THE UNITED REPUBLIC OF TANZANIA
SOCIAL SECURITY REGULATORY AUTHORITY

Challenges facing Social Protection and future plans in Tanzania

Presenter: Joseph Mutashubilwa
OVERVIEW

• Introduction
• Social Protection System in Tanzania
• Social security schemes and Benefits provided
• Challenges of the social security schemes
• Addressing the challenges – Reform Programme
• Progress so far
• Future Plans
INTRODUCTION

• “the set of formal and informal interventions that aim to reduce social and economic risks, vulnerabilities and deprivations for all people and facilitate equitable economic growth and inclusive social development.”

The protection measures which society provides for its members, to reduce social and economic risks are mostly directed in the following contingencies:-

- Unemployment
- Maternity
- Sickness
- Disability
- Employment injury
- Old age
- Medical care
- Family Grants for poor households
Social Protection

- Designed to ensure members of society meet their basic needs
- Maintain a standard of living consistent with social norms
- Collective measures/activities
- Protected from contingencies
Roots of Social Security in Tanzania

• Social Security in Tanzania is grounded in the current Constitution (1977) Article 11 (1): *This article talks about welfare of citizens as a right*


The structure of social security in Tanzania

- **Tier one** – Social assistance schemes such as food and primary education financed by the government and NGO’s

- **Tier two** – Mandatory schemes contributory and compulsory financed by both employer and employee

- **Tier three** – Voluntary or supplementary schemes
Mandatory Social Security Schemes

There are 7 mandatory institutions providing social security services in Tanzania Mainland: GEPF, LAPF, NSSF, PPF, PSPF, NHIF and WCF.
Benefits offered by Social Security Schemes

- OLD AGE PENSION
- INVALIDITY PENSION
- SURVIVORS' PENSION
- MATERNITY
- EMPLOYMENT INJURY
- HEALTH INSURANCE
- FUNERAL GRANTS
- EDUCATION GRANT

Long-term benefits
Short-term benefits
Challenges in the Social Security Sector

• Narrow coverage in all dimensions
• Fragmented Social Protection Programmes
• Fragmented legal and regulatory framework
• Too large an informal sector – unpredictable incomes, unorganised informal saving mechanisms
• High dependency ratio (children, the elderly and disabled)
Challenges........

• High levels of unemployment and underemployment
• Limited financial resources
• Low levels of awareness by members of the public on social security issues (lack of trust, far fetched benefits)
Addressing the challenges – 3 Phase Reform Programme

The Extension and Harmonisation Phase (2014/15 – 2015/16)

• Extension of coverage, towards Universal Coverage

• Harmonisation of legal and regulatory framework, and

• Sustainability of Mandatory/Basic Social Protection Programmes.
The second phase (Stabilisation Phase) 
2016/17 – 2020/21

The second phase (Stabilisation Phase) will focused on:-

• stabilising the functions of new system with new institutions
• products supplementary schemes, basic scheme e.g. universal pension, and
• social health insurance schemes for informal sector, and life annuity markets services to be provided to the population
Third phase (Growth and Prosperity) 2021/22 – 2025/26

Third phase (Growth and Prosperity) will focus on:-

• efficiency, effectiveness, standards, livelihood of the population and
• economic growth
Progress so Far – Sector In General

- National Social Security Policy implemented
- Social Security Awareness Programme developed and is being implemented
- Design for Universal Old age Pension and Disabled Social Assistance Scheme in place
- National Social Protection Implementation Plan in Place
- National Social Protection Framework In Place
Progress so far – Mandatory/Contributory Schemes

• **Sustainability of the Social Security System**
  - Fair benefit formula
  - National investment guidelines, 2012 (revised 2015)
  - Extended investment opportunities
  - The Social Security (Conduct of Affairs of the Board of Trustees of Schemes) Guidelines, 2012 to improved governance of schemes

• **Harmonization of Social Security Schemes**
  - Harmonization rule July, 2014
  - The Social Security Schemes Totalization of Contribution Periods Guidelines, 2013 (as amended)
  - Indexation systems as described under harmonization rule, 2014
  - Harmonized membership and contribution records; The Social Security Schemes (Annual Reporting) Guidelines, 2014
• **Legal, Regulatory and Institutional Framework**
  
  ✓ Amendment of the act 2012
  ✓ Issuance of guidelines and regulations, 10 Guidelines and 1 Rule issued (2012-2014)
  ✓ Aligned Legal and Regulatory Framework.
  ✓ Improved regulations/guidelines for smooth operation of the sector.
  ✓ Improved transparency and accountability of social security schemes.

• **Coverage of Social Security Provision**
  
  ✓ Design of universal pension scheme in place, June 2016
  ✓ Supplementary schemes have been increasing, approximately 40,000 membership
  ✓ On-going design of the informal sector super pension *(bodaboda superpension)*
  ✓ increased number of Tanzanians accessing standard health services; *ongoing studies on health service provision to propose reforms in the sector; CHF study 2015*
  ✓ Increased level of awareness on social security issues; *ongoing awareness programmes across the country*
Future Plans

• Extension of Coverage of Social Health Insurance Schemes to 50% of population through registered CHF and NHIF as public measures

• Extend Coverage of Contributory Schemes both Mandatory and Supplementary to at least 40% of formal and Informal sector workers.

• Implement Universal Pension

• Implement Single Registry for Social Protection

• Monitor Reform Programme Progress annually

• Capacity Building programme with focus on the new institutions and schemes
Thank you