



Social Security Policy in Tanzania: A Review of Benefits, Challenges and Effectiveness

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Authors' contributions

This work was carried out in collaboration between both authors. Author NN conceptualized, conducted the investigation, developed the methodology, wrote original draft, reviewed and edited the manuscript, performed formal analysis, provided all the required resources and finalized the document. Author MK supervised the study, performed formal analysis, developed the methodology, wrote, reviewed and edited the manuscript, and provided all the required resources. Both authors read and approved the final manuscript.

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ABSTRACT

Social security systems provide financial support during unemployment, illness, disability, and old age, evolving from informal, community-based support to structured, state-regulated schemes. A review was utilized in methodology covering publications from 2013 to 2023 aimed at identifying current social security schemes, challenges, and policy effectiveness and is guided by Preferred Reporting Items for Systematic Review and Meta-Analyses (PRISMA). Different search engines and databases including JSTOR, Google Scholar, and the Social Science Research Network (SSRN). The search involves the use of key search strings such as social security, social policy, health

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insurance, social protection, policy formulation, and implementation. A total of 114 publications were obtained, and due to selection criteria, a total of 25 relevant articles remained and were included in the study. The findings reveal that Tanzania's social security system comprises various schemes like the National Social Security Fund (NSSF) and the Public Service Social Security Fund (PSSSF) which offer diverse benefits. However, challenges such as limited coverage, particularly in the informal sector, governance issues, and financial sustainability hinder their effectiveness. Despite these challenges, social security policies have positively impacted society in different ways such as poverty alleviation and healthcare access. Recommendations include expanding coverage, enhancing governance, increasing public awareness, leveraging technology, strengthening institutional capacity, ensuring financial sustainability, and fostering international partnerships. The study highlights the need for comprehensive reforms in Tanzania's social security system to enhance coverage, governance, and sustainability, thereby ensuring greater social protection for all citizens particularly those in the informal sector, rural and remote areas.

Keywords: *Social security; social policy; health insurance; social protection; policy formulation and implementation.*

1. INTRODUCTION

Social security systems are based on the provision of financial support during different risks and uncertainties such as unemployment, illness, disability, and old age (Kimaro, 2014). Originating in Germany in the late 19th century, these systems expanded significantly after World War II and typically include social insurance, social assistance, and universal benefits that vary across countries (Semango, 2015). The concept of social security has been changing with time from traditional ways to modern forms of protection. As societies became more industrialized and dependent on wage employment, it was no longer possible to rely upon the traditional social security system (Yussuf, 2020). Also, ILO (2019) considers social security a fundamental human right and essential for social and economic development. It encompasses measures providing benefits to protect against income loss, lack of healthcare, and social exclusion. Also, advocates for comprehensive, inclusive, and sustainable social protection systems, emphasizing universal access and adequate benefits.

In Africa, Social security systems are often less comprehensive, focusing on social assistance programs to address poverty and inequality. Originating in the early to mid-20th century and have been evolving to provide broader coverage (Makene & Mollel, 2022). They typically include contributory and non-contributory schemes, varying widely across countries. Some countries, like South Africa, have more developed systems, while others are still expanding their coverage. Challenges include economic constraints and informal labor markets (Ackson, 2007). Social

security policy in Tanzania has been undergoing a dynamic process influenced by different socio-economic, political, and historical factors (Masabo, 2019). Since gaining independence in 1961, Tanzania has undergone significant transformations in its policies, particularly in the realm of social security. Social security policies in Tanzania have aimed at addressing issues related to poverty, inequality, and social protection for vulnerable populations. Over the years, these policies have evolved to meet the changing needs and dynamism of the society and the economic realities of the country (Kimaro, 2014; Chaligha, 2018).

The initial phase of social policy in Tanzania was characterized by the adoption of socialist principles under the leadership of President Julius Nyerere which marked a significant shift towards *Ujamaa* (familyhood), emphasizing self-reliance, collective farming, and state ownership of resources and that period, social security was largely informal and community-based, with extended families and local communities playing a crucial role in providing support to individuals in need (Kessy & Kasiva, 2015). However, the economic crises of the late 1970s and early 1980s exposed the limitations of these informal systems, which act as an encouragement to the government to seek more structured approaches to social protection (Rwegoshora, 2016).

The Structural Adjustment Programs (SAPs) of the 1980s and 1990s led to significant changes in Tanzania's socioeconomic policies influenced by the liberalization of the economy. While these reforms were intended to promote economic growth, they also resulted in reduced public spending on social services, increasing poverty

and inequality (Wangwe, 2014; Rwegoshora, 2016). In response to the problem created by SAP, the Tanzanian government began to recognize the need for formal social security systems to protect its citizens from the adverse effects of economic restructuring (Chaligha, 2018). In the early 2000s, Tanzania witnessed a renewed focus on social protection with the introduction of the National Strategy for Growth and Reduction of Poverty (NSGRP), also known as MKUKUTA. This strategy emphasized the importance of social security as a key component of poverty reduction and socio-economic development. The establishment of the Social Security Regulatory Authority (SSRA) in 2008 marked a significant milestone in the formalization and regulation of social security schemes in Tanzania (Mboghoina & Osberg, 2018). The SSRA was tasked with overseeing and regulating the operations of social security funds to ensure their efficiency, transparency, and sustainability. Despite the efforts and regulations made by the government through SSRA, social security still faces challenges such as limited coverage, financial unsustainability, inefficient administration, and the like. The study aims to fill this gap by examining the current social security schemes, identifying challenges and gaps in the implementation of social security schemes, and assessing the effectiveness of social security policies in Tanzania.

1.1 Review Objectives

The paper aims to critically analyze the formulation and implementation of social security policies in Tanzania since independence by comprehensively understanding the current social security situation, examining social security benefits in Tanzania, identifying the key challenges and gaps in social security policy implementation, assessing the effectiveness of social security policies in Tanzania and offering recommendations into potential areas for future policy development. By synthesizing existing literature, this review seeks to highlight the effectiveness of policy interventions and the extent to which they address the social protection needs of the Tanzanian population.

2. METHODOLOGY

The paper employed a systematic literature review methodology to ensure a thorough and high-quality review of the current state of social security policies in Tanzania. A systematic review also minimized selection and publication

bias by using clear criteria for including and excluding studies, ensuring the review was based on objective criteria rather than the reviewer's subjective preferences.

2.1 Literature Search Strategy

The literature search strategy for this systematic review involved a comprehensive and structured approach to identify relevant studies and documents related to social security policies in Tanzania. The search was conducted across multiple databases, including JSTOR, Google Scholar, and the Social Science Research Network (SSRN). Additionally, government reports, policy documents, and publications from international organizations such as the International Labour Organization (ILO) and the World Bank were included to ensure detailed coverage of social security. The search strings used include keywords such as Tanzania, social security, social policy, pension schemes, health insurance, social protection, policy formulation, and policy implementation. Boolean operators (AND, OR) and wildcards sign (*) were used to refine the search results and capture the most relevant studies. The search was limited to publications in English and focused on literature published from 2013 to 2023 based in Tanzania only to capture recent developments and reforms in the social security sector.

2.2 Inclusion and Exclusion Criteria

To ensure the relevance and quality of the studies included in the review, specific inclusion and exclusion criteria were applied. Inclusion criteria applied included studies and reports that focus on social security policies in Tanzania, publications that provide understanding into the formulation and implementation processes of social security policies, articles, and documents published between 2013 and 2023, studies that are peer-reviewed or published by reputable organizations and institutions, and literature that discusses the impact, challenges, and outcomes of social security policies in Tanzania.

Also, the review excludes studies that do not specifically address social security policies in Tanzania, publications outside the specified time frame (2013-2023), articles not available in English, studies that are not peer-reviewed or lack credibility, and literature focusing on social security policies in contexts other than Tanzania, unless they provide relevant comparative

insights. By applying these criteria, the review ensures a focused and high-quality synthesis of the existing body of knowledge on social security policy formulation and implementation in Tanzania. This methodological rigor helps in drawing meaningful conclusions and providing valuable recommendations for future policy directions.

2.3 Article Selection and Screening

The article selection and screening process passes through three main processes including identification, initial, and final screening. During the identification stage, 114 articles and publications were obtained and partial examinations were conducted to remove duplicates. A total of 85 articles and publications remained after this stage. Also, screening was done to remove all articles that did not meet the

selected criterion such as those not written in the English language, and published before 2013, a total of 59 articles remained.

The second stage involves screening the remaining articles' content to see if they have explained any of the keywords such as social security benefits, social policy formulation, and implementation of social security benefits effectiveness and impacts, and the articles that miss those features were dropped. A total of 25 articles were available for systematic review. It is important to understand that the included articles were limited to the database utilized and within the search time limits and the obtained articles and publications were systematically reviewed and summarized in a form as guided by Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) in the case of systematic review as shown in Fig. 1.

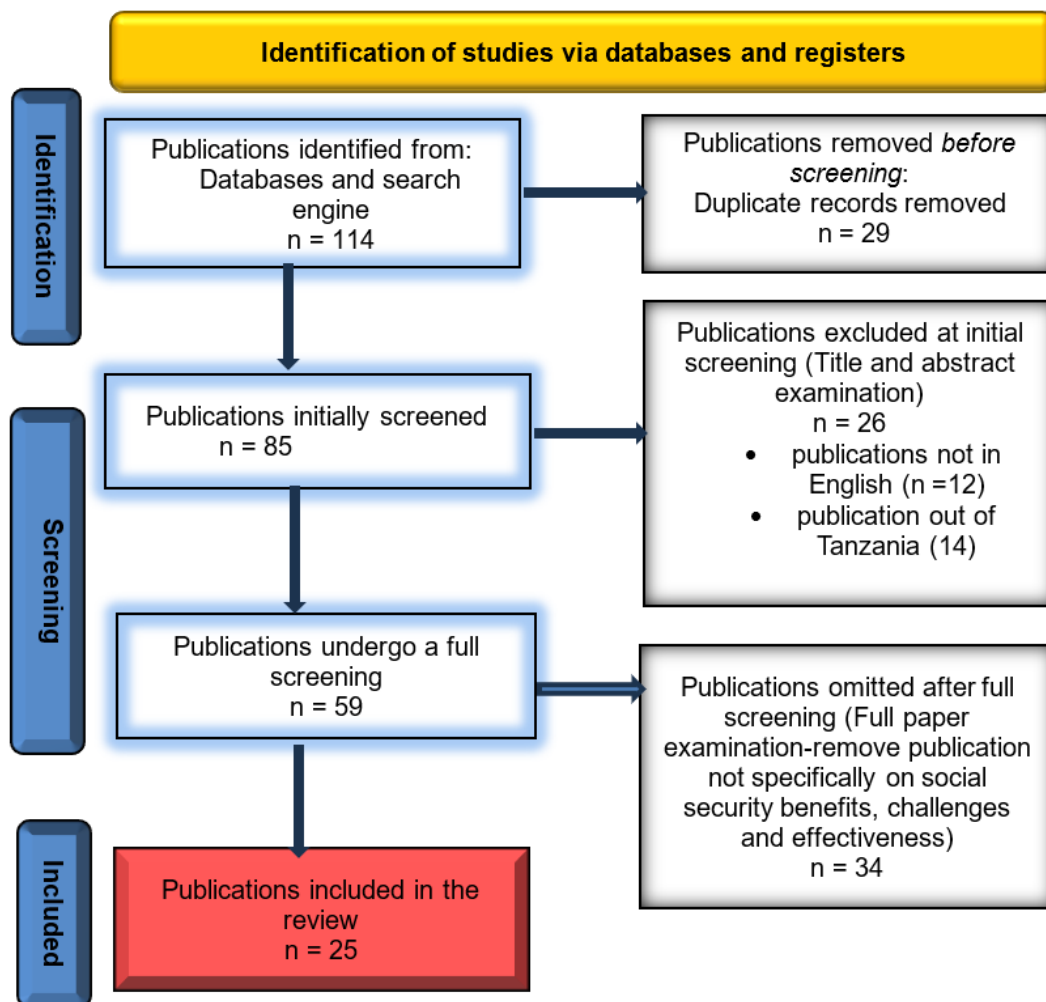


Fig. 1. A flow diagram for articles and publications selection process

Table 1. Characteristics of studies included in the review

Authors	Main focus	Relation with Social Security in Tanzania
Ackson, T. (2007)	Social security law and policy reform	Examines social security policy reforms in Tanzania and compares with South Africa
Chaligha, A. (2018)	Informal Sector and Social Protection	Focuses on social security schemes for the informal sector
International Labour Organization (2019)	Extending Social Security Coverage	Reviews progress and challenges in extending coverage
Kessy, F., & Kasiva, A. (2015)	Social Protection and the Informal Sector	Analyzes social protection mechanisms for informal workers
Kimaro, C. (2014)	Historical perspective of the social security system	Provides a historical overview of Tanzania's social security
Makene, P., & Mollel, A. (2022)	Evaluating the Social Protection Investment Plan	Case study on the social protection investment plan
Masabo, J. (2019)	Informality and Social Insurance	Assesses law and practice of social insurance in East Africa
Masanyiwa, Z., Mosha, E., & Mamboya, S. (2020)	Factors Influencing Participation in Formal Social Security Schemes	Studies participation factors for informal workers
Mboghoina, T., & Osberg, L. (2018)	Policies and performance of social protection	Evaluates policies and performance of social protection
Mhando, N.E., & Kayuni, R. (2019)	Challenges and coping strategies of employed mothers	Examines social security challenges for employed mothers
Rwegoshora, H. M. (2016)	Social security challenges	Discusses current challenges and future transformations
Semango D. (2015)	Social and economic impact of social security fund on pensioners	Assesses impact on pensioners and fund performance
Smith, D., & Kanyama, A. (2021)	Leveraging mobile technology for social security services	Explores the use of mobile tech in social security
Tungaraza F. S.K., Mchomvu A.S.T., & Maghimbi S. (2022)	Social security systems	Discusses various social security systems in Tanzania
Wangwe, S. (2014)	Economic reforms and poverty alleviation	Links economic reforms to poverty alleviation
Yussuf, H. (2020)	Social security reform and consolidation	Examines impacts of social security consolidation

3. RESULTS AND DISCUSSION

3.1 Current Social Security Schemes in Tanzania

Currently, Tanzania's social security is defined by a range of schemes aimed at providing financial support and protection to citizens including the National Social Security Fund (NSSF), which covers private sector employees, offering benefits such as retirement pension, survivor's benefits, invalidity pension, funeral grant, maternity benefit, employment injury

benefit (URT, 2020). Also, the Public Service Social Security Fund (PSSSF) provides to public sector workers, consolidating several previous schemes such as LAPF, GEPF, and PPF into a unified system that offers benefits as those offered by NSSF to public servants (URT, 2018). The Workers Compensation Fund (WCF) provides compensation for occupational injuries and diseases, ensuring workplace safety and support for affected worker's diseases through medical coverage, disability benefits, and death benefits (URT, 2015). These schemes are governed by various regulations, including the Social Security Regulatory Authority (SSRA),



Fig. 2. The word cloud of the benefits of social security schemes in Tanzania

which ensures compliance and efficiency across the board (Kimaro, 2014). Also includes the National Health Insurance Fund (NHIF) and the Community Health Fund (CHF), which play significant roles in healthcare provision. The NHIF, established in 1999, primarily serves public sector employees, though it has expanded to include private sector workers, students, and informal sector participants and it provides a comprehensive range of healthcare services, including inpatient and outpatient care, maternity services, and specialized treatments. Members contribute a percentage of their salaries, ensuring access to medical services without direct out-of-pocket expenses at the point of care (URT, 2012). Moreover, The CHF is designed to extend healthcare coverage to rural and informal sector populations who are often underserved and operates on a community-based insurance model, where households pay a nominal fee to access a predefined package of health services at local health facilities. The benefits offered by different schemes are analyzed and presented on a word cloud (Fig. 2).

The word cloud illustrates the diverse and significant benefits of social security in Tanzania, highlighting key aspects such as income security, healthcare access, and retirement benefits. It emphasizes the role of social security in providing financial support through disability, survivor, and unemployment benefits, contributing to economic stability and poverty alleviation. Additionally, it underscores the importance of social safety nets in improving living standards, reducing inequality, and promoting social inclusion. By supporting education, child benefits, and the empowerment of vulnerable groups, social security fosters national development and invests in human capital, ultimately enhancing the overall well-being of the population.

3.2 Challenges and Gaps in Social Security Policy Implementation

The implementation of social security policies in Tanzania faces several challenges and gaps that hinder their effectiveness and reach. A major issue is the limited coverage of social security schemes, particularly for workers in the informal sector, who constitute most of the labor force but often lack access to formal social protection mechanisms (ILO, 2019). Despite efforts to introduce schemes tailored to informal workers, such as the Informal Sector Social Security Scheme (ISSSS), the uptake remains low due to limited awareness and administrative complexities (Chaligha, 2018). Governance issues, including corruption, mismanagement of funds, and lack of transparency, further undermine social security institutions' trust in and efficiency (URT, 2020). Additionally, the financial sustainability of social security funds is a concern, with challenges in investment management and the need for diversified portfolios to ensure long-term viability (Yussuf, 2020). The consolidation of funds into the Public Service Social Security Fund (PSSSF) and the National Social Security Fund (NSSF) was aimed at addressing some of these issues, but it also brought transitional challenges that affected service delivery (Mboghoina & Osberg, 2018). Moreover, the capacity of regulatory bodies like the Social Security Regulatory Authority (SSRA) to enforce compliance and oversee operations effectively remains inadequate (Kessy & Kasiva, 2015). Furthermore, social security policies do not adequately address the needs of vulnerable populations, including women and the elderly, leaving significant gaps in protection (Nkhoma, 2021). Addressing these challenges requires a multidimensional approach, including strengthening institutional frameworks, enhancing governance and transparency,

increasing public awareness, and ensuring financial sustainability to build a more inclusive and effective social security system in Tanzania.

3.3 Effectiveness of Social Security Policies

Despite the challenges that have faced social security policies in Tanzania, still have shown positive results in the community. These policies have alleviated poverty by providing financial support to retirees, the unemployed, and individuals with disabilities, improving their quality of life (Kessy & Kasiva, 2015). The National Health Insurance Fund (NHIF) has enhanced healthcare access for formal sector employees (Mboghoina & Osberg, 2018), while initiatives like the Informal Sector Social Security Scheme (ISS) have started to address the needs of informal workers (Chaligha, 2018).

Furthermore, Tanzanian's social security policies have demonstrated resilience in adapting to emerging socioeconomic challenges. Current digital innovations such as mobile transformation for social security contributions and benefits disbursements. Also, enhanced the efficiency and accessibility of social service, particularly for rural and remote population (Chaligha, 2018). The inclusion of informal sector workers through tailored schemes is gradually bridging the gap between formal and informal economies, thereby accelerate social equity (Yussuf, 2020). Despite efforts to consolidate social security funds for efficiency, challenges persist in implementation and capacity (Yussuf, 2020). International partnerships and digital innovations are helping, but ongoing reforms are needed to expand coverage and ensure sustainability (Smith & Kanyama, 2021; Makene & Mollel, 2022).

4. CONCLUSION

Social security policies in Tanzania have made considerable progress in enhancing social protection and reducing economic vulnerability among various population groups. Despite the positive outcomes, significant challenges persist, particularly in extending coverage to informal sector workers, improving governance, and ensuring the financial sustainability of social security funds. Addressing these challenges requires a multidimensional and holistic approach that includes expanding coverage, enhancing institutional capacity, leveraging technology, and fostering international partnerships. By implementing these recommendations, Tanzania can further strengthen its social security system, ensuring it

effectively supports all citizens and contributes to long-term socio-economic development.

This review recommends enhanced social security coverage, particularly for the informal sector that involves developing inclusive schemes tailored to informal workers' needs, conducting registration drives, and collaborating with local organizations for outreach. Governance improvements are vital, including anti-corruption measures, accountability mechanisms, and transparent reporting. Increasing awareness through mass media campaigns, community outreach, and educational materials is crucial. Influence technology use with digital platforms, data analytics, and e-payment systems can streamline processes and enhance accessibility. Institutional capacity should be strengthened through training programs, capacity-building initiatives, and performance evaluations. Financial sustainability requires diversified investment strategies, strong financial management practices, and exploring progressive contribution models. International partnerships should be fostered for technical assistance, funding, and knowledge sharing. Lastly, regular policy reviews, stakeholder consultation, and legislative support are essential to ensure social security policies remain relevant and effective amidst changing socio-economic conditions.

DISCLAIMER (ARTIFICIAL INTELLIGENCE)

Author(s) hereby declared that NO generative AI technologies such as Large Language Models (ChatGPT, COPILOT, etc) and text-to-image generators have been used during writing or editing of this manuscript.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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