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Social security systems in Tanzania

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ABSTRACT

The paper starts by examining the concept of social security in Tanzania, showing that there are three key issues in social security which have not been adequately addressed by existing social security schemes and need immediate attention. The paper then examines the nature and forms of social security in Tanzania in a historical perspective. It shows that non-conventional social security instruments have failed to promote equitable economic growth and have been heavily biased in favour of the well-off at the expense of the poor. The effectiveness of traditional and informal social security systems has been impaired by changes that have taken place since the colonial period. Formal social security schemes are riddled with problems. The development of formal social security has been gradual and the introduction of structural adjustment programmes has led to the decline of formal security schemes. In terms of coverage, formal social security schemes cover only 6% of the population and focus on only a few risks.

Phase I: Overview

Introduction

IN THE PAST TWO DECADES, research on social security in Tanzania has bifurcated between the study of modern and traditional and informal

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social security schemes. The focus has been mainly on formal social security and particularly on the protection of workers against contingencies associated with temporary or permanent loss of income. Formal social security schemes cover only 5% of the labour force and 6% of the population. Most of those covered are working in the urban formal sector and these schemes provide few benefits (Bossert 1987, Tungaraza 1988, Wangwe and Tibandebage 1999).

Since the main aim of social security is to help individuals maintain a reasonable standard of living when faced with social and economic contingencies, there has been an increasing recognition of the need to understand the adequacy of benefits. Studies by Mangangila (1976), Mataba (1983) and Mlyansi (1991) show that the amount of benefit provided by various formal security schemes in Tanzania is insufficient to avert poverty and they have thus failed to provide adequate social protection to members in distress. Moreover, these schemes are faced with a host of other problems, such as the small rates of interest awarded annually to members, the evasion of payment of premiums by employers and a lack of transparency, the delaying of benefits and disparities in risks covered.

The literature on traditional and informal social security systems has focused on the organizational and administrative structures and social relations among members of the family, the kinship, neighbourhood and community groups and types of transfers going on within these systems (Bossert 1987, Bakari 1988, Tungaraza 1993, 1994 and 2000a). These systems operate in both urban and rural areas. A number of studies on informal social security systems have shown that they have failed to promote equitable economic growth and that these programmes are biased in favour of the rich. Furthermore, they show that poverty alleviation programmes have failed to identify the real poor (Sender and Smith 1990). The lack of accountability and inadequate resources allocation of these programmes has also been shown.

The purpose of this paper is threefold. Firstly, to examine the concept of social security in the Tanzanian context. Secondly, to identify social protection issues and thirdly, to assess the strengths, weaknesses,

opportunities and threats of social security systems so as to arrive at viable suggestions for enhancing their effectiveness and efficiency.

The concept of social security

Much of the literature on social security in Tanzania has defined social security as 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. In most cases the contingencies are associated with either the temporary or the permanent loss of income (Haule 1994, Omari 1994, Mallya 1994). Examples of contingencies which could cause economic and social distresses include sickness, employment injury and occupational disease, maternity, old age, invalidity, death and unemployment. Such a definition does not adequately fit the socioeconomic context of developing countries such as Tanzania. It overemphasizes the role of the public sector and the related net costs and expenditures while overlooking social security as an investment in human capital. It also provides limited guidance to effective poverty alleviation. Most people in Tanzania are faced with insecurity caused by chronic or structural poverty. This insecurity arises mainly from insufficient economic development. But the removal of chronic social insecurity faced by the poor does not remove the social insecurity associated with risks emanating from conventional contingencies such as loss of employment, disability, old age and death.

The fundamental social security needs of the poor in Tanzania are the result of chronic or structural poverty and only secondarily of conventional social insecurity. An attempt to define social security should therefore take into account both the conventional definition as well as the basic needs definition of social security which portrays the situation in Tanzania. Holzmann and Jørgensen (2000) offer such a definition. According to them, social security consists of “public interventions to assist individuals, households and communities better manage risk and to provide support to the critically poor”. Underlying this definition is the idea that social security is both a springboard and

a safety net for the poor. It regards social security as an investment in human capital and focuses more on the causes than on the symptoms of poverty. Finally, this definition considers individuals, households and communities as vulnerable to multiple risks from different sources, both natural and man-made.

Based on the above definition, some social security issues can be identified in Tanzania. These include poverty, equity and the right to social security. Each of these key issues will be discussed in turn.

Social security issues in Tanzania

Poverty

Poverty in Tanzania remains pervasive. Studies conducted in the 1990s based on surveys using random sampling techniques indicate that mainland Tanzania ranked as the second poorest country in the world with a GNP per capita of US\$100. Other studies based on household surveys estimated the *per capita* expenditure at US\$281, thus indicating an underestimation of the national income and expenditure (Bagachwa 1994, and Tinios et al., 1993). Whichever is the correct figure, most Tanzanians live in poverty, though this is more widespread in rural than in urban areas (Jazairy et al., 1992; Tinios et al., 1993).

Common to all these studies is the attempt to establish the nature and extent of poverty in all areas of Tanzania. These use income as an indicator of poverty, a methodology that has been criticized elsewhere (e.g. Republic of Tanzania 1999). As an indicator, income reveals little of matters of empowerment and participation, literacy levels, the health status and food security of individuals and tradition and norms. It is because of the unsatisfactory nature of this indicator that the United Republic of Tanzania in 1999 published a book on poverty and welfare indicators to assist researchers.

According to this report, poverty is a state of deprivation that prohibits a decent human life. Poverty results from many mutually reinforcing factors such as a lack of productive resources to generate material wealth, illiteracy, the prevalence of diseases, discriminatory socioeconomic and political systems, natural calamities such as drought, floods and HIV and man-made calamities such as wars. The

above notwithstanding, we do not know who are the real poor in Tanzania. Moreover, despite many studies on poverty alleviation, there is no agreed poverty line against which to gauge various efforts to eradicate poverty. Sender and Smith (1990) show that it is a myth to perceive rural people as a homogeneous group characterized by egalitarian forces. We need to understand the heterogeneity of the poor people in Tanzania.

Despite the literature on poverty in Tanzania, most studies do not link poverty and social security policies and programmes. Perhaps the only exception is the study by the ILO (1982). According to this, the basic needs of Tanzanians were in danger of being eroded by the market-oriented policies advocated by the World Bank and the International Monetary Fund. It advised Tanzania to pursue economic growth with redistribution as well as to provide public welfare services so as to ensure the satisfaction of basic human needs. Social security was not, however, perceived as one of the strategies needed for poverty alleviation.

Equity

Equity denotes fairness or social justice. It implies that people's needs, rather than social privileges, should guide the distribution of opportunities for well-being. Equity requires reducing unfair disparities as well as meeting acceptable standards for everyone. Pursuing equity in social security means trying to reduce unfair and unnecessary gaps in social security, while working efficiently to achieve the greatest improvements for all. In policy terms, therefore, we have to aim for social security policies that are redistributive. This implies, firstly, the protection of the vulnerable by systematically reducing inequities in the distribution of incomes and resources through a guarantee of basic income and the conditions for living in dignity. Secondly, it implies providing the conditions for autonomy, so everyone can participate fully in their society. Thirdly, it implies enforcing, protecting and legitimating social and political citizenship.

Studies on equity issues in Tanzania include the works by Awiti (1973), Putterman (1986), Coulson (1982), Ndulu (1982), Green

(1977), Bank of Tanzania (1981) and Tungaraza (1988). When examining the distribution of land in Ismani, Iringa Region Awiti (1973) concluded that rich peasants, representing about 9% of households, held approximately 53% of the total land under cultivation. A similar study by Putterman (1986) in some selected villages in Arusha, Morogoro, Mbeya, Iringa and Ruvuma regions reaffirmed the existence of inequality in the distribution of landholding.

Inequality in the distribution of resources is also found at the level of social infrastructure, such as educational institutions and health facilities. Coulson (1982), Ndulu (1982) and Tungaraza (1995) indicate that regions such as Dar es Salaam, Kilimanjaro, West Lake, Ruvuma and Tanga have more schools and health facilities per inhabitant than regions such as Shinyanga, Dodoma, Kigoma, Tabora and Mwanza. Social inequalities also exist within the regions. In his study of the social sector in Shinyanga, for example, Tungaraza (1998) found that health facilities, educational institutions and water supplies were unevenly distributed between the districts. The way these resources are distributed corresponds, to a great extent, to the differential regional distribution of incomes. Regions with comparatively fertile soils, a favourable climate and a relatively reliable rainfall, such as Kilimanjaro, Arusha, Tanga and West Lake, have also higher average incomes than other regions. Tungaraza (1988) observes that income inequalities found at the regional level are also found at individual and household levels in all areas of Tanzania. Differences in the quality of arable land, the availability of social infrastructure and educational attainment have led to the concentration of economic activities in certain regions. The observed income inequalities at individual and household levels are a result of many factors. Among them include the different economic development of individual regions, the low productivity of agriculture, the different levels of educational achievement and the existence of differences in salaries paid by employers.

Most of the above studies were conducted in the 1970s and 1980s and therefore cannot give us a true picture of the inequities in the distribution of social security resources and incomes in contemporary Tanzania. Furthermore, the above studies are silent on the extent of

redistribution of social security resources across generations and within a generation. Such an understanding is important so as to redress the unfair and unnecessary social gaps in social security in Tanzania.

The right to social security

There is only limited information on the right to social security in Tanzania. The only study on this aspect is the work by Tungaraza and Mapunda (2000). They point out that social protection is a human rights issue. According to Article 22 of the Universal Declaration of Human Rights of the 10th December 1948 everyone, as a member of society, has the right to social security. The State therefore is obliged to ensure a minimum standard of material welfare to all its citizens on a basis wide enough to cover all the main contingencies of life. This includes general basic social support for all citizens, regardless of contribution or employment. In Tanzania, the right to social security for all citizens is stipulated in the Constitution of the United Republic of Tanzania of 1977, as amended in 1984, 1995 and 1998. Some of these rights include the right to social welfare at times of old age, sickness or disability and in other cases of incapacity. Tungaraza and Mapunda (2000) argue that the reason this right is not conferred upon citizens is due to a shortage of financial resources. In addition, however, a lack of accountability, a lack of prioritization and deficiencies in the enforcement of these rights have denied people their rights to social protection. This right has not been realized because of a lack of awareness on the part of the members of society.

The second right to social security is the right to live and to protection of life by society. Despite the existence of this right, many people have died from sickness, hunger and floods. Moreover, many people still live in sub-standard housing, while many households do not meet their members' basic needs because of economic hardships. Thirdly, Tungaraza and Mapunda (2000) show that, although contributors and beneficiaries of various social security schemes in Tanzania have the right to participate in matters pertaining to social protection either directly or through their representatives who are freely elected by them, in practice these members do not directly participate in board

meetings nor are they represented by members who are freely elected by contributors of the funds. Contributors and beneficiaries of various social security schemes do not have an opportunity to influence the decision-making process and to monitor the administration of social security schemes.

The right to social protection conferred under the Constitution of the United Republic of Tanzania of 1977, as amended in 1984, 1995 and 1998, should also confer the right to benefits. Tungaraza and Mapunda (2000) argue that the scale of benefits payable under the different schemes should be known to members. Benefit formulae and conditions for payment should therefore be clearly spelt out in the laws establishing the respective schemes. Protecting the rights of the beneficiaries is the main responsibility of any social security scheme and benefits should be paid promptly. Mechanisms for appeal should be established in law so that aggrieved contributors and beneficiaries can pursue their rights.

The nature and forms of non-formal and formal social security

Social security systems in Tanzania fall into two main groups, namely, non-formal and formal social security. Formal social security systems refers to conventional social security programmes such as pension schemes, health insurance and workmen's compensation schemes. Non-formal social security systems include macro-economic policies and programmes to promote equitable economic growth and employment, investment in and the development of social infrastructure and specialized programmes for alleviating poverty and traditional social security systems and practices.

Non-formal social security arrangements

Non-formal social security can be divided into two: non-conventional social security instruments (such as public interventions not geared directly at social protection) and traditional forms of social security.

Non-conventional social security instruments

Non-conventional public interventions include macro-economic policies and programmes to promote equitable economic growth and

employment, investments in and the development of social infrastructure and programmes such as health, education and training, housing and water supply. It includes specialized programmes for alleviating poverty such as credit schemes, integrated rural development, rural works, co-operatives, community-based organizations and non-governmental organizations.

Various studies (see Mtatifikolo 1994) have shown that non-conventional social security instruments have failed to promote the equitable economic growth which can harness the productive capacity of the large number of unemployed and underemployed working people in the all areas. Many of the past fiscal and monetary policies and policies dealing with investments, trade, prices, finance and others have been heavily biased in favour of the well-off at the expense of the poor, the unemployed and underemployed. Indeed, this is the area where the greatest potential for poverty alleviation through structural changes in the economy lies. Such a change would, at the same time, hasten the process by which the poor can be integrated in the mainstream formal economy and join the formal social security system as they would have graduated from being primarily concerned with survival to covering their contingency needs.

These studies also show that many of the State-sponsored programmes for the alleviation of poverty have failed to reach the poor and improve their standard of living for a host of reasons. Firstly, these programmes are often flawed in their design and delivery system, resulting in the leakage of the benefits to the rich people. One example of this is the ambiguity in the selection criteria that purport to identify the intended beneficiaries. Secondly, they display a lack of focus or exclusivity in the targeting of beneficiaries. Thirdly, they show a lack of accountability and incentives and, lastly, the resources allocated for these programmes are inadequate.

The State's lack of financial resources as well as its lack of political will are other factors leading to its failure to provide adequate social protection to the poor. Tungaraza (1990:62) shows that Tanzania's social security expenditure quota (defined as the proportion of social security expenditures on gross domestic product) in the 1960s, 1970s

and 1980s has been remarkably low, thus indicating the low priority it is given.

Non-governmental organizations and self-help organizations have been able to reach only a limited though significant, number of the poor. The reasons for this include a lack of financial resources which hamper their efforts to scale up their otherwise effective programmes and sustain them over time and their weak administrative base, since they are limited to working in a small area.

Traditional and informal social security arrangements

A number of studies have attempted to understand the nature and forms of traditional and informal social security arrangements in Tanzania. Among them include works by Bossert (1987), Tungaraza (1988, 1993, 1994 and 2000b), Victor (1997) and Urassa (2000). Bossert (1987) identifies four institutions of traditional social security in pre-colonial Tanzania, namely, domestic groups, which live, produce and consume together, kinship organizations (lineages, clans), the neighbourhood and the chief. According to Bossert, in the past there was mutual assistance and economic co-operation among these groups and each was obliged to help the other in case of special difficulties or during ceremonies.

The neighbourhood community is generally composed of relatives. Social relations between them are therefore determined by the rules, norms and obligations that obtain between relatives. Thus, relations of obligations and commitment hold between kinsmen, as well as between neighbours who are not kin. The chief is the ritual head, the supreme judge and the military leader of his people. Apart from controlling all the local resources, in times past the chief guaranteed the survival of his subjects in case of hardships. A successful chief was therefore expected to keep a great stock of grain, to be generous and hospitable towards his subjects and to provide them with food in times of emergency.

There was a difference between the provisions for the protection of people from each contingency. For example, old people with many children were adequately protected while childless old people had almost none. Although there were provisions for medical, nursing and

ritual care in case of illness, the effectiveness of this was limited by the low level of medical knowledge.

The changes that took place during colonial period and after Independence have led to significant changes in the traditional social security practices. Studies conducted in the 1980s and 1990s show that the domestic group (family institution) still provides support to close relatives only (Bossert 1987, Tungaraza 1988 and 1993). Even the family as a social security institution is increasingly failing to provide sufficient protection to its members against various contingencies (Tungaraza 1994, Urassa 2000). This has led to the proliferation of other forms of informal social security systems. In urban areas there are money exchange networks (popularly known as *Upatu*), the pooling of labour networks and pooling of resources (Tungaraza 1993 and 1994, Victor 1997). Victor (1997) shows that in urban Morogoro District there are *Chama cha kufa na kuzikana*, associations concerning with death and burial affairs; *Jumuia*, (religious groups formed by people who belong to the same denomination); tribal associations; community-based organizations and UMASIDA (a mutual health insurance in Dar es Salaam).

Informal social security systems which currently operate among colleagues, neighbourhood groups and friends have been criticized (see Tungaraza 1993 and 1994) for failing to provide long-term protection against various risks and for providing inadequate protection to their members. This is because coverage depends on one's ability to contribute to the group. Those who are unable to contribute are automatically disqualified from membership. Their lack of financial resources means that these groups cannot alleviate the poverty of their members and they are able only to provide short-term protection. Moreover, these forms of social security are confined to a small geographical area. Finally, they are dominated and guided by customs and traditions which were normally biased towards men.

Formal social security schemes

Studies that have investigated the nature and forms of formal social security systems in Tanzania include the study by Bossert (1987),

Tungaraza (1988), Mlyansi (1991), Wangwe and Tibandebage, (1999). According to Bossert (1987), formal social security systems in Tanzania are organized according to three major principles; social insurance, public support and social assistance. Other principles include the principle of obliging an employer to grant security and the principle of compulsory saving. The principle of insurance is the basis of the Parastatal Pensions Fund (PPF), The National Social Security Fund (NSSF), the Public Service Pensions Fund (PSPF), the National Health Insurance Fund (NHIF) and the Workmen's Compensation Scheme. All these schemes are contributory and cater for employees in the formal sector of the economy. For example, the Parastatal Pensions Fund (PPF) caters for employees holding pensionable offices in parastatals, the National Social Security Fund (NSSF) caters for all parastatal employees who do not hold pensionable offices and employees in the private sector and the Public Service Pensions Fund (PSPF) caters for all civil servants who hold a pensionable office in the civil service.

The public support principle forms the basis of the public health services in Tanzania and non-contributory pension schemes such as the Teachers Service Commission of 1965, the Defence Forces Gratuities and Pension Scheme of 1966 and the Specified State Leaders scheme of 1999. The principle of social assistance provides benefits to people affected by social risks who can prove they have no means of their own and do not get support from their own relatives. Examples of assistance given include support to beggars and peasants, in case of agricultural risks, floods, victims of the MV Bukoba, a ship that sank in Lake Victoria and victims of earthquakes in Rungwe District, Mbeya Region.

The principle of compulsory saving is the basis of provident funds. Each member has an individual account into which members and their employers pay the prescribed contribution. When members are due for benefit (due to old age, invalidity, death and sickness), they receive the legally prescribed payments from the accumulated account. The principle of employer liability applies in case of the continuation of wage payments due to illness as per the Regulation of Wages and Terms of Employment Order of 1972. This principle also applies in

case of compensation payments when employees are dismissed in terms of the Severance Allowance Act of 1962. It applies in case of certain payments at death in terms of the Employment Ordinance of 1957. Formal social security schemes are riddled with problems. Among these include delay in processing benefits, unnecessary bureaucratic red-tape, lack of transparency, disparities in risks covered and poor governance (Mangangila 1976, and Bossert 1987).

The origins and development of formal social security

There are a few studies on the origins and development of formal social security in Tanzania. These include studies by Bossert (1987) and Tungaraza (1988). Bossert examines the origin and development of modern social security from pre-colonial period up to 1983 while Tungaraza explores the period from 1961 to 1988. According to Bossert (1987), formal social security in Tanzania can be traced back to the period of colonial penetration, first, by the Germans (1885–1918) and then by the British (1918–1961), when a new political system was established alongside the introduction of plantations and the imposition of a hut tax which forced the African people either to migrate into various economic enterprises or to participate in cash crop production. It was during this period that some social security measures were introduced, such as pensions schemes, compensation payments to workers injured while performing their duties, the distribution of food to the rural population during years of poor harvest and the provision of health services and education for serving colonial government officials, thus forming a nucleus of the present formal social security system.

Bossert (1987) argues that the formal social security in Tanzania was initiated by the colonial administration and not the result of pressure from African political leaders and workers. These measures were initiated in the medical field, followed by old age pension schemes and, later, by workmen's compensation schemes. From Independence in 1961 up to the late 1980s, the post-colonial State pursued policies that led to political, economic and social changes in the country. This involved, among other things, the development of agriculture and industry, the expansion of education and health and

the settlement of rural people into *Ujamaa* Villages. These changes had an impact on the development of formal social security schemes. According to Bossert (1987) and Tungaraza (1988), in addition to the rapid development of health facilities in the rural areas and the expansion of education, family allowances and the subsidization of corn meal were established together with many other new social security schemes. The expansion of social security schemes during this period was a result of both the agitations of trade unionists and government's own initiatives.

After Independence urban-based public health services were put in place. After the Arusha Declaration in 1967 the development of social security was characterized by the expansion of rural health, the provision of family allowances and tax relief from 1980 for employed couples, the continuation of payment of salaries at times of illness (1972) and paid maternity leave (1975).

A number of studies exist on the development of formal social security systems from 1985 to the present, that is, the period of structural adjustment policies and globalization in Tanzania. Among these include one by Haule (1994) who says that structural adjustment policies have led to the loss of members from the social security schemes such as the Parastatal Pension Fund and the National Social Security Fund because of retrenchment. This has led to the drain on the resources of the social security schemes due to the payment of benefits to thousands of workers who were withdrawn prematurely.

The devaluation of the Tanzanian Shilling, as a result of structural adjustment, caused a serious erosion of the financial assets and solvency of social security schemes. Social security schemes in this period tended to develop in an *ad hoc* manner in response to specific needs or pressures rather than in accordance with any long-term national strategy. The result has been disparities in provision, the duplication of administration and a failure to relate scarce resources to national priorities.

In the health sector structural adjustment policies have led to reforms such as the introduction of user fees in the health sector (Warioba 1998, Msoka 1998 and Tibandebage and Mackintosh 2000). This has led to the resurgence of illnesses such as malaria, upper

respiratory infections and TB as well as the non-compliance of patients with treatment regimes, because neither urban nor rural people can afford medical care. On access and exclusion, Tibandebage and Mackintosh (2000) conclude that there is considerable exclusion because health care is not affordable. Consequences of exclusion for patients include death, borrowing to pay for treatment and putting the lives of other members of the community in danger.

Coverage of social security schemes and kinds of benefits provided

Various studies (see Bossert 1987, Tungaraza 1988 and Wangwe and Tibandebage 1999) on conventional social security have shown that the coverage of formal social security schemes is not comprehensive in terms of the population and risks covered. Currently, such schemes cover only 6% of the population and about 5% of the active labour force in the country. In terms of gender, the majority of the people covered are men, since men constitute most those employed in the formal sector. In terms of risks, these schemes focus on a few benefits (Bossert 1987, Wangwe and Tibandebage 1999). They cover old age, disability, survivorship, illness, maternity, occupational accidents and diseases. Benefits are of two kinds: benefits in kind, where members are entitled to medical services from their employers and financial benefits in the case of illness and maternity. Provident funds give lump sum benefits to their members while social security schemes based on the social insurance principle provide initial lump sum payments followed by monthly benefits to their members. The same applies to non-contributory pension schemes.

The literature on the benefits available shows that conventional social security schemes have failed to protect members in distress so they may be self-respecting, self-sustaining and valuable members of society (Mangangila 1976, Mataba 1983, and Mlyansi 1991). For example, the rates of interest awarded annually to members of provident funds have invariably been negative in real terms and the lump sums paid out generally represent no more than a few month earnings.

Adequate protection against hardship should be the fundamental guide in the establishment of the benefit structure of a national system

of social security. Protection should be based on average earnings and should be related to family needs. There should be, for example, a 50% supplementary allowance for an aged wife or the younger widow and the surviving children of an insured individual. In Tanzania the criteria used to fix the level of social protection are secrets only known to the social security schemes.

Strengths, weaknesses, opportunities and threats

Strengths

- There exist different forms of social security in Tanzania. These have a system and structure which can be studied and improved.
- Members of non-formal and informal social security systems seem to have developed a sense of ownership of these systems which thus have the potential to be expanded and improved.
- There is some commitment from the government to act as a guarantor of all existing formal social security systems in the country.

Weaknesses

- Formal social security schemes cover very few people and the benefits paid are inadequate.
- They are characterized by delays in making payments to members, bureaucracy, inefficiency and poor governance.
- They are usually monopolistic and workers are forced by law to join, with no choice between schemes.
- They are inflexible and do not provide a forum for members to have a say in the way their contributions are invested.
- There is no possibility of portability of members' benefits from one scheme to another.
- There is no systematic and comprehensive national social security policy which governs all social security programmes and activities in the country.
- Social protection is still regarded not as a right of all citizens but as a privilege.

Opportunities

The commitment of the government as a guarantor to formal social security can be used as an avenue to strengthen these systems. The

current emphasis on investigating the potential of non-formal social security systems in the provisions of social protection can be exploited in extending social security coverage to those who are now excluded.

Threat

Government policy, legal and financial support have focused on large-scale formal social security schemes such as the NSSF and PPF but there is no articulate programme on social protection of people outside the formal sector. Such thinking has continued to dominate policy maker and thus continue to be a threat to non-formal social security development.

Conclusion

Conventional social security programmes cover a relatively limited proportion of the population and have not reached the urban and rural poor. They do not provide adequate social protection to members, thus leaving members in poverty when faced with various contingencies. The poor rely on non-conventional social security programmes which serve them only inadequately. This is exacerbated by the erosion of traditional social security practices as a result of increasing urbanization and the process of globalization as the extended family system breaks down and as population pressure impinges on traditional use of common property.

There is a need to understand the social security needs of different categories of poor people in Tanzania, the sources and types of risks confronting the poor and the different arrangements and strategies (informal, market-based and public) for risk reduction, mitigation and coping used by individuals and the government. In order to have a real picture of the inequities in the distribution of resources and incomes in contemporary Tanzania, we must understand the extent of redistribution across generations and within a generation in both conventional and non-conventional social security schemes and programmes. Furthermore, we need to know the transactions and hidden opportunity costs involved in informal risk sharing arrangements.

