sampling technique where a box containing 50 papers was placed at the entrance of each social security scheme (Dar es Salaam Office) at the beginning of a day's work. The workers were asked to pick one paper as they were coming in, 25 of the papers were numbered, 25 of them were blank and all were shuffled so that no one could tell which ones are numbered and which ones are not. Those who picked numbered papers were registered and were included in the study. The total sample therefore included 150 participants that is 25 from each of social security fund and Social Security Regulatory Authority. The table below summarizes the study sample.

NO	ORGANIZATION	NUMBER
1	SSRA	25
2	NSSF	25
3	LAPF	25
4	PSPF	25
5	GEPF	25
6	PPF	25
	TOTAL	150

Table 1 Sample size

3.3 data collection

This is the process of gathering information that will be used to analyse the phenomena under the study (Kothari 2010). In this study, data was collected from social security organizations as well as the social security regulatory authority.

3.3.1 Type of Data

Being an analytical and qualitative piece of work, this research employed mainly secondary data. However, some primary data was also collected so as to comprehend

the qualitative aspect of the work. As such both; primary and secondary data collection methods were employed in this research.

3.3.1.1 The primary data collection methods

For primary data, this study used basically two methods; interview and Questionnaire methods.

3.3.1.1.1 The use of interview;

In this method of data collection, the researcher carried out face to face interviews with a number of personnel working with social security schemes, human rights organizations in Tanzania plus those at the Social security Regulatory Authority. The researcher used interview because it is the method in place to give more relevant data because it involves talking to the respondent face to face.

3.3.1.1.2 Application of questionnaires;

The researcher collected some primary data also using questionnaires. Using this method some data had to be collected using a number of pre-set questions printed on a definite order on a form or set of forms. Questionnaires were used because it is a method free from bias; and also the method solved the problem of those who will not be available for face to face interviews.

3.3.1.2 Secondary data collection

Secondary data was obtained from review of books, reports, web-sites, journals and from official documents where relevant information is found. Secondary data was very important for the study because of the fact that they complimented the primary data collected through interview, as explained above.

3.4 Data analysis

Data collected from the primary and secondary sources was sorted, arranged and aligned to assure that correlating data are sorted together for easy interpreting. Once all the interviews and documentation completed, the data obtained was analyzed in relation to the research questions and objectives of the study.

3.5 Ethical issues

When conducting the research paper, there are some ethical issues which need to be considered. The ethical issue which need consideration in the due course of conducting research are being provided under the Research Ethics Framework (REF). The ethical considerations are as follows;

- a) The research should be one of high quality that it should bring positive impacts to the society.
- b) Clear information should be given to research staff and subjects.
- c) Confidentiality must be considered carefully throughout the process of research.
- d) Participants in the research should be chosen without bias.
- e) The research should not harm the people involved in any way.

In this study, all the above ethical issues has been well treated so that the research will be useful in all manners to the society.

CHAPTER FOUR

4.0 FINDINGS AND DATA ANALYSIS

4.1 Introduction

This chapter presents data as it was collected in the field. The data was collected from all the social security schemes in Tanzania in their Dar es Salaam offices as well as the Social Security Regulatory Authority. Data was also collected through review of various documents containing the minimum standards of ILO 1952 convention.

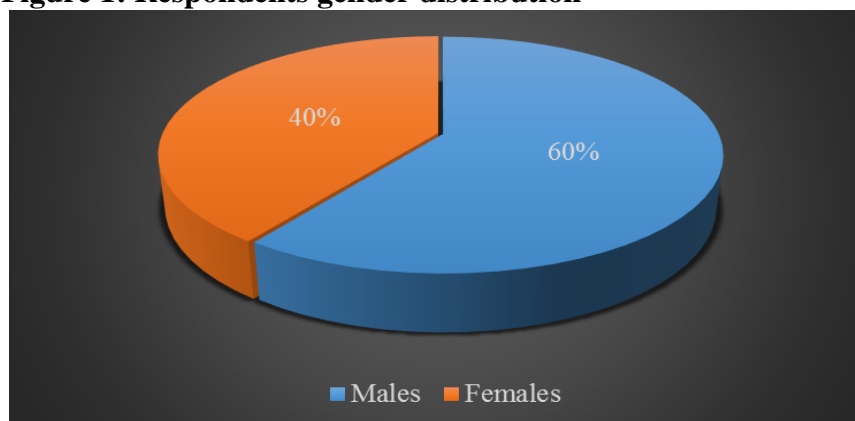
4.2 Demographic Characteristics of the respondents.

4.2.1 Respondents gender distribution

This study involved 150 respondents who are employees from various social security organizations based in Dar es Salaam. The following sections will explain various characteristics so we can get a general picture of the respondents' demography.

Figure 1 below, shows the respondents' gender distribution.

Figure 1: Respondents gender distribution

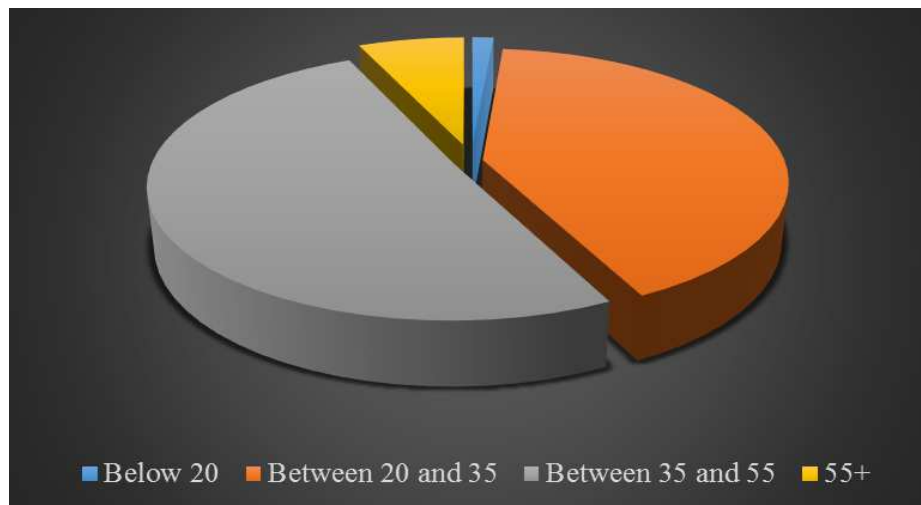


It was realised from the field that majority of Dar es Salaam based social security companies employees are males. Because of that it was necessary to have a 60/40 ratio so that each group is equally represented according to their total number.

4.2.2 Respondents' age in years.

Age was an important factor in this study as the researcher wanted to know if there was any relationship between the respondent's age and their knowledge of the ILO minimum standards and their implementation in the social security schemes of Tanzania. Figure 2 below shows the respondents' age distribution. As one can see in the pie chart, majority of the workers that is almost 50% of them are between 35 and 55 years. If we consider age factor alone, it is possible to say that majority of the surveyed workers are old enough to make matured decision and they can be relied on.

Figure 2: Respondents' age in years

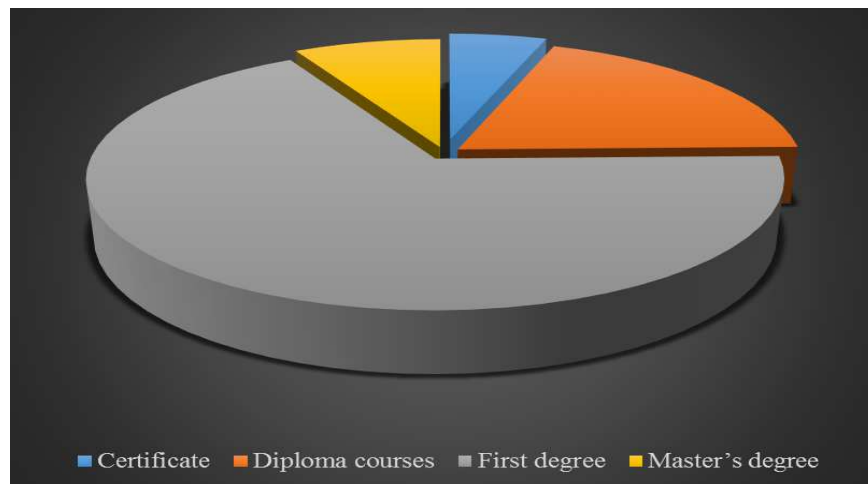


4.2.3 Respondents' education levels

It was necessary to consider the respondents educational levels. The assumption is that the more educated a person is the more responsible they will be. This include also ability to make decision and implement with no or minimum supervision. As shown in figure 3 below, majority of the respondents that is above 70% are bachelor's degree holder, they are followed by diploma holders, then master's degree holders and the least group which was made up only 15% had the least education

although most of them were the most experienced ones as they had lasted in the organizations longer than anybody else. It is therefore possible to conclude that the surveyed social security schemes had employees who had enough education to enable them to carry out their duties appropriately.

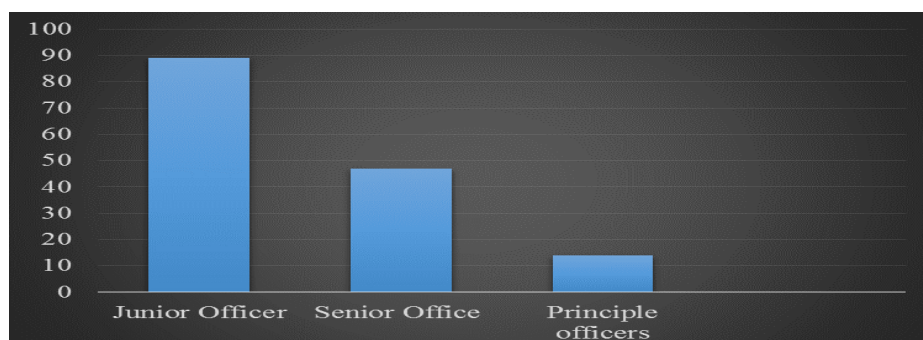
Figure 3 Respondents' educational level



4.2.4. Respondents by level of seniority

In this question, the researcher was interested to find the levels of seniority of the respondents. Because of the nature of the duties, the principle officers included was only 15%. Most of them were very busy and they were not available for the study. They were followed by senior officers who comprised almost half of the population and junior officers constituted the majority of the respondents.

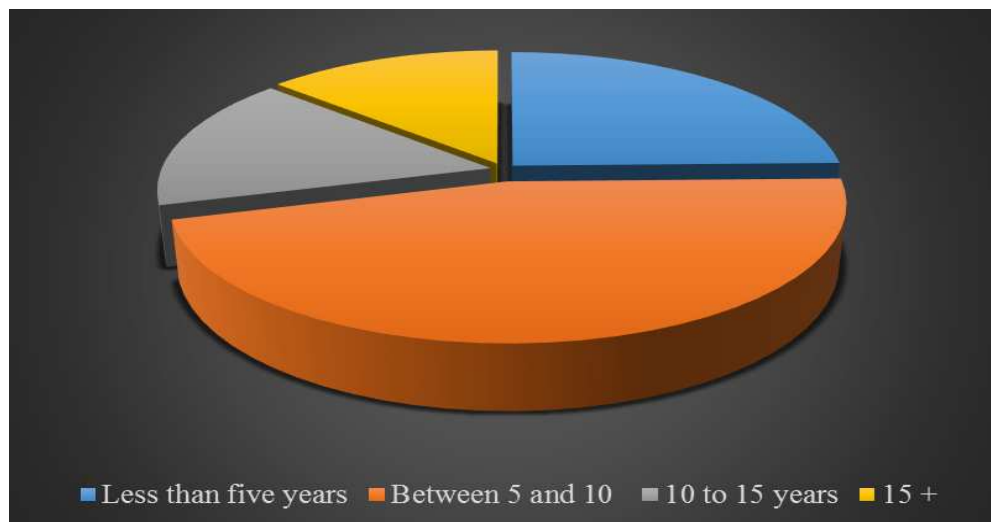
Figure 4 Respondents' seniority



4.2.5. Respondents' years of experience

It was necessary to examine the respondents experience in years as this was necessary to establish who has enough experience in the organization enough to give the right information needed in the study. Figure 5 below shows the experience in years where the majority of the workers have worked between 5 and 10 years. Those who have worked for less than 5 years was about 20% and the groups that had worked between 10 to 15 and those who have worked 15+ ears constituted around 15% respectively.

Figure 5 Respondents years of Experience

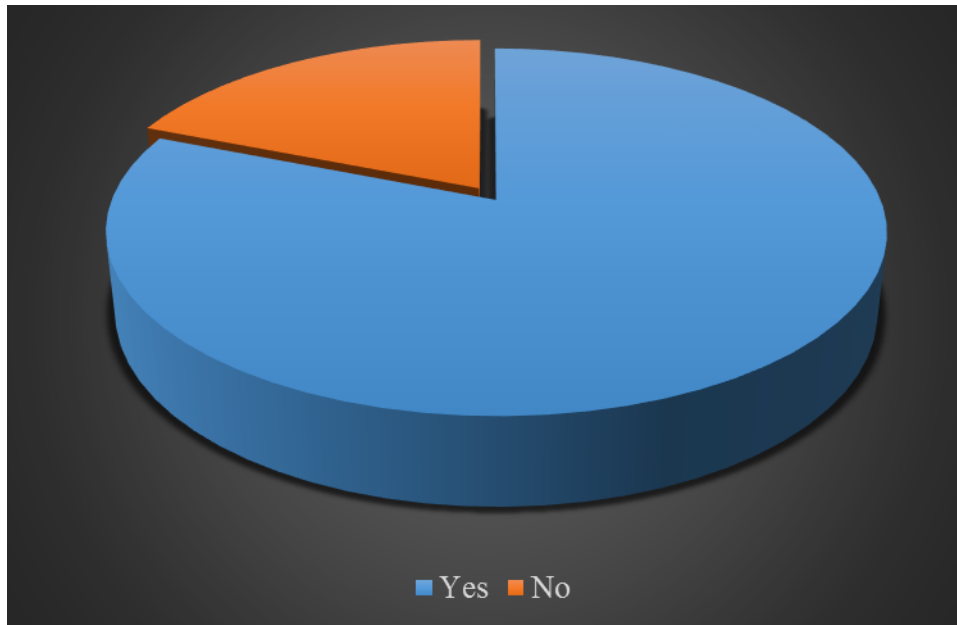


4.3. Knowledge if ILO 1952 minimum standards for social security

At this point the researcher wanted to know whether the respondents were aware of the ILO's 1952 social security minimum standards. The findings show that more than 80% of the respondents were aware of the standards.

It is possible to say though not conclusively that the remaining small percentage of those who were unaware of the standards could be made of those who have worked with the Schemes or the Authority for less than 5 years.

Figure 6 Awareness of ILO's social security minimum standards



4.4. ILO Social Security Minimum Standards

The first objective of this study was to examine the minimum standards set by ILO convention of 1952. In this section, several documents were reviewed in order to come up with a concise understanding of what the minimum standards are. According to ILO (2001) each complying organization has to meet the following minimum standards discussed hereunder:

4.4.1. Medical Care

Each Social security scheme have to secure to the persons protected the provision of benefit in respect of a condition requiring medical care of a preventive or curative nature in accordance the fact that the contingencies covered shall include any morbid condition, whatever its cause, and pregnancy and confinement as well as their consequences. The persons protected shall comprise the prescribed classes of employees, constituting not less than 50 per cent of all employees, and also their

wives and children; or prescribed classes of economically active population, constituting not less than 20 per cent. of all residents, and also their wives and children; or prescribed classes of residents, constituting not less than 50 per cent of all residents; or employees constituting not less than 50 per cent of all employees in industrial workplaces employing 20 persons or more, and also their wives and children.

The benefits in this case include at least in case of a morbid condition general practitioner care, including domiciliary visiting; specialist care at hospitals for in-patients and out-patients, and such specialist care as may be available outside hospitals; the essential pharmaceutical supplies as prescribed by medical or other qualified practitioners; and hospitalisation where necessary; and in case of pregnancy and confinement and their consequences pre-natal, confinement and post-natal care either by medical practitioners or by qualified midwives; and hospitalisation where necessary.

4.4.2. Sickness Benefit

The contingency covered comprise incapacity for work resulting from a morbid condition and involving suspension of earnings, as defined by national laws or regulations. The persons protected comprise prescribed classes of employees, constituting not less than 50 per cent of all employees; or prescribed classes of the economically active population, constituting not less than 20 per cent of all residents; or all residents whose means during the contingency do not exceed limits prescribed in such a manner as to comply with the requirements.

4.4.3. Unemployment benefit

Each Social security scheme have to secure to the persons protected the provision of unemployment benefit in accordance with the fact that The contingency covered shall include suspension of earnings, as defined by national laws or regulations, due to inability to obtain suitable employment in the case of a person protected who is capable of, and available for, work. The persons protected shall comprise prescribed classes of employees, constituting not less than 50 per cent. of all employees; or all residents whose means during the contingency do not exceed limits prescribed in such a manner as to comply with the requirements of the law or where a declaration made in virtue of Article 3 is in force, prescribed classes of employees, constituting not less than 50 per cent. of all employees in industrial workplaces employing 20 persons or more.

4.4.4 Old Age Benefits

Each Social security scheme has to secure to the persons protected the provision of old-age benefit in accordance with the following: The contingency covered shall be survival beyond a prescribed age. The prescribed age shall be not more than 65 years or such higher age as may be fixed by the competent authority with due regard to the working ability of elderly persons in the country concerned. National laws or regulations may provide that the benefit of a person otherwise entitled to it may be suspended if such person is engaged in any prescribed gainful activity or that the benefit, if contributory, may be reduced where the earnings of the beneficiary exceed a prescribed amount and, if non-contributory, may be reduced where the earnings of the beneficiary or his other means or the two taken together exceed a prescribed amount.

The persons protected comprise prescribed classes of employees, constituting not less than 50 per cent of all employees; or prescribed classes of the economically active population, constituting not less than 20 per cent of all residents; or all residents whose means during the contingency do not exceed limits prescribed in such a manner as to comply with the requirements of the law.

4.4.5 Family benefits

Each Social security scheme have to secure to the persons protected the provision of family benefit to the prescribed classes of employees, constituting not less than 50 per cent of all employees; or prescribed classes of the economically active population, constituting not less than 20 per cent. of all residents; or all residents whose means during the contingency do not exceed prescribed limits; or where a declaration made in virtue of Article 3 (ILO 2001) is in force, prescribed classes of employees, constituting not less than 50 per cent of all employees in industrial workplaces employing 20 persons or more.

This benefit is a periodical payment granted to any person protected having completed the prescribed qualifying period; or the provision to or in respect of children, of food, clothing, housing, holidays or domestic help. The benefit specified in Article 42 (ILO, 2001) shall be secured at least to a person protected who, within a prescribed period, has completed a qualifying period which may be three months of contribution or employment, or one year of residence, as may be prescribed. The total value of the benefits granted to the persons protected shall be such as to represent 3 per cent of the wage of an ordinary adult male labourer, as determined in accordance with the rules laid down in Article 66 (ILO, 2001), multiplied by the total

number of children of persons protected; or 1.5 per cent of the said wage, multiplied by the total number of children of all residents.

4.4.6 Employment Injury Benefits

Each Social security scheme have to secure to the persons protected the provision of employment injury benefit in accordance with articles 32 through 38 of the convention (ILO, 2001). The member covered shall include the following where due to accident or a prescribed disease resulting from employment many end up in a morbid condition; incapacity for work resulting from such a condition and involving suspension of earnings, as defined by national laws or regulations; total loss of earning capacity or partial loss thereof in excess of a prescribed degree, likely to be permanent, or corresponding loss of faculty; and the loss of support suffered by the widow or child as the result of the death of the breadwinner; in the case of a widow, the right to benefit may be made conditional on her being presumed, in accordance with national laws or regulations, to be incapable of self-support.

In respect of a morbid condition, the benefit will be medical care as specified in paragraphs 2 and 3 of this Article (ILO, 2001). The medical care shall comprise: general practitioner and specialist in-patient care and out-patient care, including domiciliary visiting; dental care; nursing care at home or in hospital or other medical institutions; maintenance in hospitals, convalescent homes, sanatoria or other medical institutions; dental, pharmaceutical and other medical or surgical supplies, including prosthetic appliances, kept in repair, and eyeglasses; and the care furnished by members of such other professions as may at any time be legally recognised as

allied to the medical profession, under the supervision of a medical or dental practitioner.

The institutions or Government departments administering the medical care must co-operate, wherever appropriate, with the general vocational rehabilitation services, with a view to the re-establishment of handicapped persons in suitable work. National laws or regulations may authorise such institutions or departments to ensure provision for the vocational rehabilitation of handicapped persons.

4.4.7 Maternity Benefits

Each Social security scheme have to secure to the persons protected the provision of maternity benefits where the contingencies covered shall include pregnancy and confinement and their consequences, and suspension of earnings, as defined by national laws or regulations, resulting therefrom. The persons protected shall comprise all women in prescribed classes of employees, which classes constitute not less than 50 per cent. of all employees and, for maternity medical benefit, also the wives of men in these classes; or all women in prescribed classes of the economically active population, which classes constitute not less than 20 per cent of all residents.

For maternity medical benefit, also the wives of men in these classes; or where a declaration made in virtue of Article 3 is in force (ILO, 2001), all women in prescribed classes of employees, which classes constitute not less than 50 per cent of all employees in industrial workplaces employing 20 persons or more, and, for maternity medical benefit, also the wives of men in these classes. In respect of

pregnancy and confinement and their consequences, the maternity medical benefit shall be medical care as specified in paragraphs 2 and 3 of this Article (ILO, 2001).

The medical care shall include at least pre-natal, confinement and post-natal care either by medical practitioners or by qualified midwives; and hospitalisation where necessary. The medical care shall be afforded with a view to maintaining, restoring or improving the health of the woman protected and her ability to work and to attend to her personal needs.

The institutions or Government departments administering the maternity medical benefit shall, by such means as may be deemed appropriate, encourage the women protected to avail themselves of the general health services placed at their disposal by the public authorities or by other bodies recognised by the public authorities.

4.4.8. Invalidity Benefits

Each Social security scheme have to secure to the persons protected the provision of invalidity benefit in accordance with the fact that the contingency covered shall include inability to engage in any gainful activity, to an extent prescribed, which inability is likely to be permanent or persists after the exhaustion of sickness benefit.

The persons protected comprise prescribed classes of employees, constituting not less than 50 per cent. of all employees; or prescribed classes of the economically active population, constituting not less than 20 per cent. of all residents; or all residents whose means during the contingency do not exceed limits prescribed in such a manner as to comply with the requirements of Article 67 (ILO, 2001); or where a declaration made in virtue of Article 3 is in force (ILO, 2001), prescribed

classes of employees, constituting not less than 50 per cent. of all employees in industrial workplaces employing 20 persons or more.

The benefit specified in Article 56 (ILO, 2001) shall, in a contingency covered, be secured at least to a person protected who has completed, prior to the contingency, in accordance with prescribed rules, a qualifying period which may be 15 years of contribution or employment, or 10 years of residence; or where, in principle, all economically active persons are protected, to a person protected who has completed a qualifying period of three years of contribution and in respect of whom, while he was of working age, the prescribed yearly average number of contributions has been paid.

Where the benefit referred to in paragraph 1 is conditional upon a minimum period of contribution or employment, a reduced benefit shall be secured at least to a person protected who has completed, prior to the contingency, in accordance with prescribed rules, a qualifying period of five years of contribution or employment; or where, in principle, all economically active persons are protected, to a person protected who has completed a qualifying period of three years of contribution and in respect of whom, while he was of working age, half the yearly average number of contributions prescribed in accordance with subparagraph (b) of paragraph 1 of this Article has been paid. The requirements of paragraph 1 of this Article shall be deemed to be satisfied where a benefit calculated in conformity with the requirements of Part XI (ILO, 2001) but at a percentage of ten points lower than shown in the Schedule appended to that Part for the standard beneficiary concerned is secured at least to a

person protected who has completed, in accordance with prescribed rules, five years of contribution, employment or residence.

A proportional reduction of the percentage indicated in the Schedule appended to Part XI (ILO, 2001) may be effected where the qualifying period for the pension corresponding to the reduced percentage exceeds five years of contribution or employment but is less than 15 years of contribution or employment.

The contingency covered shall include the loss of support suffered by the widow or child as the result of the death of the breadwinner; in the case of a widow, the right to benefit may be made conditional on her being presumed, in accordance with national laws or regulations, to be incapable of self-support. National laws or regulations may provide that the benefit of a person otherwise entitled to it may be suspended if such person is engaged in any prescribed gainful activity or that the benefit, if contributory, may be reduced where the earnings of the beneficiary exceed a prescribed amount, and, if non-contributory, may be reduced where the earnings of the beneficiary or his other means or the two taken together exceed a prescribed amount.

The persons protected shall comprise the wives and the children of breadwinners in prescribed classes of employees, which classes constitute not less than 50 per cent. of all employees; or the wives and the children of breadwinners in prescribed classes of the economically active population, which classes constitute not less than 20 per cent. of all residents; or all resident widows and resident children who have lost their breadwinner and whose means during the contingency do not exceed limits

prescribed in such a manner as to comply with the requirements of Article 67 (ILO, 2001), or where the wives and the children of breadwinners in prescribed classes of employees, which classes constitute not less than 50 per cent. of all employees in industrial workplaces employing 20 persons or more.

4.5 Existing set-up of the social security sector in Tanzania

Tanzania's social security sector have been categorized in a three-tier structure (see Figure 7), which seeks to utilize various funding sources to provide better protection for the country's population. This structure attempts to address the needs of different groups in the society in accordance with their levels of income and degree of vulnerability. It consists of the following:

4.5.1 Tier one - Social assistance schemes

This constitutes provision of services such as primary health, primary education, water, food security, relief in the event of disasters and calamities and other services on a means-tested basis. Government and Non-Governmental Organizations (NGOs) finance these services. The Prime Minister's Office, the Department of Social Welfare, the Ministry of Health and the Ministry of Community Development, Gender and Children Affairs are the government agencies dealing with this branch of social security.

4.5.2 Tier two - Mandatory schemes

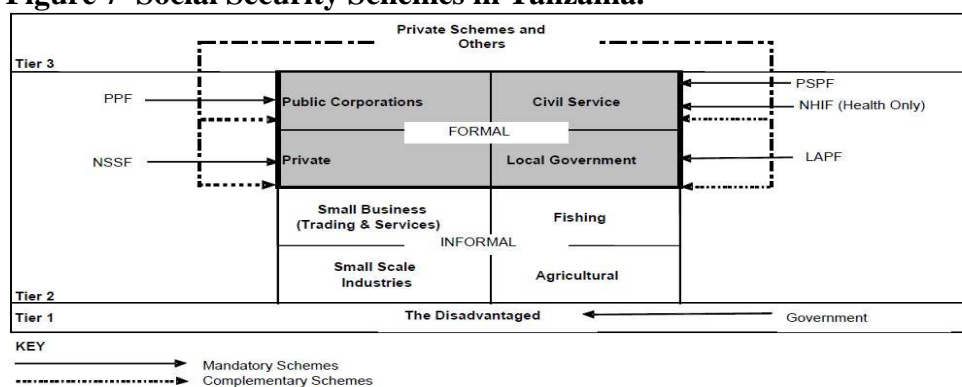
These are compulsory and contributory schemes financed by both employers and employees during their working life in return for terminal and short-term benefits. Unlike some countries which have a single social security institution, Tanzania has

five public social security institutions operating at this level. It also has an institution which specifically deals with health insurance.

4.5.3 Tier three - Voluntary or supplementary schemes

Schemes under this tier include personal savings, co-operative and credit societies, occupational pension schemes and private schemes managed by employers, professional bodies, community-based organizations and financial institutions. At the moment, these schemes are not highly developed in Tanzania.

Figure 7 Social Security Schemes in Tanzania.



Source: SSRA

The five public social security operating in Tanzania are National Social Security Fund (NSSF), Parastatal Pensions Fund (PPF), Local Authority Pensions Fund (LAPF), Government Employees Provident Fund (GEPF) and the Public Service Pension Fund (PSPF).

CHAPTER FIVE

5.0 CONCLUSION, SUMMARY AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes the findings of the study, gives the implication of the findings together with the impediments towards to the realization of the minimum standards provided by the ILO Convention of 1952. Furthermore, the chapter gives the conclusion and also gives the recommendation for further study as well as for improvement of the condition of the social security schemes performance.

5.2 Summary of the findings

In comparison with the ILO Minimum standards, NSSF offer seven benefits out of nine required by the ILO (Minimum standards) Convention (1952). The benefits by NSSF are old age pension, survivorship, invalidity benefit, maternity, funeral grant, health care benefit and employment injury benefit. PPF provides five benefits out of nine benefits required to be provided by the ILO Convention (1952). Furthermore, PSPF and GEPF provides five benefits out of nine required by the ILO Convention (1952). Lastly, LAPF provides five benefits out of nine required.

According to the above information above, the all social security schemes in Tanzania offers an average of five to seven benefits in comparison to the required minimum standards provided by the ILO Convention of 1952. Its only one social security scheme which is NSSF which does offer seven benefits out of nine required by the ILO Convention of 1952. The rest of social security schemes in Tanzania offer five benefits out of nine stipulated in the ILO Convention of 1952.

5.3 Implication of the findings

The implication of the findings are that, according to the respondents and the information obtained through secondary data, Tanzania's social security system to some extent follows the ILO Convention (1952) in providing the benefits to the society however the benefits offered do not meet all the requirements of the ILO. As portrayed above, findings indicate that the social security schemes present in the country only offer around five out of the nine benefits set by the 1951 ILO Convention. This can be estimated to around 55.5 percent which is half of the requirement of the ILO minimum requirements.

Although some impediments towards to the full realization of the minimum standards as required by the ILO Convention (1952) have been mentioned, meeting only half of the minimum requirement is considered to be too low for the full realization of social security as a social insurance. Below are some of the impediments considered to hinder the full realization of the minimum standards.

5.3.1 Impediments towards realization of the ILO Social Security Minimum Standards

Through the interviews and questionnaires in this study, majority respondents mentioned that there are several impediments making it hard for the social security organizations to implement the minimum standards in the country. Although this was not the focus of this study, it is important to give a highlight to some of the problems.

5.3.1.1 High administration costs

In the first place, the majority of the respondents said that in Tanzania spends about 15 per cent of total collections on administration costs. Extending coverage to the

informal sector in the urban and rural areas will result in higher administration costs due to the additional costs arising from enforcing compliance.

5.3.1.2 Permanency and consistency

Some informal sector workers have no permanent place of business, hence making it difficult to enforce compliance. Most of the Tanzanians work in informal sector and others are engaged in activities, which are seasonal in nature resulting in an irregular flow of income. Social security institutions need to devise a system, which will address these issues.

5.3.1.3 Irrelevance of the retirement age

Workers in the informal sector do not have a standard retirement age. They will continue working as long as they are healthy and the activities are still profitable. They may retire at an early or late age depending on their health and business environment, and not on the pensionable age as defined by the law.

5.3.1.4 Enforcement of compliance

Under the classical social security administration, employers are penalized for late submission of contributions and legal action is taken against defaulters. It is difficult to apply these principles to voluntary members, hence making coverage of the sector rather difficult.

5.3.1.5 Low contribution capability

Levels of income for most of the informal and even a large part of the formal sector employees are quite low. Their income is just enough to provide for subsistence,

making it difficult to meet their immediate needs as well as paying contributions to social insurance schemes for their future protection.

5.3.1.6 Lack of incentives to register

The research conducted by the NSSF revealed that the immediate needs of workers in the informal sector are loan facilities and sponsorship for training. However, such provisions are not part of the conventional social protection schemes.

5.4 Conclusion

Findings from this study indicate that, the existing social security schemes in Tanzania have done their best to comply with the preset social security standards. However, they are faced by several impediments as it has been portrayed above, the major ones being poverty and low income ability of those contributing to the funds.

These standards are highly applicable in the developed countries where everything is already set and there are enough jobs with high incomes. People have enough income which fattens the social security funds and it is not too much to spend on compensating everyone with problems.

5.5 Specific Recommendations

The reforms necessary in the social security sector in Tanzania may be clarified as Legal and policy reforms, Institutional and Change in Administration and management, Legal and policy Reforms. There is need for an over haul the entire legal regime governing pensions. It is therefore suggested that as a manifestation of seriousness to her obligations in international law, the government should ratify ILO

Convention 102, which provides for the minimum benefits. The government should also cause the ongoing Constitutional review process to include the right to social security expressly, which should then be given effect by way of justifiability, the government is also advised to reform the laws governing civil service and armed forces pensions, civil servants entering the service should be mandated to pay for their pensions like any other persons.

The constitutional protection of social security and pension rights should be extended to cover all citizen and residents without any discrimination whatsoever. A comprehensive law institutions, should be enacted, which will be tailored in accordance with the necessary reform structures, the new law, therefore should among others provide for, registration licensing, funding, governance of all social security and pension providers, operators and other stake holders in Tanzania, establish an independent regulator, her duties and responsibilities, three tier social security system, firstly, social assistance, disaster preparedness and guaranteed minimum pension for old age. The second tier should comprise basic mandatory benefits financed through defined contributions, the third, should consist of additional mandatory and voluntary benefits from optional savings.

The law should establish minimum standards for national providers of basic mandatory social security benefits and other providers should create an obligation for all citizens and residents to register and hold a national social security number.

5.5.1 Institutional Restructuring

The new regulator should be established for the entire social protection sector, this should be a strong, well-funded organization, independent from government and players in the sector, the South African model can be considered. The regulator, be taken as a single specialized non-bank financial regulator to cover pensions, insurance, capital markets, and other social security and pension bodies.

The duties of the regulator should include registration and licensing of providers, by considering their ability to meet minimum criteria for such business like, competence, legal status, competencies in handling funds, the regulator, should regulate investments, by setting limits for the nature and portfolio of investments that fund can venture into, this will be aimed at protecting members money as well as getting Economic returns from their contributions, standard setting is another area, which will ensure compliance with law by all licensed operators, minimum expected returns, liquidity limits ,and qualifications of the players., the regulator will be the law enforcement agency, with powers to prosecute and ensure compliance by employees, employees and providers, the regulator should set sound financial management policies inform of accounting, financial reporting obligations, audited reports, policy and financial disclosure, issuance of national social security numbers, public education and mass mobilization, levying of penalties against defaulter, administration of social assistance fund, creating mandatory subscription for all eligible persons in Tanzania, make provisions for unfettered portability of contributions and accrued benefits between providers an, operators, employers and other stake holders.

Also the regulator should have the obligation to amend taxation laws to boost incentives for increased savings, defining the scope of the benefits and stating the basic mandatory benefits, defining, and providing for social assistance, its funding and administration, provide of panels of investment experts and or registered fund managers and their qualifications, expertise, and or experience ,provide for state guarantees in when investing, provide for minimum pensions and any other matters that may be agreed upon from time to time after due consultation with stake holders.

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

There should be a three course system be set, first being for social assistance, disaster / crisis assistance to victims of natural disasters. The second one is to cater for basic mandatory and lastly a course to cater for additional mandatory and voluntary benefits. The basic mandatory should include, age, survivors, invalidity, major medical, surgical and maternity, insurance for unemployment, further education, home/property ownership, burial in case of loss of a defined relative. .It also recommended that the country introduce a universal identification system, where every citizen or resident should be issued with such a social security number, which can be used for accessing other services and benefits.

The social security number will be used for contributions by even members of the non-formal sectors; this is the situation in Mauritius, and the Scandinavian countries. It is recommended that regular indexation be carried out so that benefits remain with economic value, the payment should be in accordance with the prevailing Social-Economic situation prevailing at the time.

Provision of Investment guidelines: In order to avoid mismanagement of the pension funds by the Managers / service providers, the regulatory authority should provide a comprehensive and clear investment guidelines, covering inter alia, a comprehensive and clear criteria, for investments including the percentage of the funds, qualifications for members ships of the governing bodies, qualifications of managers, allowable investments, approved benefits that may be paid, this will reduce the mismanagement of pensioners money.

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Appendix I: Questionnaires

THE OPEN UNIVERSITY OF TANZANIA

EXECUTIVE MBA

Questionnaires

Dear Respondent,

This questionnaire aims at collecting information concerning the study of Analysis of the benefits offered by the Social Security Schemes in Tanzania with response to the ILO Social Security (Minimum Standards) Convention of 1952.

The purpose of this questionnaire is to request you to express your thought to the researcher about how the benefits offered by the Social Security Schemes in Tanzania do comply with the minimum standards provided by the ILO Convention of 1952.

From your responses, the researcher will be able to analyze and understand the benefits being given by the Social security schemes in Tanzania, to understand what are the minimum standards provided by the ILO Convention of 1952 and to understand to what extent does the Tanzanian Social security schemes do abide with the requirement of the ILO Convention of 1952 in providing the said benefits to people entitled to those benefits. This information is for academic purposes only. I therefore request you to freely fill in the questionnaire below.

Instructions

Choose the correct answer from the multiple choices and put a tick in the brackets. If you feel you need extra information to be filled attach plain paper at the back of the questionnaire.

Other instructions are indicated as per requirement of the question.

Section A**General Information**

1. What is your gender?
 - a) Male
 - b) Female ()
2. What is your age group?
 - a) Below 20 yrs
 - b) Between 20 – 35 yrs ()
 - c) Between 35 – 55 yrs
 - d) Above 55
3. What is your level of education?
 - a) Certificate
 - b) Diploma course
 - c) First degree ()
 - d) Postgraduate diploma
 - e) Master Degree

4. What is your position at work?
- a) Junior officer
 - b) Senior officer
 - c) Principal Officer ()
5. How many Years of working experience?
- a) Less than five (5) years
 - b) Between 5 and 10 years
 - c) Between 10 and 15 years ()
 - d) Between 15 and 20 years
6. Where do you work?
- a) SSRA
 - b) PPF
 - c) LAPF
 - d) NSSF
 - e) GEPP
 - f) PSPF ()

Section B

Objective; to examine what are the minimum standards set by the Convention (ILO, 1952).

1. Do you know anything about the minimum standards provided by the ILO Convention, 1952?
- a) Yes
 - b) No ()

2. If your answer is yes, what do the minimum standards provided by the ILO Convention of 1952 require?

.....

Objective; to assess the benefits offered by the Social Security Schemes in Tanzania.

4. What kinds of benefits are being offered by the pension scheme you are working?

.....

Objective; to examine the extent to which the Social security Schemes in Tanzania do meet the minimum standards set the ILO Convention (ILO, 1952).

5. Are the benefits being provided by the pension scheme you work for do meet the minimum standards provided by the ILO Convention, 1952?

a) Yes

b) No ()

6. To what extent does the coverage of the social security schemes in Tanzania meet the ILO Social Security (Minimum Standards) Convention, 1952?

.....

Objective; to analyze the impediments towards the realization of the Minimum Standards set by the Convention (ILO, 1952) in Tanzania.

7. What are the impediments towards the realization of the Minimum Standards of Social security in Tanzania?

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8. How can the impediments be dealt with?

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