

**KAMPALA INTERNATIONAL UNIVERSITY**



**THE CONTRIBUTION OF SOCIAL SECURITY SCHEMES TO THE  
SOCIOECONOMIC DEVELOPMENT AND MAINTENANCE OF  
PENSIONERS**

**CASE STUDY OF PARASTATAL PENSIONS FUND**

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OF THE REQUIREMENT FOR THE AWARD OF BACHELOR  
DEGREE IN BUSINESS ADMINISTRATION**

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## DECLARATION

I ASHERY A.MAJANJA declare that this research is my own work and has not been submitted to any other Institution of higher learning for any academic or professional award.

Submitted today the day of 1/12.....2008

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## APPROVAL

This research proposal titled "*The contribution of social security schemes to the socio-economic development and maintenance of pensioners*" Headquarter- Dar es Salaam Tanzania is submitted to Kampala International University, School of Business and Management for the award of bachelor degree of Business administration with the approval of my Supervisor, Mr. Michael Ruteganda

Signature .....



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## **DEDICATION**

I would like to dedicate this research report to my beloved family of the late Mr. Ayubu J.Majanja and Mrs.Bernadertha Karoli Majanja and my aunt the late Godliver K.Mgeyo (Mama Faraja) to my beloved brother Asafu A.Majanja (Bonane) and sisters Efrazia Majanja (Faraja), Grace Majanja (Nyanzobe) and Lisa A.Majanja (Bahati), my girl friend Mukantwari Noella and my Aunt Miss.Elica Helemejeridi Sambwe (Ma Mdo).

Also I would like to dedicate this research report to my friends including Mr.Athuman Selemani Kikwete (Business Partner), Mr. Ronald M. Munga, Mr. Anthony W.Muganga (Roomate),Mr. Boma O. Raballa, Mr.Silah Stanley,Mr.Godsright Waized Miss. Jane John(My sister in Law), Miss. Rosena Vedastus(sister) and my beloved supervisor Mr. Michael Ruteganda. For their support and encouragement may god bless them forever.

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## **ABBREVIATIONS**

GDP.....	Gross Domestic Product.
GNP.....	Gross National Product.
NGOs.....	Non Government Organizations.
NHIF.....	National Health Insurance Fund.
NPF.....	National Provident Fund.
NSSF.....	National Social Security Fund.
NSSP.....	National Social Security Policy.
PPF.....	Parastatal pension fund
PSPF.....	Public Service Pension Fund.
TATEPA.....	Tanzania Tea Packers.
TBL.....	Tanzania Breweries Limited.
TCC.....	Tanzania Cigarette Company.
TOL.....	Tanzania Oxygen Limited.
TPS.....	Tourism Promotion Services.
UNDP.....	United Nation Development Programmed.
ZSSF.....	Zanzibar Social Security Fund

## **ABSTRACT**

It is generally agreed that the pensioners form a class of poor people. There is also a feeling that the social security institutions which serve them are neither effective nor efficient enough to mobilize resources towards poverty alleviation for this category of the population. This feeling has called for the need of investigation into the issue.

The main purpose of this research report is therefore to present an evaluation of the contribution of the social security schemes to the socioeconomic development and maintenance of pensioners in general and of the PPF Pensions Fund in particular. Other objectives are to assess the contribution of the social security schemes in the reduction or even eradication of poverty and to propose the strategies towards efficient and effective operation of the schemes resources.

The review has been done on the ideas concerning the subject matter from different literatures on Social Security Schemes, Economic and Social development and researchers. Research design combines quantitative and qualitative approaches. Data analysis has been presented in a descriptive manner. The methodology used in collecting the necessary information included interview of pensioners and workers, questionnaire to the pensioners, observation while doing a field work and secondary documentary source. The sampling design involves the sample size of 30 respondents and targeted population were pensioners and workers at PPF Headquarter. Sampling technique involves simple random sampling and non-probabilistic sampling methods.

The study has found that Social Security Schemes fulfilled the role for which it was created and are efficient in mobilizing their resources towards poverty reduction not only for members but also for the country. On the other hand there some areas which needed to be acted on including the extension of social security coverage to the informal sector, improvements on the service quality and providing terminal benefits and pensions that fulfils the needs of pensioners



## Table of contents

DECLARATION .....	I
APPROVAL .....	II
DEDICATION .....	III
ACKNOWLEDGEMENTS .....	IV
COPYRIGHT.....	V
ABBREVIATIONS.....	VI
ABSTRACT .....	VII
TABLE OF CONTENTS .....	VIII
LIST OF TABLES.....	XIII
LIST OF FIGURES.....	XIV
LIST OF CHARTS.....	XV
CHAPTER ONE .....	1
INTRODUCTION .....	1
1.1 BACKGROUND OF THE STUDY .....	1
1.2 STATEMENT OF THE PROBLEM.....	3
1.3 OBJECTIVE OF THE STUDY.....	4
1.4 RESEARCH QUESTIONS.....	4
1.5THE CONCEPTUAL FRAME WORK.....	5
1.6 SIGNIFICANCE OF THE STUDY .....	6

<b>CHAPTER TWO .....</b>	<b>7</b>
<b>LITERATURE REVIEW .....</b>	<b>7</b>
<b>2.1 INTRODUCTION .....</b>	<b>7</b>
<b>2.2 SOCIAL SECURITY AND POVERTY .....</b>	<b>7</b>
<b>2.3 SOCIAL SECURITY AND DEVELOPMENT .....</b>	<b>9</b>
<b>2.3.1 SOCIAL DEVELOPMENT.....</b>	<b>10</b>
<b>2.3.2 SOCIAL EFFECTS OF SOCIAL SECURITY SCHEMES.....</b>	<b>11</b>
<b>2.3.3 ECONOMIC DEVELOPMENT .....</b>	<b>12</b>
<b>2.3.4 ECONOMIC EFFECTS OF SOCIAL SECURITY SCHEMES .....</b>	<b>12</b>
<b>2.3.5. CONCLUSION .....</b>	<b>15</b>
<b>2.4 THE FUNCTIONS AND ROLE OF PENSIONS FUND.....</b>	<b>15</b>
 <b>CHAPTER THREE .....</b>	 <b>16</b>
<b>RESEARCH METHODOLOGY .....</b>	<b>16</b>
<b>3.1 AREA OF THE STUDY .....</b>	<b>16</b>
<b>3.2 RESEARCH DESIGN.....</b>	<b>16</b>
<b>3.2.1 Qualitative approach.....</b>	<b>16</b>
<b>3.2.2 Quantitative approach .....</b>	<b>17</b>
<b>3.3 SAMPLING DESIGN .....</b>	<b>17</b>
<b>3.3.1 Targeted Population .....</b>	<b>17</b>
<b>3.3.2 Sampling Techniques .....</b>	<b>17</b>
<b>3.3.3 Sample Size.....</b>	<b>18</b>
<b>3.4 DATA COLLECTION.....</b>	<b>18</b>
<b>3.4.1 Primary Data Collection .....</b>	<b>19</b>
<b>3.4.2 Secondary Data Collection.....</b>	<b>20</b>

<b>3.5 DATA ANALYSIS.....</b>	<b>20</b>
<b>CHAPTER FOUR .....</b>	<b>21</b>
<b>THE FINDINGS, ANALYSIS AND DISCUSSION .....</b>	<b>21</b>
<b>4.1 INTRODUCTION .....</b>	<b>21</b>
<b>4.2 CONTRIBUTION OF THE SOCIAL SECURITY SAFETY NETS IN THE SOCIOECONOMIC DEVELOPMENT .....</b>	<b>21</b>
<b>4.3 SOCIAL SECURITY SCHEMES AND SOCIAL DEVELOPMENT .....</b>	<b>23</b>
<b>4.3.1 BENEFITS SATISFACTION .....</b>	<b>23</b>
<b>4.3.2 FAMILY AND RELATIVES REACTION ON RETIREMENTS .....</b>	<b>24</b>
<b>4.3.3. RELATIVE SATISFACTION ON BENEFITS.....</b>	<b>25</b>
<b>4.3.4 FAMILY AND RELATIVES CONTRIBUTION ON INCOME.....</b>	<b>25</b>
<b>4.3.5. INCOME SOURCES .....</b>	<b>26</b>
<b>4.3.6 RELATIONSHIP WITH RELATIVES AFTER RETIREMENT .....</b>	<b>27</b>
<b>4.4 SOCIAL SECURITY SCHEMES AND ECONOMIC DEVELOPMENT.....</b>	<b>27</b>
<b>4.4.1 ECONOMIC POSITION AFTER RETIREMENTS.....</b>	<b>28</b>
<b>4.4.2 EXPENDITURE AFTER RETIREMENT .....</b>	<b>28</b>
<b>4.4.3 EMPLOYMENT LEFT BEHIND .....</b>	<b>30</b>
<b>4.4.4. SAVINGS BEFORE RETIREMENTS .....</b>	<b>30</b>
<b>4.5. SOCIAL SECURITY SCHEMES AND POVERTY ALLEVIATION.....</b>	<b>31</b>
<b>4.5.1 LEVEL OF CONTRIBUTION AND POVERTY REDUCTION.....</b>	<b>31</b>
<b>4.5.2 RETURN ON INVESTMENT AND POVERTY REDUCTION.....</b>	<b>33</b>
<b>4.5.3 ADMINISTRATION COSTS AND BENEFITS .....</b>	<b>34</b>
<b>4.5.4: GOVERNMENT POLICY: PRIVATIZATION AND POVERTY.....</b>	<b>35</b>
<b>4.5.5 GOVERNMENT POLICY: RETRENCHMENT AND POVERTY.....</b>	<b>35</b>

4.5.6 EMPLOYMENT AND MEMBERSHIP COVERAGE .....	36
4.5.7 INFORMAL SECTORS AND COVERAGE.....	38
4.5.8 AWARENESS AND COVERAGE .....	38
4.5.9 LEGAL ISSUE AND COVERAGE .....	39
4.6. SOCIAL SECURITY SCHEMES AND ITS SERVICES .....	39
4.6.1 CONTRIBUTION REACTION .....	40
4.6.2 VIEWS ON BENEFITS PAYMENTS.....	41
4.6.3. EXPRESSION ON THE SERVICES PROVIDED.....	41
 CHAPTER FIVE .....	 44
CONCLUSIONS AND RECOMMENDATIONS .....	44
5.1 CONCLUSION .....	44
5.2 RECOMMENDATIONS/POLICY IMPLICATIONS .....	44
 REFERENCES .....	 47
 APPENDIX 1 .....	 51
A: SAMPLE QUESTIONNAIRE .....	51
PART B.....	58
 APPENDIX 2 .....	 61
CURRICULUM VITAE .....	61
APPENDIX 3A .....	62
MAP OF TANZANIA .....	62

APPENDIX 3B .....	63
A MAP OF DAR ES SALAAM.....	63
APPENDIX 4 A .....	64
TIME FRAME.....	64
APPENDIX 4B .....	65
RESEARCHER'S BUDGET .....	65

## LIST OF TABLES

TABLE 1: SOCIO-DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS.....	23
TABLE 2: BENEFITS FULFILMENT.....	25
TABLE 3: FAMILY OPINIONS AFTER RETIREMENT.....	25
TABLE 4: BENEFITS FULLFILMENT ON DEPENDANCY.....	26
TABLE 5: FAMILY AND RELATIVES DONATION ON INCOME.....	27
TABLE 6: RELATIONSHIP WITH RELATIVES AFTER RETIREMENT.....	28
TABLE 7: ECONOMIC POSITION AFTER RETIREMENTS.....	29
TABLE 8: HOW WAS EXPENDITURE AFTER RETIREMENT.....	30
TABLE 9: EXPENDITURE BY RESPONDENTS.....	31
TABLE 10: EMPLOYMENT LEFT BEHIND.....	31
TABLE 11: SAVING ON SALARY.....	32
TABLE 12: RATING ON PENSION PROGRAM.....	41
TABLE 13: EXPRESSIONS ON THE SERVICES QUALITY.....	44

## LIST OF FIGURES

FIGURE 1: CONCEPTUAL FRAMEWORK ON POVERTY REDUCTION.....	8
FIGURE2: THE IMPACT OF SOCIAL SECURITY SCHEMES TO THE SOCIOECONOMIC DEVELOPMENT.....	15

## LIST OF CHARTS

CHART 1: ADDITIONAL INCOME.....	28
CHART 2: CONTRIBUTION AGAINST BENEFITS.....	34
CHART 3: INVESTMENT INCOME AGAINST BENEFITS.....	35
CHART 4: INVESTMENT INCOME AGAINST ADMINISTRATION COST.....	36
CHART 5: MEMBERSHIP GROWTH.....	38
CHART 6: EMPLOYMENT AND MEMBERSHIP GROWTH.....	39



## **CHAPTER ONE**

### **INTRODUCTION**

#### ***1.1 BACKGROUND OF THE STUDY***

The concept of Social Security evolved from an age old search of mankind for protection against poverty. Poverty not only threatens his survival but also erodes his sense of human dignity. Therefore, it is the duty of any society to design a system appropriate to its local environment for the social protection<sup>1</sup>.

Social protection aims at reducing the vulnerability of households. For those already below poverty line, it affords the opportunity to rise above it by cushioning the impact of future shocks, such as sickness or crop failure, and allowing access to economic opportunity. For those above the poverty line, it affords the cushion that would keep them floating above the line even if shocks such as death of a breadwinner, drought or fire were to threaten the live hood of the household.

Traditionally, Social protection has included policies that provide social safety nets, social funds, labour market interventions and social insurance which include pensions<sup>2</sup>. Social Security Schemes is the result of protection against those forces that have threatened human security. Normally, life of workers is full of uncertainty and surrounded by complex threatening forces as the result lead to the need of modern security schemes for workers.

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<sup>1</sup> [www.nssftz.com](http://www.nssftz.com) on 26/9/2004

<sup>2</sup> Redja .G. 1976

The purpose of these schemes is to offer protection to its members against economic and social distress that otherwise would be caused by substantial reduction of earnings as a result of old age, death of the member or disability of member due to the employment injury.

Tanzania is among the countries at a low level of economic development with the Gross Domestic Product amounted to Tshs. 9,811,553 at current prices. The Gross Domestic Product per Capita estimated to Tshs 285,887 at current prices<sup>1</sup>. The GDP per capita of Tanzania lags behind the World Bank poverty line which is US \$ 1<sup>2</sup> per day in Purchasing Power Parity<sup>3</sup>. This shows that the country is characterised by high level of poverty with the result that the vast majority of the population cannot afford to contribute to the social security schemes due to low income and register due to illiteracy on the activities of social security schemes. In Tanzania 5%<sup>4</sup> of the working population contributes to statutory pension schemes while the employed people make a share of 76%<sup>5</sup> of the total population.

Tanzania has seven statutory social security schemes which are PPF Pensions Fund (PPF), National Social Security Fund (NSSF), Zanzibar Social Security Fund (ZSSF), Public Service Pension Fund (PSPF), Local Authority Provident Fund (LAPF), National Health Insurance Fund (NHIF) and Government Employees Pensions Fund (GEPF). Their contribution to the Gross Domestic Product is estimated to be 2.6%<sup>6</sup> for the year 2003. The country is in challenge of

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<sup>1</sup> The Economic Survey 2003, p 1 current price of 2003

<sup>2</sup> 1 us\$=1057 tsh Bank of Tanzania official exchange rate, Dec 2004

<sup>3</sup> World Development Indicators, World Bank 2000

<sup>4</sup> study by Van Ginneken, Overcoming Social Exclusion, p 2

<sup>5</sup> Integrated Labour Force Survey 2000/01

<sup>6</sup> Researcher computation

achieving the Millennium Development Goals now, therefore the study should be taken to explore what have been done by social security schemes towards socioeconomic development.

## ***1.2 STATEMENT OF THE PROBLEM***

Social Protection for pensioners has been an issue of concern globally. In Tanzania ,social security schemes information has neither been adequately disseminated nor well documented, especially with regard to how it involves in the reduction of poverty for its members, country development and fulfilment of roles and functions for which they were formed.

The crucial contribution by social security schemes to reduce the vulnerability of poor and non-poor segments of the population and hence to pave the way for the achievements of development has found much less attention. The Provision of social protection through social security schemes may have immediate or long-term direct and indirect impacts on the society particularly with regards to development and sustenance of life<sup>1</sup>.

On the other hand, in its operation social security schemes faces many challenges. They have been reported as ineffective and inefficient in mobilizing resources adequate to meet their functional responsibilities so as to achieve the intended objectives. This has impact in economic as well as social development.

Therefore, the study on the contribution of Social Security Schemes in socioeconomic development and maintenance of pensioners is of crucial importance. It provides knowledge of

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<sup>1</sup> World Bank 2004

what have been done by these schemes towards achieving Millennium Development Goal one of which is the eradication of extreme poverty and hunger. Also exploration will be done to identify obstacles which make these schemes not to achieve intended objectives. Lastly, it will propose alternative strategies towards what will be observed.

### ***1.3 OBJECTIVE OF THE STUDY***

The overall objective of the study is to have an understanding of the contribution of the Social Security safety nets in the socioeconomic development of the Pensioners.

Specifically, the study attempts:

- To assess the contribution role of the social security schemes in the eradication/reduction of poverty.
- To examine the role and function of the PPF Pensions Fund.
- To propose alternative strategies/approaches towards efficient and effective operation of the Fund for efficient and recognisable effect.

### ***1.4 RESEARCH QUESTIONS***

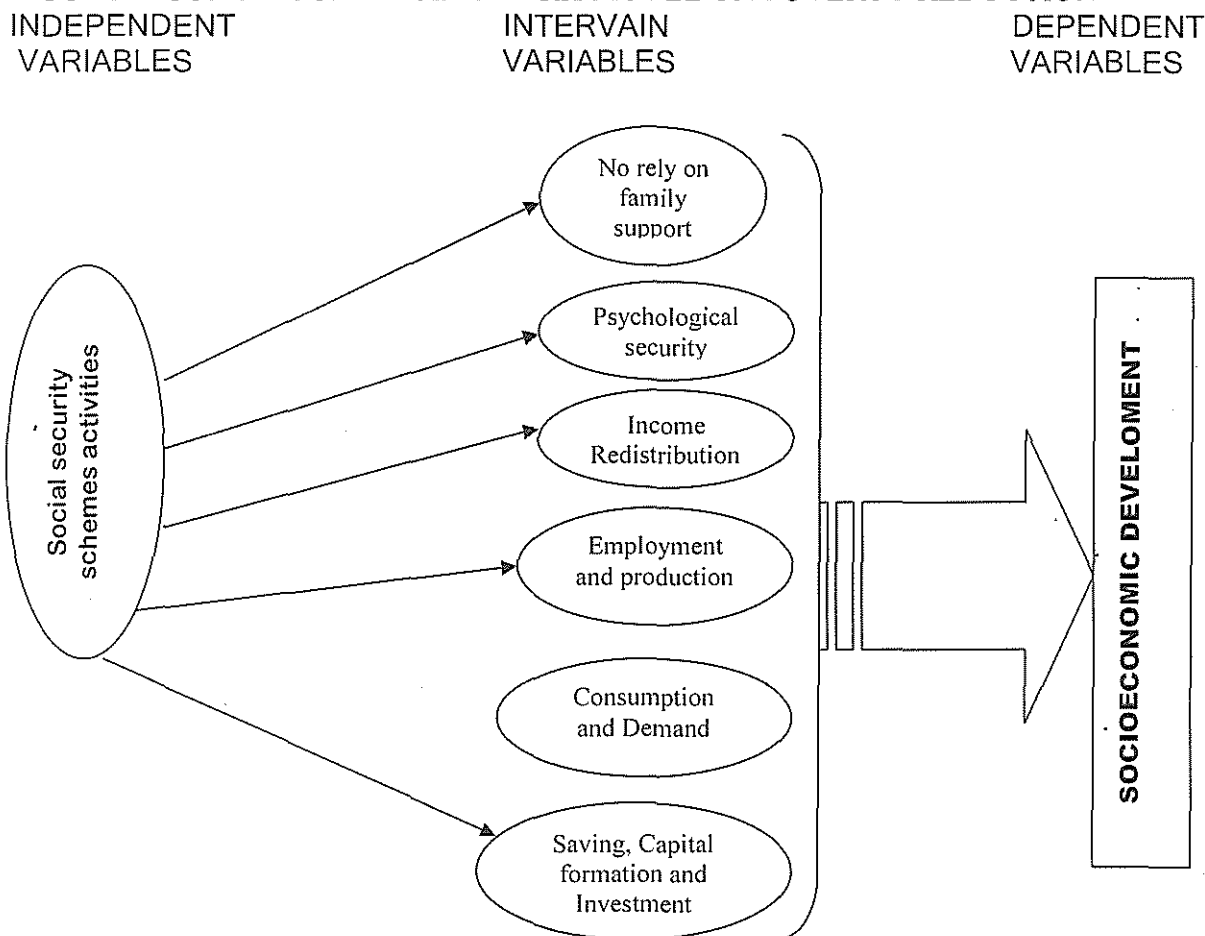
The study attempts to address the following questions:

- i. What is the contribution role of social security schemes in the eradication/reduction of poverty?
- ii. What are the functions of the PPF Pensions Fund and what is its role in the socioeconomic development of Tanzania?
- iii. What alternative strategies/approaches/policy considerations are available towards efficient and effective applications of the fund?

## 1.5 THE CONCEPTUAL FRAME WORK

This is the research model which shows how the variables are relating due to the factor that some other and these are expressed as follows.

FIGURE 1: CONCEPTUAL FRAMEWORK MODEL ON POVERTY REDUCTION



Source: Researcher construction

In the conceptual frame work model above the social security schemes activities have social and economic impact to the pensioners and the economy. Socially, they give the pensioner power not to rely on family support, psychological security and reduce income inequality in the society. Economically, the impact can be seen directly and indirectly in employment and production, consumption and demand, and savings, capital formation and investment. Therefore, all these activities brought to one umbrella of socioeconomic development.

## ***1.6 SIGNIFICANCE OF THE STUDY***

The research is significant to the researcher in his practical training, as well as accomplishing the requirements for partial fulfilment for the award of Bachelor of business administration from Kampala International University.

However, the research is also useful in the following ways:

- The findings and recommendation will help the management of PPF Pensions Fund re-plan and set strategies in order to rectify the problems found and improve its performance ,hence more contribution to socioeconomic development.
- The study will be a useful source of information to other researchers interested in the research of similar nature or discipline.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### ***2.1 INTRODUCTION***

Social Security Schemes are not economic island. Resources devoted to these schemes have impact in the economy as well as in social development. Although a lot of research has been done concerning the social security schemes on its economic performance, little research has been done on the contribution of these schemes on the socioeconomic development especially for the developing countries. Therefore, the study explores how the schemes contribute to the poverty alleviation in the country and for the pensioners.

#### ***2.2 SOCIAL SECURITY AND POVERTY***

Ideally, an introduction of Social Security Schemes was inspired by the need to alleviate poverty and improve the welfare of the beneficiaries through collecting contributions in their lifetime earnings<sup>1</sup>.

Poverty in Tanzania is evident in various forms in the daily life of the people, of which the basic level income is an important measure. The number of people who have income that does not exceed the poverty line is the most widely used measure of poverty indicators and about 70% of the rural population as well as 50% of the urban population live below the poverty line<sup>2</sup>.

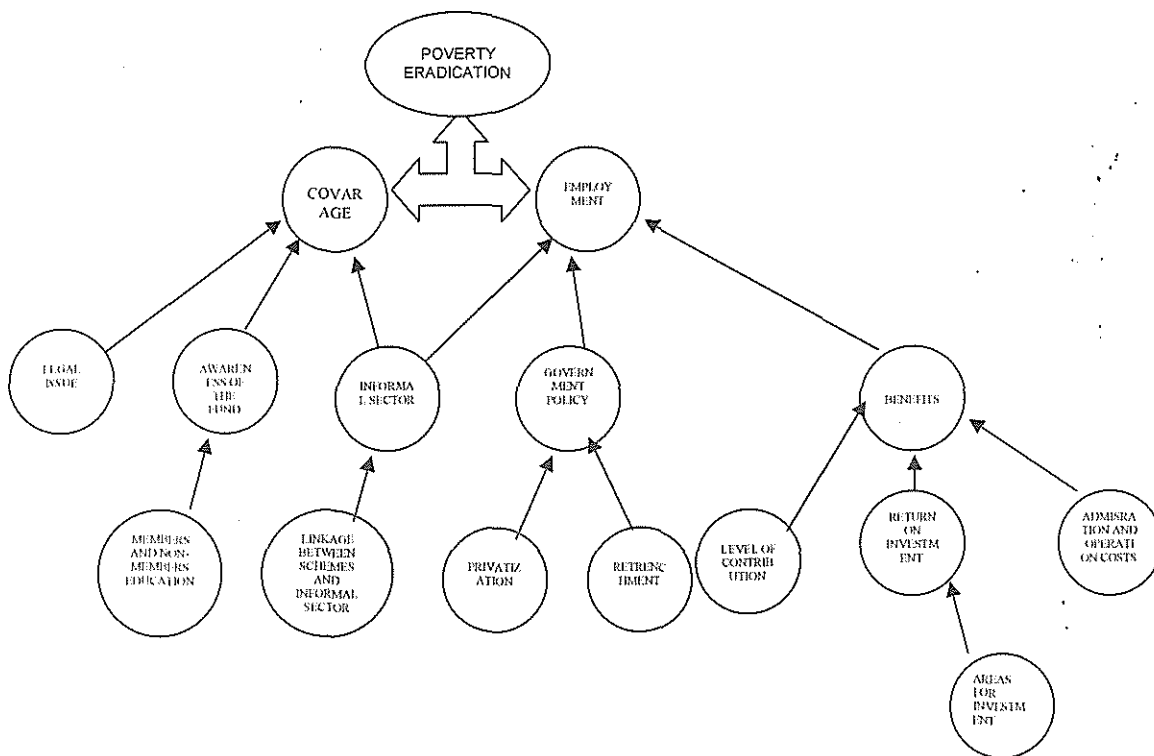
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<sup>1</sup> Williams .P, Maillard .J and Suppo .R (1998)

<sup>2</sup> Health Insurance for the informal sector by Kiwara .A(2003)

In brief look at the potential role of social security schemes in curbing income poverty, it is noted that one of the characteristics of income poverty is that "the youth, the old and large households are more likely to be poor"<sup>1</sup>. The age aspect of poverty has to do with the failure of individuals and household to smoothen their life cycle income so that enough income is saved for the old-age and even for bequeathing to the next generation. This is one of the more obvious areas where social security schemes can contribute in alleviating poverty. Consider the clarification on the figure 1 below shows the conceptual framework on Poverty reduction through Social Security Schemes.

FIGURE 1: THE IMPACT OF SOCIAL SECURITY SCHEMES TO THE SOCIOECONOMIC DEVELOPMENT



Source: Researcher Construct

Social Security Schemes can be useful tool for poverty alleviation consider figure 1 above. Wide coverage and formal employment leads to more contributions, benefits and hence eradication of

<sup>1</sup> Rejda .G 1976



poverty. Coverage is affected by many variables like legal issue, awareness of the schemes functions and coverage of the informal sector.

On the other side of employment, poverty can be alleviated by linking informal sector into formal employment. Also benefits are affected more with level of contribution, return on investments, administration and operation costs.

## ***2.3 SOCIAL SECURITY AND DEVELOPMENT***

The social impact and economic effects of the resources devoted to social security schemes should be evaluated to explore their overall performance towards socioeconomic development.

Development is a crucial area to be investigated especially when it comes to the side of pensioners. It has been defined as a multidimensional process involving major changes in social structures, popular attitudes and national institutions as well as acceleration of economic growth, the reduction of inequality and the eradication of poverty<sup>1</sup>. For pensioners, Development should involve changes in social structure, reduce inequality and must eradicate poverty.

Contribution of the social security schemes to the development can be observed socially and economically. In economic sense, a given sector makes contributions to an economy when it provides opportunities for other sectors to emerge<sup>2</sup>. Therefore; the researcher has to look the opportunities that the social security schemes have provided for other sectors to emerge.

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<sup>1</sup> Definition by Todaro .M.

<sup>2</sup> Meir .G.(1984)

### **2.3.1 SOCIAL DEVELOPMENT**

Social Development has been defined as a process of planned social change designed to promote the well being of the population as a whole in conjunction with a dynamic process of economic development<sup>1</sup>.

The definition attempts to capture the essence of the Social Development perspective. The key aspects of the definition are:-

- The process of social development is inextricably linked to economic development.
- Social development has an interdisciplinary focus which draws on the insight of the various social sciences.
- It offers an interdisciplinary basis for analysing and dealing with current social problems and for promoting social welfare.
- Social development involves a sense of process .It is a dynamic concept in which the notion of growth and change is explicit.
- Process of change as conceived by the advocates of social development is progressive in nature.
- Process of Social development is interventionist. It is believed that organization efforts are needed to bring about improvement in social welfare.
- Social development is concerned with the population as a whole and therefore, inclusive or universalistic in scope.

Finally, the Goal of Social development is the promotion of Social Welfare.

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<sup>1</sup> Midgley .J.,1995

### **2.3.2 SOCIAL EFFECTS OF SOCIAL SECURITY SCHEMES**

The main social effects generally attributed to implementing appropriately designed Social Security Schemes<sup>1</sup> are:-

- The provision of a retirement pension means that a worker no longer needs to rely on family support.
- Provision of a retirement pension will encourage workers to leave the active labour force when they become eligible for the pension, thereby creating openings for new entrants.
- Provision of portable retirement benefits will make private sectors employment more attractive, and mobility of labour will be encouraged.
- Income replacement schemes result in workers and their families having greater economic and psychological security and hence greater stability. Income replacement can allow consumption to be maintained in times of adversity and, especially unemployment.
- Shifting of income from those with higher incomes (vertical redistribution) will reduce income disparities.
- The provision of Medicare will improve the health of workers. Safety and health at the workplace can be improved by allocating resources from an employment injury scheme to occupational safety and health programmes.

While improved health, stability and motivation of the labour force will result in greater productivity and contribute to economic growth, the timing and extent of this contribution should be quantified. This helps to know with some accuracy the contribution of social schemes to the socioeconomic development and maintenance of pensioners.

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<sup>1</sup> According to Ramella .A.,Brandi .G.,Suppo .R., and Niedorf .S.1997

### ***2.3.3 ECONOMIC DEVELOPMENT***

Economic development has been defined as a process whereby the real per capital income of the country increases over a long period of time-subject to stipulations that the number of inhabitants below an "absolute poverty line" does not increase and that the distribution of income does not become more unequal<sup>1</sup>.

For pensioners, Economic development should emphasize on the reduction or elimination of poverty and reduction of the inequality gap. It should also solve unemployment problem and increase per capital income of the country.

### ***2.3.4 ECONOMIC EFFECTS OF SOCIAL SECURITY SCHEMES***

Social Security Schemes can have a profound impact on the economy of a country. Schemes are still a crucial element in industrialization, economic development and growth<sup>2</sup>. Medicare helps to provide a fit and efficient workforce, thus affecting productivity and consequently, economic growth. Cash benefits replace wages during unemployment, absence due to work injuries or illness<sup>3</sup>. The longer term benefits provide the means for continuing purchasing power and thereby assist in the circulation of money. Investing surplus funds in social security or provident fund schemes can make important contributions to the availability of finance for social and economic purpose.

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<sup>1</sup> Definition by Meir .G (1984)

<sup>2</sup> Gordon .M (1988)

<sup>3</sup> Gordon .L, Raffini .M and Rammella .A (1998)

The following are the economic impact of Social Security Schemes<sup>1</sup>

1) Income redistribution:

A social security schemes can redistribute income from the working phase of life to the retirement phase. Any social security schemes whether redistribution based or insurance-based tends to reduce inequality in the economy .The extent that social security schemes coverage reduces inequality can differ depending on the type of schemes and extent of coverage<sup>2</sup>.

Income redistribution can benefit only those persons who are covered by the social security schemes. In developing countries, coverage typically extends only to persons in wage and salaried employment, and schemes are often criticized for this restriction because, in most of these countries, the vast majority of workers are rural agricultural workers who also need the protection afforded by social security.

2) Employment and Production:

The extreme point concerning the effects of social security schemes to the socioeconomic development especially on the employment and production is that most of benefits are generally spent to meet current needs; therefore they sustain a higher level of demand for goods and services which, in turn, leads to a higher level of employment.

Social security can also affect employment in the labour market by affecting the age at which workers retire. In many defined benefit social security schemes, workers may not receive a pension and continue to work, unless their earnings are below a certain level. This earnings test

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<sup>1</sup> According to Gordon .M (1988) – op. cit.,

<sup>2</sup> Mkenda .A.(2003)

may cause some workers to retire in order to receive benefits<sup>1</sup>. This action will provide more employment chances.

### 3) Consumption and demand:

The income replacement provided by periodic cash benefit payments permits workers and their dependants to sustain themselves during the contingency e.g. sickness, retirement which gave rise to the benefit. In other words, the periodic payments permit them to maintain their consumption, albeit at a reduced level<sup>2</sup>. The effect of periodic benefit payment is to contribute to life time (throughout periods of sickness and throughout retirements) stability of consumption by workers and their dependants.

### 4) Saving, capital formation and investment:

The expectation of receiving social security benefits affects the savings decisions of persons covered by a social security schemes. If workers are provided with reliable social security provisions they might be inclined to save less or more; the quantitative evidence of this relationship is not very strong<sup>3</sup>. Social protection systems which accumulate reserves may also influence total national savings (individual vs institutional) influence the structure and volume of national investment and investments, in turns, impacts on GDP<sup>4</sup>.

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<sup>1</sup> Maillard J, Rammella A and Mottura M (1997)

<sup>2</sup> Williams .P, Maillard .J and Suppo .R (1998)

<sup>3</sup> Gordon .L, Raffin .M and Rammella A (1998) – op. cit.,

<sup>4</sup> Mkenda .A (2003) – op. cit.,

### **2.3.5. CONCLUSION**

Activities of social security schemes have impact in the economy as well as social development. A well comprehensive social security can actually promote efficiency through correcting the market failure. This means that fighting poverty through social security schemes is sustainable because it promotes economic growth as well as socioeconomic development for pensioners and for the country. The explanation above is linked with figure 2 below which shows the impact of Social Security Schemes towards Socioeconomic Development of the pensioners and country

### **2.4 THE FUNCTIONS AND ROLE OF PENSIONS FUND**

Like any other Social Security Schemes, PPF Pensions Fund was established to provide pensions and other related terminal benefits for all employees in the private companies, Parastatal organizations and Public institutions. Its coverage has been extended to the self employed as well as labour force in the informal sectors. The Fund being a social security institution pays claims and invests other funds which are surplus to current needs<sup>1</sup>. As the actor in Economic Development, currently the fund has invested into Fixed Income Assets, Equities and Properties. Direct participation in the capital market through holding shares in public and private companies commonly known as equity investment. Also, it has been involved in fixed income assets such as Government Stocks/bonds, Treasury Bills, Bank deposits, term loans, promissory notes, commercial papers and Corporate Bonds. For properties investment the Pensions Fund has been directly involved in socioeconomic development through renting of office blocks, commercial and industrial complexes as well as land. The research explores how these functions and role of the Pensions Fund has been able to bring socioeconomic development in Tanzania.

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<sup>1</sup> PPF Investment Policy (August 2004)

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### ***3.1 AREA OF THE STUDY***

PPF Pensions Fund was the area of study. The organisation was purposely selected because of its potential and prominent role in the socioeconomic development and maintenance of pensioners. Also, it is the oldest pension provider in Tanzania. Therefore, the chance of obtaining large sample for analyses of the contribution to the development and maintenance of pensioners was easy and the researcher obtained the required data smoothly.

#### ***3.2 RESEARCH DESIGN***

For the better result, the study combined qualitative and quantitative approaches.

##### ***3.2.1 Qualitative approach***

Participatory approach was employed as qualitative design. Semi structured interviews with key informants, in-depth interviews and observation methods were triangulated in order to allow new insight. The method helps to obtain information that would not emerge from survey approach<sup>1</sup>.

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<sup>1</sup> Mbwambo .A.,2002



### ***3.2.2 Quantitative approach***

Survey design has employed for quantitative approach. It has been simply expressed as gathering information about a large number of people by collecting information from a few of them<sup>1</sup>. For this purpose questionnaires were supplied. Due to scarcity of resources this design saves cost on time and money.

## ***3.3 SAMPLING DESIGN***

The sampling design involved three areas. Firstly, the target population ie the group about which information was being sought have to be specified. Secondly, the method for selecting the sample was developed (Sampling Techniques) and thirdly, the sample size was determined.

### ***3.3.1 Targeted Population***

The sample included pensioners and workers in the directorates of Pension Services and of Investments and planning. The population was purposely selected to meet the objectives of the research.

### ***3.3.2 Sampling Techniques***

- a) Simple Random Sampling

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<sup>1</sup> Black and Champion ,1986

This was the method which assured each elements an equal and independent chance of being included in subsequent samples<sup>1</sup>. The sample of 30 respondents selected randomly from the population of pensioners and employees at PPF pensions fund for the administration of the questionnaire.

#### b) Non-Probabilistic Sampling

This also employed; the purposive sampling was used in the selection of respondents. These guaranteed that certain elements included were relevant to the research design. The method helped in obtaining interviews for the in depth and semi structure.

### ***3.3.3 Sample Size***

For this study 30 respondents were taken. The sample size was considered to be big enough to represent the population. The distribution was 15 pensioners and 15 members of the directorates.

## ***3.4 DATA COLLECTION***

This involved collecting primary and secondary data. Primary data was collected during the course of doing research. Questionnaire/Survey, Interviews and observations were employed as the primary data collection methods while documentary source was helpful to obtain secondary data.

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<sup>1</sup> Ibid.

### ***3.4.1 Primary Data Collection***

#### **a) Questionnaires**

Two groups were surveyed. One group included pensioners and other group workers/management of Parastatal Pensions Fund. The questionnaires were distributed to people who met the characteristics of the study. It showed clearly the various aspects on the contribution of Social Security Schemes to the socioeconomic development and maintenance of pensioners.

#### **b) Interviews**

In-depth and Semi-structure interview were among the methods employed during data collection. Pensioners and officers interviewed and their information and views were quickly obtained. This eliminated impractical ideas and variables.

#### **c) Observation**

On the practical training in the organization the researcher observe the behaviour of certain variables in order to see the contribution of Social Security Schemes to the socioeconomic development and maintenance of pensioners. This was an important way of data collection. It was noted that how people's response in an interview or to a questionnaire did little more than tell us how they felt at a particular moment in time<sup>1</sup>. Therefore, the observations were useful check-up of the accuracy of information provided through interviews and questionnaire.

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<sup>1</sup> According to Black and Champion, 1986 – op. cit.,

### ***3.4.2 Secondary Data Collection***

Internal and External records were the main sources Secondary data collection. Data that might have actually provided enough information to resolve the problems being investigated was employed. Internal records like directories' and departments' reports, reports about pensioners were used. Also, External Sources mostly taken from journals magazines, books and brochures.. The secondary data were one of the cheapest and easiest means of access to information.

### ***3.5 DATA ANALYSIS***

All the information from quantitative and qualitative data has mainly been presented in a descriptive manner. The quantitative data was analysed using statistical package for social sciences (SPSS). Attempts have been done to draw data for six years from 1998 to 2003 so as to clarify points made. The findings have been presented into tables, charts, explanation and examples.

## **CHAPTER FOUR**

### **THE FINDINGS, ANALYSIS AND DISCUSSION**

#### ***4.1 INTRODUCTION***

The findings on the contribution of Social Security Schemes to the Socioeconomic Development and Maintenance of Pensioners have been presented and analysed in tables, charts and explanation.

The results included quantitative information that is mainly from 30 respondents, also the qualitative information were taken from the key informants and unstructured interviews. Internal records were mainly from Annual Reports and Corporate plans while External Sources of data were captured from books Economic Survey of Tanzania, Journals, Magazine and Brochures.

#### ***4.2 CONTRIBUTION OF THE SOCIAL SECURITY SAFETY NETS IN THE SOCIOECONOMIC DEVELOPMENT***

This section presents an analysis of the grand objective of the study, ie the Contribution of Social Security Schemes to the socioeconomic development and maintenance of Pensioners. It has been divided into two parts contribution of social security schemes in social development and contribution of social security schemes in economic development. The information presented here covers the respondents who returned the questionnaires.

The characteristics of those who returned the questionnaire is that most of the respondents were males 66.7% (20) while females were 33.3% (10). 73.3% (22) of the respondents were aged between 51 and 64 years, and only 26.7% (8) were aged less than 51. In regards to education status, 30% (9) of respondents had higher education, 23.3% (7) had secondary education, and 26.7% (8) had primary education while 20% (6) had not got any education. Through the questionnaire, the respondents were asked on the number of dependants they had. The result shows that out of the 30 respondents 76.7% (23) had seven less than seven dependants while 23.3% (7) had more than 8 dependants. Consider table 1(A and B) below for clarification

TABLE1: SOCIO-DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS

A: GENDER AND AGE OF RESPONDENTS CROSSTABULATION

GENDER/ AGE	<51	52-54	55-57	58-60	61-63	64>	TOTAL	GENDER PERCENT
MALE	5	3	3	4	3	2	20	66.7
FEMALE	3	1	2	2	0	2	10	33.3
TOTAL	8	4	5	6	3	4	30	100
AGE PERCENT	26.7	13.3	16.7	20	10	13.3		100

Source: From the research data

## B: GENDER AND EDUCATION CROSS TABULATION

GENDER	BELOW PRIMARY LEVEL	PRIMARY LEVEL	SECONDARY LEVEL	HIGHER LEVEL	TOTAL
MALE	4	4	5	7	20
FEMALE	2	4	2	2	10
TOTAL	6	8	7	9	30
PERCENT	20	26.7	23.3	30.0	100

Source: From the research data

## 4.3 SOCIAL SECURITY SCHEMES AND SOCIAL DEVELOPMENT

### 4.3.1 BENEFITS SATISFACTION

The respondents were asked whether the benefits and old age pension fulfilled their needs. Being satisfied with benefits was very important since it ensured greater psychological security to pensioners.

Table 2 below shows respondents' satisfaction with benefits provided by social security schemes. Twelve ie (48%) of the respondents said that pensions and benefits did not satisfy their

"The contribution of social security schemes to the socio economic development and maintenance of pensioners"

needs. Although 9(36%) and 4(16%) said that benefits were standard and realized their needs respectively.

TABLE 2: BENEFITS FULFILMENT

CHARACTERISTICS	FREQUENCY	PERCENT
SATISFY	4	16.0
AVERAGE	9	36.0
DISSATISFY	12	48.0
TOTAL	25	100.0

Source: From the research data

#### **4.3.2 FAMILY AND RELATIVES REACTION ON RETIREMENTS**

During the survey the respondents were asked what were their family and relatives" response when they reached the time of retirement. 50% of the respondents expressed that their families and relatives' reaction were normal while 15.4% of the respondents said that they were helped very much at the time of retirement. Consider table 3 below:

TABLE 3: FAMILY OPINIONS AFTER RETIREMENT

CHARACTERISTICS	FREQUENCY	PERCENT
HELPED	4	15.4
NORMAL	13	50.0
DEPRESSED	9	34.6
TOTAL	26	100.0

Source: From the research data



#### **4.3.3. RELATIVE SATISFACTION ON BENEFITS**

The researcher was interested to know if monthly pensions and allied terminal benefits fulfilled needs of their dependants or relatives. Most of the respondents said that benefits do not satisfy the needs of their dependants.

Table 4 below shows that 46% said benefits and pensions provided normal satisfaction, 42% dissatisfied with the benefits while 7% had higher satisfaction. One respondent had no dependant

TABLE 4: BENEFITS FULLFILMENT ON DEPENDANCY

CHARACTERISTICS	FREQUENCY	PERCENT
NO DEPENDACY	1	3.8
SATISFY	2	7.7
NORMAL	12	46.2
DISSATISFY	11	42.3
TOTAL	26	100.0

Source: From the research data

During the interview, most of the pensioners expressed that pensions fund schemes should review their monthly pension payment at least to cover the economic situation.

#### **4.3.4 FAMILY AND RELATIVES CONTRIBUTION ON INCOME**

The question was asked to know if the relatives or families of pensioner donated to the income of the pensioner. The pensioner had to express their views. Table 5 below showed that 69.2% of the respondents' relatives did not donate anything to the pensioners' income while 23.1% said that they were helped to some extent but not as much as they required.

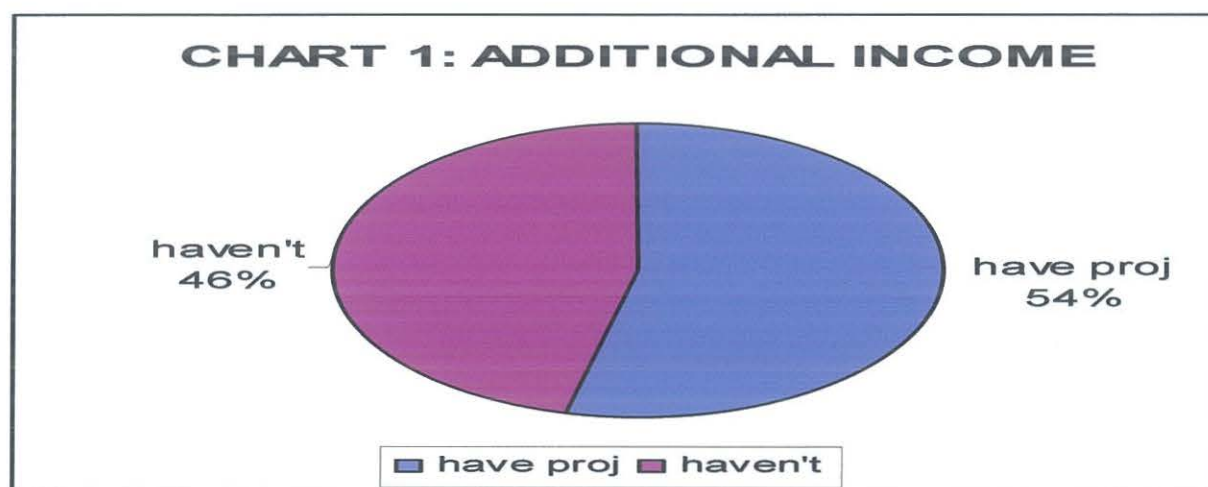
TABLE 5: FAMILY AND RELATIVES DONATION ON INCOME

CHARACTERISTICS	FREQUENCY	PERCENT
HIGHLY DONATED	2	7.7
NORMAL	6	23.1
NO DONATION	18	69.2
TOTAL	26	100

Source: From the research data

#### 4.3.5. INCOME SOURCES

Most of the pensioners retired while they had high on the job experience. The researcher was interested to know whether the respondents had any project to supplement their monthly pension payment. The Pie chart below chart 1 shows that 53.8% of the respondents have income source from projects while 46.2% rely on the benefits and pensions only for their live-hood.



Source: Compiled by the researcher

#### **4.3.6 RELATIONSHIP WITH RELATIVES AFTER RETIREMENT**

Respondents were asked to present their views on their relationship with their relatives after retirement. This was asked in order to know the psychological security that has been attained by the social security funds.

The results in table 6 showed that most of the respondents' relationships with their relatives after retirement were moderate 50% while 46.2% reported that it was not good as it was before retirement.

TABLE 6: RELATIONSHIP WITH RELATIVES AFTER RETIREMENT

CHARACTERISTICS	FREQUENCY	PERCENT	
VERY GOOD	1	3.8	
MODERATE	13	50.0	
BAD	12	46.2	
TOTAL	26	100.0	

Source: From the research data

#### **4.4 SOCIAL SECURITY SCHEMES AND ECONOMIC DEVELOPMENT**

The analysis was done to explore the impact of social security schemes on the economic development.

#### **4.4.1 ECONOMIC POSITION AFTER RETIREMENTS**

The question were asked how monthly pension and other benefits helped to improve economic status of the pensioner. The aim was to know the pensioners' economic status.

The table 7 below shows this in details 50% of the respondents said that their economy were stable ,while 34% reported that their economic situation were unstable and 15.4% more stable.

TABLE 7: ECONOMIC POSITION AFTER RETIREMENTS

CHARACTERISTICS	FREQUENCY	PERCENT
MORE STABLE	4	15.4
STABLE	13	50
UNSTABLE	9	34
TOTAL	26	100

Source: From the research data

#### **4.4.2 EXPENDITURE AFTER RETIREMENT**

During the research, the respondents were asked to mention the commodities on which they mainly spent their money and their current consumption position. The question was asked in order to know the economic contribution of the pension and benefits on the current expenditure of the pensioner.

Table 8 below elaborate on the expenditure status after retirement , 38.5% said that their expenditure has increasing after retirement while 34.6% said was normal and 26.9% said that expenditure decreased.

TABLE 8: EXPENDITURE AFTER RETIREMENT

CHARACTERISTICS	FREQUENCY	PERCENT
INCREASE	10	38.5
NORMAL	9	34.6
DECREASE	7	26.9
TOTAL	26	100.0

Source: From the research data

Table 9 below expresses the commodities that pensioners spent most after their retirements. Most of the respondents 65.5% spent monthly pensions on food, 29.9% spent on health while other commodities took 7.7%.

TABLE 9: EXPENDITURE BY RESPONDENTS

CHARACTERISTICS	FREQUENCY	PERCENT
FOOD	17	65.4
HEALTH	7	26.9
OTHERS	2	7.7
TOTAL	26	100.0

Source: From the research data

#### **4.4.3 EMPLOYMENT LEFT BEHIND**

The question was asked on what happened to their employment posts vacated after the retirement. Table 10 shows that 38.5% said that their employment or work was covered by new employees while 19.2% said their posts were uncovered. About 42.3% did not know what happened to their posts after retirement.

TABLE 10: EMPLOYMENT LEFT BEHIND

CHARACTERISTICS	FREQUENCY	PERCENT
EMPLOYED	10	38.5
UNCOVERED	5	19.2
NO INFORMATION	11	42.3
TOTAL	26	100.0

Source: From the research data

#### **4.4.4. SAVINGS BEFORE RETIREMENTS**

The expectation of receiving benefits affects the saving decision of the members. The respondents were asked about their saving behaviour while working.

Table 11 below shows amount saved by pensioners during their employment with respect to the monthly pension contribution. 38.5% said that they saved equal to amount contributed while 11.5% said they save more than amount contributed. Also 38.5% had nothing in their accounts while 11.5% saved below amount they contributed.

TABLE 11: SAVING ON SALARY

CHARACTERISTICS	FREQUENCY	PERCENT
NO SAVING	10	38.5
MORE	3	11.5
SAME	10	38.5
LESS	3	11.5
TOTAL	26	100.0

Source: From the research data

#### ***4.5. SOCIAL SECURITY SCHEMES AND POVERTY ALLEVIATION***

One of the specific objectives of the study was to assess the role contributed by the social security schemes in the eradication/reduction of poverty. This section presents an analysis on how social security schemes can help to fight against poverty.

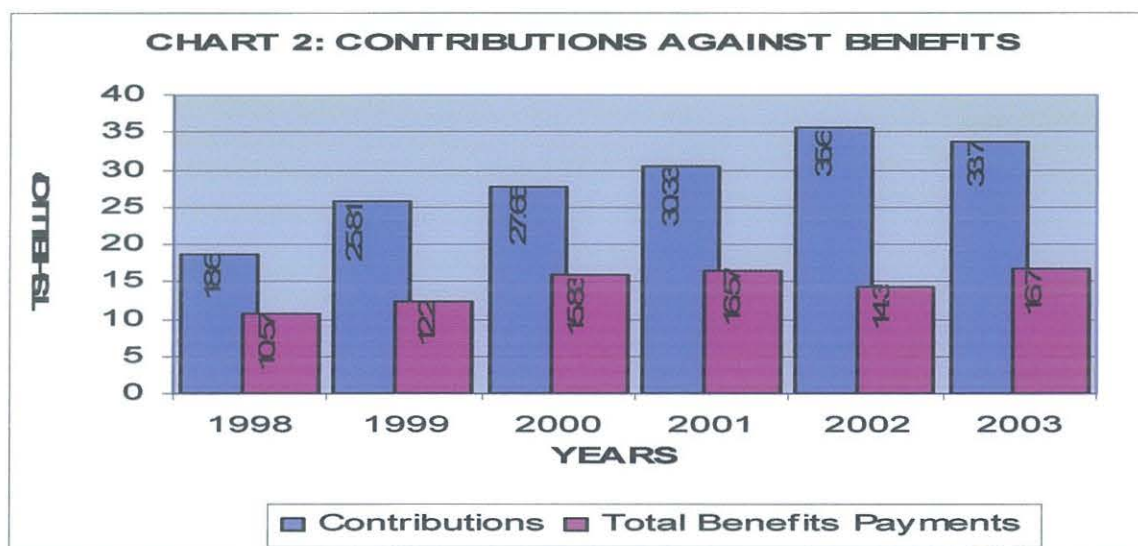
##### ***4.5.1 LEVEL OF CONTRIBUTION AND POVERTY REDUCTION***

Contribution is the statutory collection from members of the security schemes. It is the main source of income and principal obligation of the social security schemes.

The level of income contributed determined the level of benefit which will be provided. Any new benefits or an increase in benefits matches with an increase in the level of contribution. An increase in benefits due to contribution income is therefore a good weapon for poverty reduction.

The chart 2 below shows trends of the contribution against the benefit payments .The chart shows an increase in the level of contributions and the total benefits paid consecutively for six years from 1998 to 2002 although there was a slight decrease in 2002. Benefits always lag behind contribution.

That being the case, it can be argued that the goal of poverty reduction through increased contribution in social security schemes is being achieved, as measured by increase of total benefits.



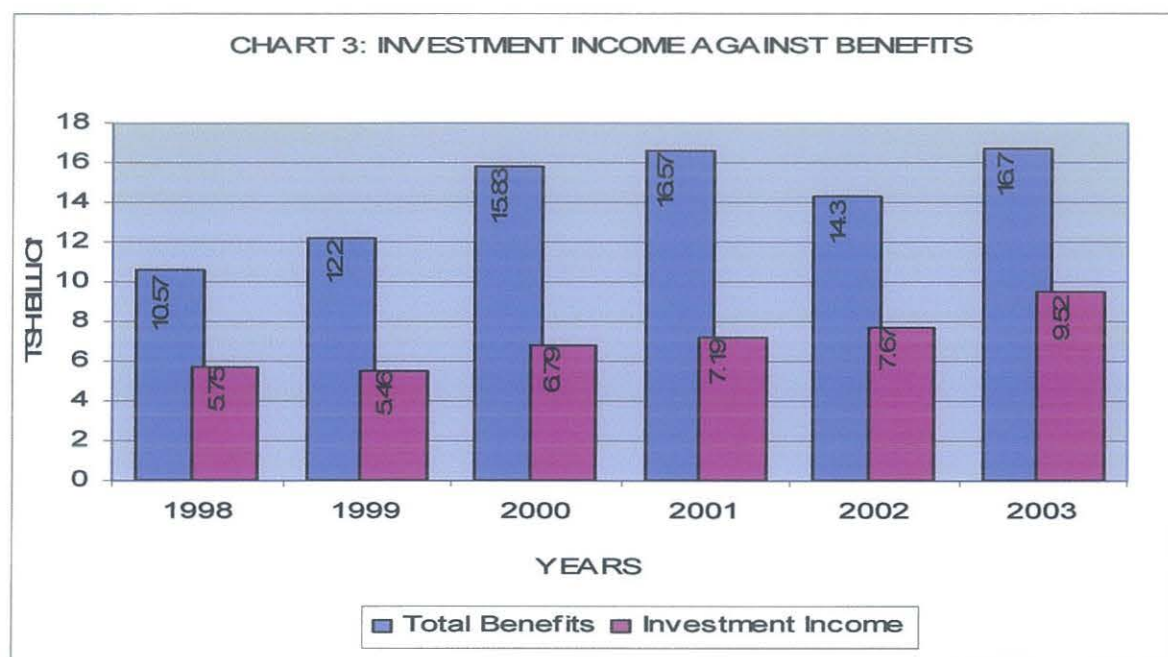
Source: Annual Reports and Accounts



#### 4.5.2 RETURN ON INVESTMENT AND POVERTY REDUCTION

As a provider of pensions and other related terminal benefits, the pensions fund is based on insurance principles. One of their obligations is to invest those funds which are surplus to the current needs. Return on investment is essential as supplement to the benefits .Therefore high returns ensure more benefits to pensioners and, hence reduction of poverty to its members and nationals. Chart 3 below gives details on comparison between investment income and benefit payments for six years from 1998 to 2003. The chart shows that benefits payment increases as the investment returns increases although investment returns is below the benefit payment .The trend shows good performance of investment although fails to cover benefit payment.

Low rate of return on investment compared to rate of benefits payment is caused by lack of opportunity for the new investment in the country. Increase on investment return implies therefore increase on benefits and poverty reduction.

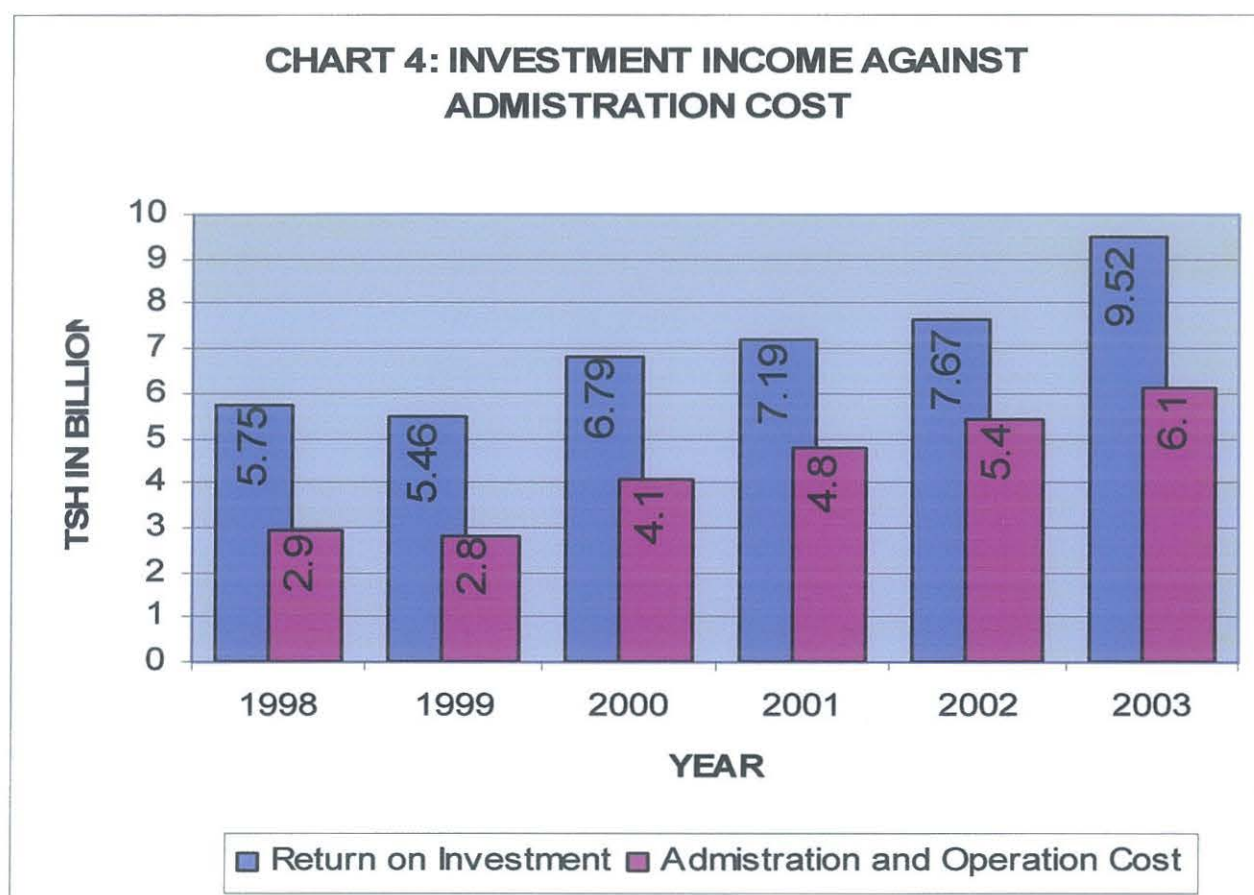


Source: Annual Reports and Accounts

#### 4.5.3 ADMINISTRATION COSTS AND BENEFITS

Administration and operation costs are among the factors which have impact on the level of benefits. This is because social security institutions have to sustain themselves.

Chart 4 below provides trends for six years showing return on investment against administration and operation costs. Return on investment is higher than administration and operation costs. The rate of increase for the administration cost is higher than investment income. Despite, high administration costs, investments contribute well to the national development and therefore on poverty reduction.



Source: Annual Reports and Accounts

#### ***4.5.4: GOVERNMENT POLICY: PRIVATIZATION AND POVERTY***

Restructuring and privatisation of public enterprises have the severe impact on the performance of pension fund. Many privatised enterprises were members of the plans of the pension's schemes and the change in ownership disorganized the fight against poverty.

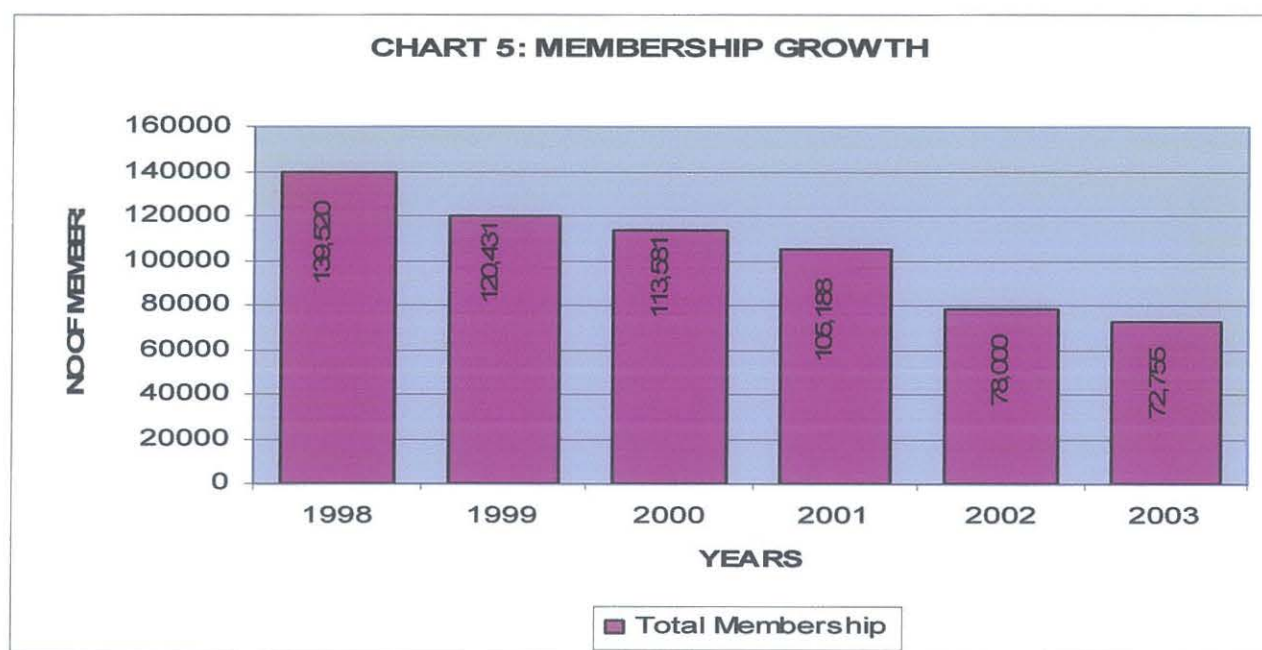
Its nature of functions and an act guided the roles provide the barrier for the private company to be register. Although, Act no 25 of 2001 has given power for the fund to enrol private sector enterprises it came too late. Restructuring and privatisation started in 1992 and pensions fund lost members. It is recommended that for the benefit of the members affected, and of Pension Fund, membership to the scheme should be resumed immediately.

#### ***4.5.5 GOVERNMENT POLICY: RETRENCHMENT AND POVERTY***

The macroeconomic reform measures being undertaken by the Government to bolster the performance of the economy led to consequences on the membership trends of the pension's schemes. Reforms in the Parastatal and Private sectors led to a number of retrenchment cases .This had negative effect on the poverty reduction.

It was observed by the researcher that most of the victims of the retrenchments were still young and could still get reemployed elsewhere. Since their contribution increases benefits, they should not be removed as members from the fund but continue to contribute until they reached retirement age. Their contribution would be a useful tool for a fight on poverty at retirement.

Chart 5 below shows the membership trends for five years from 1998 to 2003 and the effects of macroeconomic reform. The chart showed that the number of members decreased from 140000 in 1998 up to 79000 in 2003. The membership trends affected poverty reduction in the country and for members.



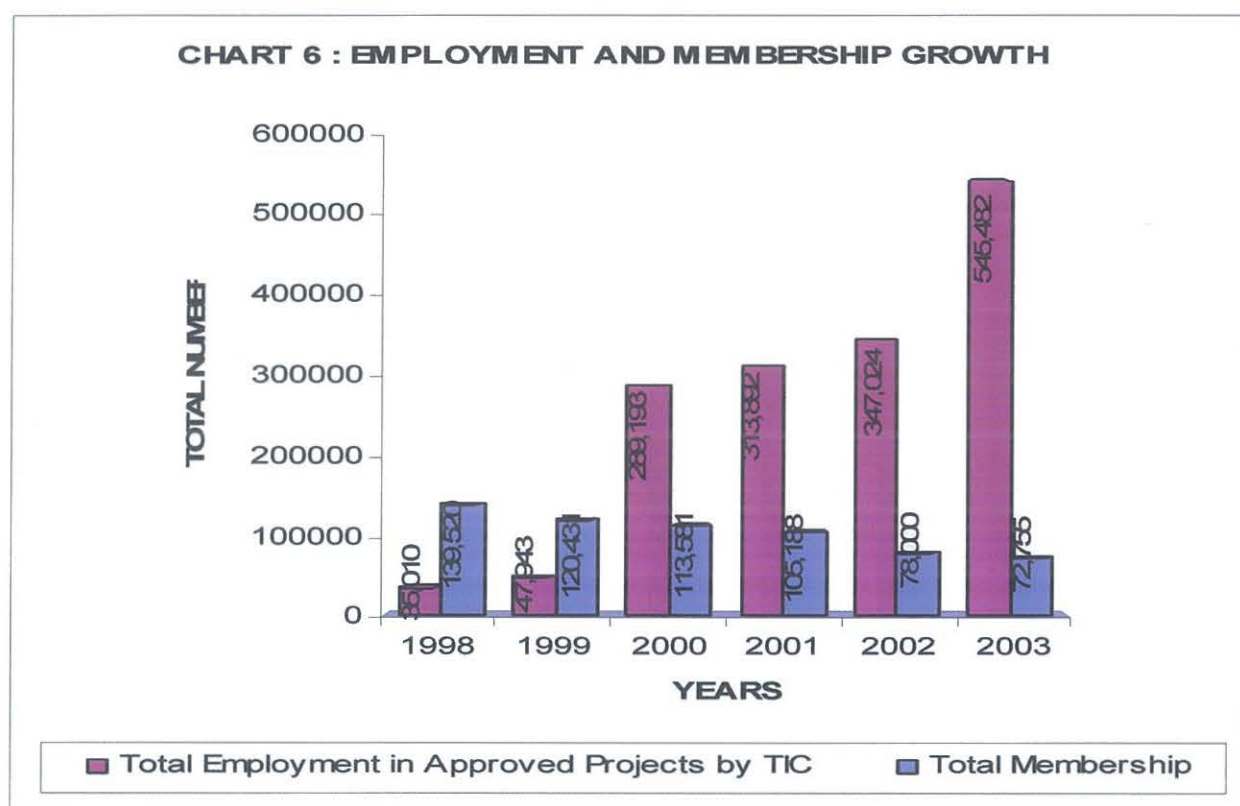
Source: Annual Reports and Accounts

#### **4.5.6 EMPLOYMENT AND MEMBERSHIP COVERAGE**

The vision statement of the PPF pensions Fund to become a leading pension's provider with widest membership coverage. In order to fulfil the vision the fund should ensure an increase in members. The challenge on coverage extension was how members can be obtained under this era of privatisation. The widest coverage means high social and economic security to the members and, therefore, easier for poverty alleviation.



Consider chart 6 below, the chart shows the total members covered by PPF Pension Fund and number of employees in the approved projects by Tanzanian Investment Centre for six years. The fund coverage was so thin that it failed to absorb new comers. The situation became worse in 2000 and consequent years when the number of employees who were not covered turned to be more than twice those covered. Consider chart 5 in 2003 total number of employees were 550000 while total members stood at 79000. If consideration could be made members would increase and therefore poverty reduction in the country.



Source: Annuals Reports and Accounts and Economic Surveys of Tanzania

#### ***4.5.7 INFORMAL SECTORS AND COVERAGE***

In the study, it was observed that the linkage between Pension Schemes and the informal sector was not open. The informal sector which was growing fast and estimated to account for about 30% of the GDP could be important sector for the schemes to widen its coverage. The extension into the informal sector led to the protection of the large part of the population. This will lead to poverty reduction.

#### ***4.5.8 AWARENESS AND COVERAGE***

During the interview, it was noted that awareness of the social security funds activities was a big problem which affected its coverage .In fulfilment of its obligation a social security scheme should explore services to inform the public about benefits that are available for members and non members.

In documentary review, it was observed that most of the advertisements about the pension fund activities were more informative than persuasive. This made the fund fail in persuading non members on the benefits provided. Awareness and registration would increase contribution income and therefore reduction of poverty.

#### ***4.5.9 LEGAL ISSUE AND COVERAGE***

In the interview with some key informant the researcher found out that because of high unemployment in the country, some employers opt for weekly and daily contract, this followed by fresh recruitments and sometimes of same employee but with different names. This action did not give room for social security schemes to expand its activities.

Transparent legal framework was very important to the function of any organization. Weakness in legal framework provides the chance for employers not to be registered and therefore affected the coverage of the schemes.

Also, it was observed that unregulated play ground for social security schemes affected the coverage. Some employers falsely declared that they had already registered with other social security schemes while not. These reduced availability of members, hence low coverage and difficult war against poverty.

#### ***4.6. SOCIAL SECURITY SCHEMES AND ITS SERVICES***

This section concentrates on examining the objectives, role and function of the Pension Fund. Respondents were asked about the PPF Pensions Fund and services it delivered.

#### **4.6.1 CONTRIBUTION REACTION**

Respondents were asked about their feeling when they used to be members. The question hits on their feelings when they had been contributing to the pension scheme, 50% of the respondents were normal, 34.5% said they were unhappy while contributing as members while 15.4% said they were happy.

Table 12 below provide details on how the respondents feel on the monthly pension schemes payments. About 46.2% respondents said it was a good program, 46.3% respondents said it was normal program to be taken while 11.5% thought that the program should be checked.

TABLE 12: RATING ON PENSION PROGRAM

CHARACTERISTICS	FREQUENCY	PERCENT
VERY GOOD	12	46.2
NORMAL	11	42.3
BAD	3	11.5
TOTAL	26	100

Source: From the research data



#### ***4.6.2 VIEWS ON BENEFITS PAYMENTS***

During the interviews, pensioners and beneficiaries were asked to provide their views on benefit payments. Most of them said that the pension scheme should express or speed up in solving and providing its services. Also, others expressed that employees and employers should be informed before about their retirement plans in order to reconcile necessary information.

#### ***4.6.3. EXPRESSION ON THE SERVICES PROVIDED***

Respondents were asked to express their views on the quality of services provided by the organization. It was done by looking at efficiency, politeness, speed of solving the problems, working days and hours, problem handling and advertisements.

On the expression on the efficiency at working place 46.2% said that the services were satisfactory, 23.1% said they are good while 23.1% expressed as inefficient at work place.

Politeness at workplace, when respondents asked about the friendliness of workers at workplace, about 65.4% said satisfactory and 26.9% said workers were impolite to costumers.

On working speed, respondents were also asked to express their views on the speed of workers in solving their problems. About 50% said the speed was satisfactory, 34.4% said the speed was unsatisfactory while 15% said the speed was good.

Working days and hours, in reaction to this about 61.5% said it was good, 30.8% said working days and hours were satisfactory while 7.7% said working and days were unsatisfactory.

Handling of the problem is an important part to be researched .Respondents were asked to rate how the workers handled their matters. The result showed that most 46.2%said they were satisfactory, about 34.6% said workers were good in handling matters while 3.8% reported to be very good.

Advertisements were another area where respondents were given to rate. The result below showed that very good were 23.1%, good were about 26.9%, satisfactory were about 46.2% while unsatisfactory with advertisements were 3.8%.

For all the discussion on the above expression consider table 13 below.

TABLE 13: EXPRESSIONS ON THE SERVICES QUALITY

CHARACTERISTICS	FREQUENCY	PERCENT
EFFICIENCY		
Very Good	2	7.7
Good	6	23.1
Satisfactory	12	46.2
Bad	6	23.1
KINDNESS		
Very Good	0	0
Good	2	7.7

"The contribution of social security schemes to the socio economic development and maintenance of pensioners"

Satisfactory	17	65.4
Bad	7	26.9
SPEED		
Very Good	0	0
Good	4	15.4
Satisfactory	13	50
Bad	9	34.6
DAYS AND HOURS		
Very Good	0	0
Good	16	61.5
Satisfactory	8	30.8
Bad	2	7.7
PROBLEM HANDLING		
Very Good	1	3.8
Good	9	34.6
Satisfactory	12	46.2
Bad	4	15.4
ADVERTISEMENT		
Very Good	6	23.1
Good	7	26.9
Satisfactory	12	46.2
Bad	1	3.8

Source: From the research data

## **CHAPTER FIVE**

### **CONCLUSIONS AND RECOMMENDATIONS**

#### ***5.1 CONCLUSION***

The purpose of this research was to present an evaluation of the contribution of the Social Security safety nets in the socioeconomic development and maintenance of the Pensioners. Also, it looked at the contribution in the eradication of poverty and fulfilment of its roles and functions. It should be noted that the PPF Pension Fund fulfilled the role for which it was created. The study reveals that Social Security Schemes are efficient in mobilizing their resources towards poverty reduction not only for their members but also for the country.

In increasing efficiency in its operation the fund should have to consider strategies suggested by the research report. This will extend benefits to members and country, especially in the fight against poverty.

#### ***5.2 RECOMMENDATIONS/POLICY IMPLICATIONS***

As it has been highlighted in the whole study, there are some areas which need to be acted upon. In fulfilling the objective of research, the study is proposing alternate strategies towards efficient and effective use of the social security scheme resources. The research has come up with the following recommendations which in one way or another will help in planning and increase efficiency in its operation to a great extent.

- There is need for the fund to ensure terminal benefits and old age pension fulfils the needs of pensioners. This can be done through close cross checking on economic trends, benefits and pensions payment formulas. ie indexing
- Employers, Employees, Self employed and Policy makers need to be informed of the social security pension's schemes and its benefits to the community and the whole country. Therefore, the management is strongly advised to promote benefits of the social protection to the community.
- The membership trend from the formal sector seems to diminish as years go on. The scheme is advised to start a special link with the organization registering bodies such as Tanzania Investment Centre, Tanzania Revenue Authority and Company Registering Body.
- There is need for the fund to advise the retrenched young members to extend their membership for better pension and benefits earnings later as they became old or suffer disabilities.
- In the extension of services to the informal sector, there is need for in-depth studies to find out more on experience of self employed and the like in regard to the social protection. This can be done by investing more and finding out how employees in the informal sector cope with uncertainty and how best they can be helped to get social protection.

- More people contribute while in active employment. It is important for the management of the fund to emphasize policy makers, decision makers and other concerned parties to put in place adequate legislation and policy to ensure that all energetic people contribute without consideration of private sector, formal sector or daily labourers.
- There is a challenge facing the utilization of social security schemes resources especially in investing those funds which are surplus to the current needs. The returns are not so impressive that fail to cover benefits provided. Therefore, the scheme should look for investing abroad and on the higher returns projects.
- There is need to improve the quality services. Services that do not meet members' expectations can result in loss of present members and failure to attract new customers. Consequently, management must determine the expectation level of its members and non-members and strive to maintain consistent quality of service at or above that level. To determine customers' expectations, data should be gathered on the members past behaviour existing perceptions and beliefs, and exposure to information.

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## Appendix 1

### A: SAMPLE QUESTIONNAIRE

#### DODOSO KUHUSU MFUKO WA PENSHEMI WA PPF

Tafadhali unaombwa kuweka alama ya vema (v) kwenye mabano panapostahili, jaza ulivyoelekezwa na toa maoni yako

#### HABARI BINAFSI A:

1. Jinsia                    ☐ mme  
                                 ☐ mke
2. Umri                    \_\_\_\_\_ (tafadhali andika tarakimu)
3. Hali ya ndoa           ☐ nimeoa  
                                 ☐ nimeolewa  
                                 ☐ Mjane  
                                 ☐ Tumetengana
4. Elimu uliofikia ☐ Chini ya elimu ya msingi  
                                 ☐ Elimu ya msingi  
                                 ☐ Sekondari  
                                 ☐ Elimu ya Juu
5. Idadi ya wategemezi ulionao sasa \_\_\_\_\_ (tafadhali andika tarakimu)

SEHEMU B:

1. Je mafao unayopata yanakidhi mahitaji yako?

☐ Yanatosha

☐ Wastani

☐ Hayakidhi

2. Je uliofikia umri wa kustaafu familia yako ilipokeaje?

☐ Ilinisaidia

☐ Iliona kawaida

☐ Haikufurahia

3. Je malipo yako yanakidhi mahitaji ya wategemezi wako?

☐ Sina wategemezi

☐ Yanatosha

☐ Wastani

☐ Hayakidhi

4. Je ndugu au familia yako wanamchango wowote katika kuongeza kipato chako?

☐ Wanasaidia Sana

☐ Wastani

☐ Hawana

5. Je una mradi wowote unaokuongezea kipato zaidi ya malipo unayopata sasa?

☐ Ninao

☐ Sina

SEHEMU C:

1. Je mafao yamesaidia vipi hali yako ya uchumi baada ya kustaafu?

☐ Imeimalika

☐ Wastani

☐ Haijaimarika

2. Uhusiano baina yako na ndugu zako ukoje baada ya kustaafu?

☐ Mzuri Sana

☐ Wastani

☐ Si Mzuri

SEHEMU E:

1. Uamuzi wa kuchangia akiba katika mfuko wa hifadhi ulisababishwa na:

☐ Sheria

☐ Upungufu wa kipato uzeeni

☐ Sababu nyinginezo.

2. Ulijisikiaje kuchangia katika mfuko wa hifadhi?

☐ Nilifurahishwa

☐ Wastani

☐ Sikufurahishwa

3. Je unauonaje mpango wa malipo ya uzeeni katika ulipaji wa mafao?

☐ Mzuri

☐ Wastani

☐ Haufai

4. Toa ushauri nini kifanyike kuhusiana na ulipaji wa mafao na malipo ya uzeeni

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SEHEMU F:

1. Je baada ya kustaafu nini kilitokea?

☐ Aliajiriwa mwingine

☐ Hakuajiriwa mwingine

☐ Sijui kilichoendelea

2. Je mafao yako yanatumika katika manunuzi ya bidhaa za hapa Tanzania?

☐ Ndio

☐ Hapana

SEHEMU G:

1. Matumizi yako baada ya kustaafu yalikuwaje?

☐ Yaliongezeka

☐ Yalikuwa Wastani

☐ Yalipungua Sana

2. Matumizi yalikuwa katika nini hasa?

☐ Chakula

☐ Matibabu

☐ Mengineyo tafadhali eleza hapo chini

---

---

3. Je mafao yamebadilisha vipi hali ya manunuzi?

☐ Yamepanda

☐ Yako wastani

☐ Yameshuka

SEHEMU H:

1. Zaidi ya makato ya pensheni, Je akiba nyingine ulikuwa ukiweka kiasi gani?

☐ Zaidi ya makato ya pensheni

☐ Sawasawa Na makato ya pensheni

☐ Chini ya makato ya pensheni

☐ Sikuweka akiba yoyote

2. Je akiba ya mapato yako unaweka wapi?

☐ Benki

☐ Vyama vya kuweka na kukopa

☐ Sehemu nyingine .

Tafadhali zitaje

---

---

#### SEHEMU J

Unazionaje huduma za Mfuko wa Pensheni wa PPF

Nzuri sana      Nzuri      Inaridhisha      Mbaya

-Taratibu za kutoa mafao na Pensheni

-Ukarimu na tabia za wafanyakazi

-Umakini na Kasi ya utendaji kazi

-Siku za kufanya kazi

-Saa za kufanya kazi

-Kupokea matatizo

-Matangazo na vipeperushi



Toa maoni yako kuhusiana na huduma

zetu

---

---

---

Asante kwa kujibu maswali haya ambayo yanaweza kutumika kuboresha huduma katika mfuko wa hifadhi.

**PART B**

1. How is the performance of the PPF since its inception?

Good

Moderate

Poor

2. Does PPF create employment?

Yes ☐

No ☐

3. How does PPF create employment?

.....  
.....

4. To what extent has PPF created employment?

.....  
.....

5. Does PPF involved in supporting Sports?

Yes ☐

No ☐

6. If yes, to what extent does it supported Sports?

Maximum

Moderate

Minimum

7. Does PPF contribute in the development projects in the country?

Agree ☐

No Opinion ☐

Disagree ☐

8. What are the PPF developments projects contributing into development? List them.

.....

.....

9. How do projects contribute into development of the country?

.....

.....

10. To what extent does PPF participate in the following social activities?

Activity	Education	Gender	Health	Clean Water
High				
Moderate				
Low				

11. In what areas does PPF invested?

.....

.....

12. Does PPF contributed to war against HIV / AIDS?

.....

.....

13. To what extent does PPF contributed to war against HIV / AIDS?

Maximum

Moderate

Minimum

14. Does PPF has any contributions towards the Tanzania National Income?

Yes ☐

No ☐

15. To what extent does it contributes?

High ☐

Moderate ☐

Low ☐

16. Please list the challenges faced by PPF in providing its services to clients.

.....

.....

## Appendix 2

### CURRICULUM VITAE

#### 1. Personal Details

**Surname:** Majanja  
**Other Names:** Ashery Ayubu  
**Date of Birth:** 8<sup>th</sup> February, 1983  
**Place of Birth:** Ngara-Kagera  
**Nationality:** Tanzanian  
**Sex:** Male  
**Marital Status:** Single

#### 2. Contacts

**Address:** P.O. Box 31789,  
 Dar- es -salaam,  
Tanzania

**Mobile:** +255 753 939 401  
**Email:** majanjasen@yahoo.co.uk

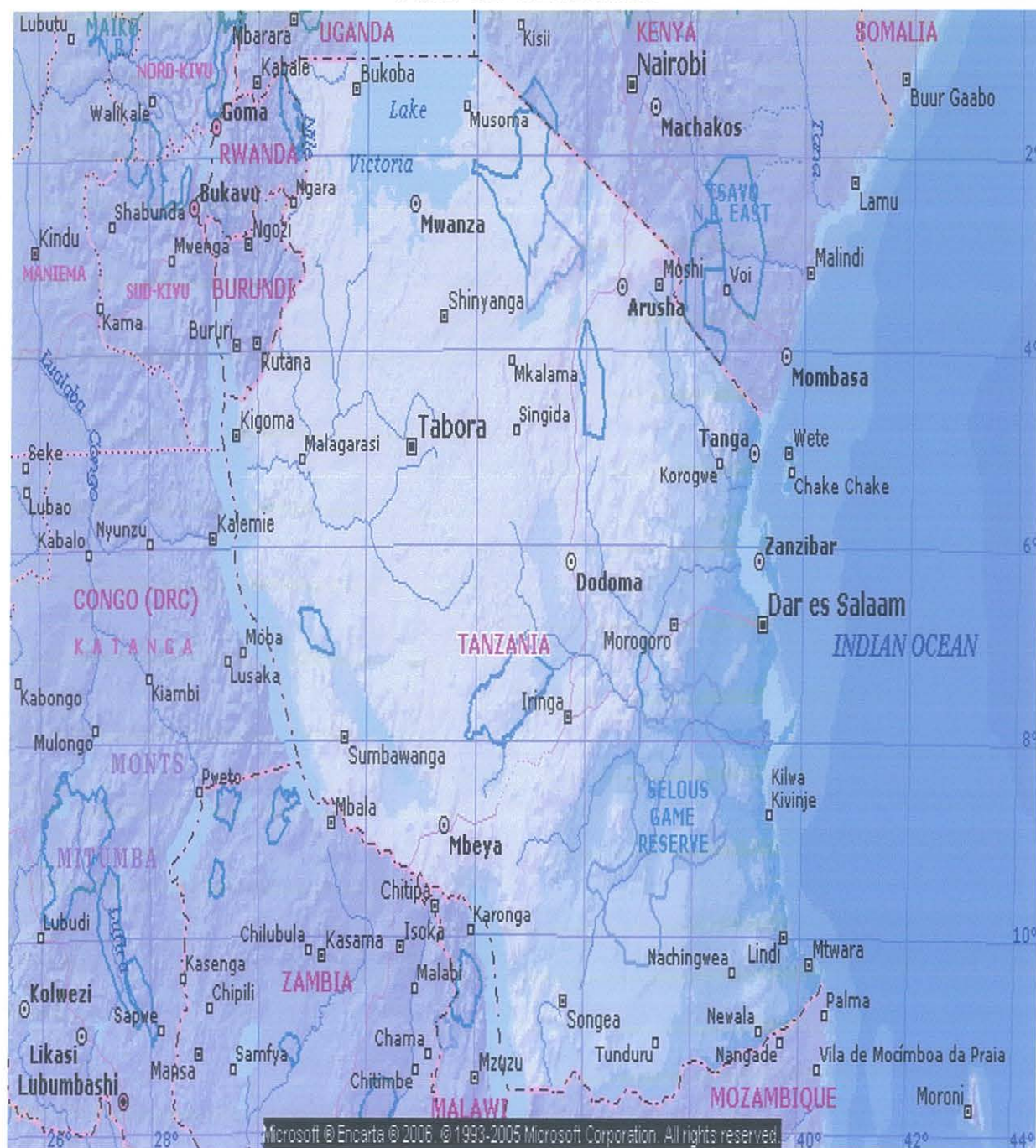
#### 3. Research Conducted

"The contribution of social security schemes to the socio economic development and maintenance of pensioners" case study PPF Headquarter Dar es salaam, Tanzania

COMPANY	POSITION AND WORKS PERFORMED
<b>PPF – Ilala Zone</b>  <i>may, 2008 to August, 2008</i>	<i>Position: Accounting and Finance Trainee (During Field Study)</i> <ul style="list-style-type: none"> <li>• Preparing monthly Bank and Petty Cash Reconciliation Statements.</li> <li>• Preparing the Payrolls (data entry, pay run, pays calculation, final report).</li> <li>• Preparation of payment voucher</li> <li>• Posting and writing cheques</li> <li>• Registering and Dispatch cheques</li> <li>• Posting cash and cheque</li> <li>• Posting cheque issues</li> <li>• Posting issued Voucher</li> </ul>

## Appendix 3A

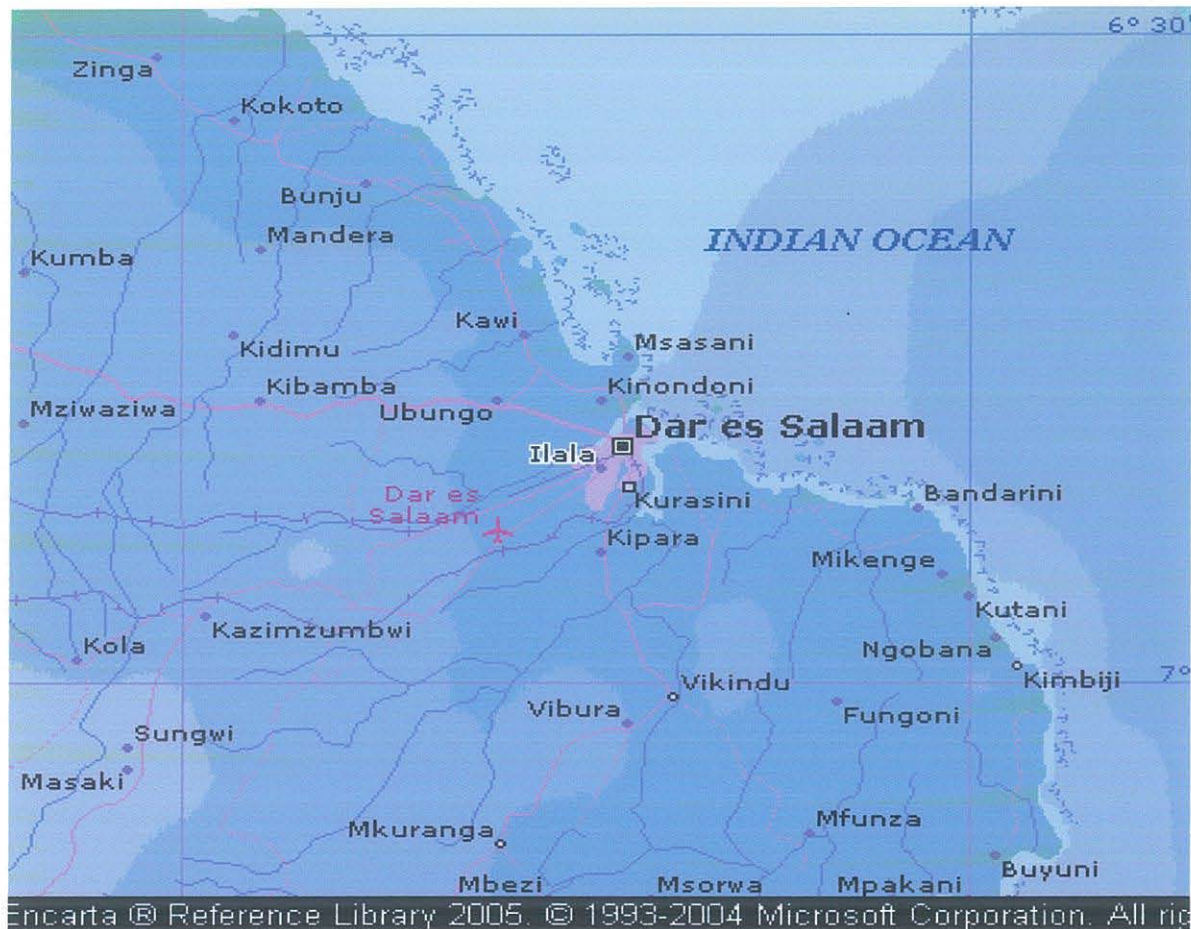
### MAP OF TANZANIA





## Appendix 3B

### A MAP OF DAR ES SALAAM



## Appendix 4 A

### *TIME FRAME*

<b>TIME FRAME FOR RESEARCH REPORT</b>	
<b>DURATION</b>	<b>ACTIVITY</b>
14 <sup>th</sup> April, 08– 28th April, 08	Proposal writing
01 <sup>st</sup> June, 08 – 14 <sup>th</sup> June, 08	Data collection
15 <sup>th</sup> June,08 - 23th June, 08	Data editing and coding
24 <sup>th</sup> June, 08 – 04 <sup>th</sup> July, 08	Data analysis and presentation
05 <sup>th</sup> July, 08 – 19 <sup>th</sup> July, 08	Report writing and Compiling
<b>60 DAYS</b>	<b>TOTAL TIME PERIOD</b>



## Appendix 4B

### *RESEARCHER'S BUDGET*

THE RESEARCHER'S BUDGET IN TANZANIAN SHILLINGS		
ITEM	AMOUNT PER DAY	AMOUNT IN TOTAL
Transport	1500 @ For 60 days	120,000.00
Meals	2500 @ For 60 days	250,000.00
Stationary		50,000.00
Internet cafe		70,000.00
Miscellaneous		150,000.00
<b>TOTAL</b>		<b>640,000.00</b>



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**OFFICE OF THE DEAN  
SCHOOL OF BUSINESS AND MANAGEMENT**

F –Headquarter,  
AR ES SALAAM,  
NZANIA.

ar Sir/Madam

**RE: ASHERY A.MAJANJA**

is is to inform you that the above mentioned is a student of Kampala International University pursuing a  
achelor of Business Administration Degree Programme in the School of Business and Management.

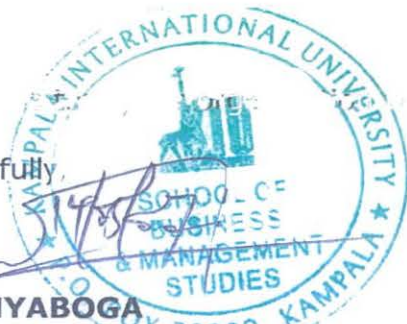
His title for the Research Project is “THE CONTRIBUTION OF SOCIAL ECONOMIC  
SECURITY SCHEMES TO THE SOCIAL ECONOMIC DEVELOPMENT AND  
MAINTAINANCE OF PENSIONERS”

part of his studies (research work) he has to collect relevant information through questionnaires,  
erviews and reading from your institution.

this regard, I request that you kindly assist him by supplying and furnishing him with the required  
ormation and data he might need for his research project.

y assistance rendered to him in this regard will be highly appreciated.

Yours Faithfully,



**DR. Y.B. NYABOGA**  
**ASSOCIATE DEAN – SCHOOL OF BUSINESS AND MANAGEMENT**  
**TEL.NO.0752 843 919**