INFLUENCE OF SOCIAL SECURITY SCHEME IN IMPROVING WELFARE OF THE OLD POPULATION IN TANZANIA: THE CASE OF PUBLIC SERVICE PENSION FUND

By

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A dissertation submitted to Mzumbe University in partial fulfillment of the requirements for the Award of the Degree in Masters of Public Administration (MPA) of Mzumbe University

2013
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DEDICATION

This work is dedicated to my parents Mr. and Mrs. Peter Mlyansi for their moral and material support. It is also dedicated to my lovely daughters Bernadetha Esday and Margareth Yolanda who missed motherly love and care during my studies.
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<td>GEPF</td>
<td>Government Employee Provident Fund</td>
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<td>ILO</td>
<td>International Labour Organisation</td>
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<td>LAPF</td>
<td>Local Authority Pension Fund</td>
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<td>National Health Insurance Fund</td>
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<td>NSSF</td>
<td>National Social Security Fund</td>
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<td>OASDHI</td>
<td>Old-Age Survivors, Disability and Health Insurance</td>
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ABSTRACT

The study intended to assess the influence of social security scheme in improving welfare of the Old Population in Tanzania. The research was carried out at Public Service Pension Fund (Headquarters). The study was conducted with the following objectives: To assess the influence of social security schemes in improving welfare of the elderly. To examine the perceptions of elderly on social security and to identify benefits received by elderly from social security.

Research findings indicates that the current government social security scheme (Old Age Pension) is important to old population although the amount paid is little to improve their welfare. It revealed that about 81%(63) of the retired receive low monthly pension. Some receive less than 200,000 per month which is very little comparing to current life expenses. However, there is notable contribution by Social Security through gratuity or lumpsum amount paid to retired once their days in service cease, about 75%(36) of pension beneficiaries associated improvement of their welfare with business and small projects established like agriculture and houses built through lumpsum amount received after retirement.

The research used both qualitative and quantitative research designs through interview, questionnaire and documentation to collect data from retired members of social security fund. The data obtained were analysed by using the Statistical Package for Social Scientists (SPSS-20.0 version) because the package offer high degree of precision.

It is recommended that the amount paid should be reviewed often to enable the elderly receive reasonable to meet their basic needs in the changing economy and inflation. It was also suggested that the fund should educate its members and prospective customers on the benefits it offers and activities it is involving in order to maintain current members and increase more members to the funds. Introduction of supplementary scheme to accommodate employee from informal sector is a must because everyone has the right to social security.
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CHAPTER ONE
INTRODUCTION

1.0 Introduction

The study intended to assess influence of social security scheme in improving welfare of old population. This chapter provides an overview of social security scheme in Tanzania and global at large where history of social security in Tanzania is covered in background information. The researcher looked into the categories of social security schemes, how it is administered to the public and benefits entitled to members. The chapter also covered statement of the problem, general and specific objectives of the study, scope of the study, importance and limitation of the study.

1.1 Background history of Social Security

Every human being is vulnerable to risks and uncertainties with respect to income as a means of life sustenance. To contain these risks, everyone needs some form of social security guaranteed by the family, community and the society as a whole. Such socioeconomic risks and uncertainties in human life form the basis for the need of social security. Social security is rooted in the need for solidarity and risk pooling by the society given that no individual can guarantee his or her own security (ILO, 2000).

Social security means collective measures or activities designed to ensure that members of society meet their basic needs and are protected from contingencies such as old age, invalidity and death to enable them to maintain a relatively decent standard of living. Social security has direct impact on poverty reduction, both in risk prevention and through the provision of compensation against it is consequence. Social security contributes to economic growth, in that it encourages investment, promote productivity as workers will have better health status and social security sustains economic activities and wage security. Social security also has a key function in promoting equity and reducing inequality and it represents a powerful instrument for redistributing wealth between different population categories (Bailey, 2004).
1.2 Social Security in Tanzania

Socioeconomic development in Tanzania has resulted in slow but steady disintegration of the kinship or family-based social support systems on which the majority of Tanzanians have depended for protection against contingencies. Economic hardships have made it difficult for individuals, families and/or kin members to provide assistance to each other in time of crisis and need (Dau, 2003).

Social Security in Tanzania has a long history from pre-colonial era to the present. Before colonialism, traditional social security arrangements ensured that all members of the society were cared for. The elderly, children, the disabled and the indigent were entitled to support from the society. African socialism, as Nyerere argued, was manifested in the traditional social security coverage. In pre-colonial societies social exclusion for any reason, apart from execration as a punishment for antisocial behavior was never experienced (Bosset; 1987).

After independence, the Government of Tanzania introduced a series of policies and measures to reverse the situation that prevailed during the colonial era. The measures included access to free education and healthcare, provision of social welfare services to marginalized groups such as the elderly, people with disabilities and children in difficult circumstances, as well as establishment of statutory social security schemes. However, tax financed social services have proved to be unsustainable as evidenced by introduction of cost sharing in sectors such as education and health.(URT, 2003).

1.3 Informal Social Security System

Tanzania, like many other countries in the developing world has had strong informal and traditional social security systems built on family and/or community support. In times of contingencies such as famine, diseases, and old age; individuals have depended on family, clan members and members of the community for assistance in the form of cash or in kind. While it is recognized that over time, traditional social security system has tended to decay and change forms in response to the forces of urbanization and industrialization, there is evidence that in Tanzania family and community social support system have remained as means of social security within different social groups.(URT, 2003).
Overtime, socio-economic reforms have slowly resulted into disintegration of the family-based social security protection leading to the formation of self-help groupings such as UPATU, UMASIDA and VIBINDO. (URT, 2003).

1.4 Formal Social Security System

Formal social security system in Africa and other developing countries is a product of colonialism. In Tanzania during the colonial era, social security coverage was extended to the few people who were in the colonial employment. Most of the people were excluded from any type of public social security scheme. The majority of the Tanzanian people depended upon the traditional social security system for their protection, which is still the case to date, though effects of urbanization and difficult economic environment have weakened the same (URT, 2003).

Formal social security is a regulated mechanism of protecting citizens against social contingencies. This system has existed in Tanzania well before independence; whereby various policy statements have been made and Acts passed in regard to the protection of the population against contingencies like injury, loss of employment and old age. These include the Master and Native Ordinance Cap 78 as amended by Cap. 371, Provident Fund (Government Employees) Ordinance Cap 51, Provident Fund (Local Authorities) Ordinance Cap. 53 and the Workmen’s Compensation Ordinance Cap 262. After independence new legislations were enacted and others amended. These include the Severance Allowance Act No. 57 of 1962; the National Provident Fund Act No. 36 of 1964 amended by Act. No. 2 of 1975 which was later repealed and replaced by the National Social Security Fund Act No. 28 of 1997; the Parastatal Pensions Act No. 14 of 1978, the Public Service Retirement Benefits Act of 1999, the National Health Insurance Fund Act No. 8 of 1999 and Local Authorities Provident Fund Act. No. 6 of 2000.

Currently, there are five major formal institutions that provide social Security protection in Tanzania. These are the National Social Security Fund (NSSF) offering social security coverage to employees of private sector and non-pensionable Parastatal and government employees, the Public Service Pension Fund (PSPF) providing social
security protection to employees of central Government under pensionable terms, Parastatal Pension Fund (PPF) offering social security coverage to employees of the both private and Parastatal organizations, the Local Authorities Provident Fund (LAPF) offering social security coverage to employees of the Local Government and the National Health Insurance Fund (NHIF) offering health insurance coverage to pensionable employees of central government.

The formal social security total coverage in Tanzania is about 871,000 members distributed as 363,000 for NSSF, 193,000 for PSPF, 180,000 for NHIF, 90,000 for PPF and 45,000 for LAPF. This represents about 85% of the persons employed in the formal employment sector.

1.5 Categories of Social Security Schemes

Social Security Schemes can be categorized in several ways. They may be defined benefits or defined contributions. Defined benefits is a situation where benefits to be obtained are known well in advance regardless of the contributions to be made, provided that the members meets prescribed minimum conditions. Defined contribution is a situation where benefits from a social security is not known, but depends on the contributions to be made and interests rates obtainable. Defined benefits are associated with social insurance schemes while Defined contributions are associated with provident fund schemes (National Social Security Policy, 2003).

Under defined benefit scheme the benefit paid to members is defined when contributions are made while under defined contributions scheme benefits paid to members depends on contributions made to the investments income administrative costs (Schemer, 2004).

1.6 Statement of the Problem

Old people in Tanzania live in poverty, nearly 96 per cent of older people in Tanzania do not have a secure income, Study by HelpAge International Tanzania 2010 shows that about 82 percent of Tanzania’s over 60 population lives in rural where they are
vulnerable to poverty, while facing food insecurity, restricted access to social services, and limited options for livelihoods security.

HelpAge research and evaluations revealed that, older persons remain economically productive as long as they are physically and mentally able and as long as household requirements demand their contribution. However, their ability to provide consistent support is challenged through exclusion and discrimination. One area where older persons are most vulnerable is in sustainable livelihoods including access to formal and informal savings and loans institutions and opportunities to diversify and expand livelihoods (ibid)

A fair number lack adequate food, essential clothes and medicine. One of every ten older adults has an income below the poverty line, only a small minority substantial savings or investment (Zastrow,)

They are further subject to the double protection bind of both needing care and protection in their older years as well as needing to fulfill the parenting gap as providers of care for children, grandchildren, and ageing spouses in their care. Older persons throughout Tanzania experience challenges in household security as a result of unreliable sources of income, instability in their livelihoods, lack of diversified livelihoods opportunities, and limited access to social and health services (HelpAge International Tanzania, 2010).

Zastrow, Kohl, Bailey (2010) believe that social security has done more to eliminate poverty among the elderly than any other government program including welfare programme. The most important source of income for the vast majority of older people is social security benefit, primarily the Old-age Survivors, Disability and Health Insurance (OASDHI) program (ibid)

Governments in developing countries have recognised the impact social pensions can have on reducing old age and intergenerational poverty. Countries such as Nepal, Lesotho, Bolivia, Brazil and South Africa are amongst over 80 countries which have set up social pensions. 47 of these are low and middle income countries. Evidence shows
that not only do social pensions reduce old age poverty but they also reduce intergenerational poverty. For example, pension income is spent on children in the household, leading to significant improvements in their education and health. The twentieth century has witnessed an increase in the number of older people. According to available statistics, Tanzania with an estimated total population of 33,500,000, has about 1.4 million older people (4 per cent of the total population) aged 60 years and above. This figure will increase to 8.3 million (10 per cent of the total population) by the year 2050. (Hofmann, 2008. et.al).

About 75 percent of people become old with poor health due to poor lifestyles and poor nutrition during their childhood; Prolonged diseases are a common feature among older people. Additionally, health services are not easily accessible to the majority of older people besides they are expensive. Health care professionals on the other hand lack motivation and are not adequately trained to handle older peoples’ illness (National Ageing Policy, 2003).

Income security is a concern for all age groups, but becomes even more acute for older people. Income insecurity has a significant impact on the welfare and wellbeing of older people, their families and households. In Tanzania, households which have both people over 60 and children experience poverty at a level 33% greater than the national average. (ibid)

Studies show that, in Namibia, pensioners spend 13.8% of the cash they receive on health care and medicines. A study in South Africa found that older people who received social pensions had a significantly better health status than other family members, when the household did not pool their resources. (Olivier, 1999).

The government of Tanzania introduced a number of social protection and welfare programs to help the old and assist families in taking care of the old. Among the social protection programme included Social security scheme (Old Age Pension) that meant to provide benefits in the event of the individuals’ earning power permanently ceasing, being interrupted, never developing, being unable to avoid poverty, or being exercised only at an acceptable social cost.
The Old age pension scheme is one such response to the needs of old people in Tanzania, the scheme was created with good intentions and at the very least, it has provided material support to the older people in Tanzania. However the scheme’s contribution in improving welfare of the old population has not been sufficiently questioned.

1.7 Objectives of the Study

1.7.1 General objective
The general objective of this study was to assess the influence of social security scheme in improving welfare of old Population in Tanzania.

1.7.2 Specific objectives
(i) To assess the influence of social security schemes in improving welfare of the elderly.
(ii) To examine the perceptions of elderly on social security.
(iii) To identify benefits received by elderly from social security

1.7.3 Research questions
The study was guided by the following questions.
(i) How do elders perceive social security?
(ii) Does social security influence welfare of elderly in Tanzania?
(ii) What benefits do social security schemes offer to elderly members?

1.8 Significance of the Study
Apart from being a requirement for the award of master’s degree, the research will be of importance to the researcher as will provide opportunity to integrate class theory with practice. The research will add to a stock of knowledge by providing literature to other researchers and information seekers on contribution of social security schemes in improving welfare of the elderly. Moreover, the research is of importance to pension funds and policy makers as will help them come up with better policies that link social security with welfare of elderly.

1.9 Definition of Terms
Social Security

International Labour Organisation (ILO) defined Social security in its broadest meaning as: The protection measures which society provides for its members, through a series of public measures against economic and social distress that would otherwise be caused by the stoppages or substantial reduction of earnings resulting from sickness, maternity, employment injury, unemployment, disability, old age, death, the provision of medical care subsidies for families with children.

Welfare

The notion of welfare has been defined and understood in many and various ways. Oxford Dictionary’s (2001) defined “welfare” as 1.well-being, happiness; health and prosperity (of person, community etc.). 2 (Welfare) financial support from state.”

Old Population

World Health Organization defined old population as the number of inhabitants of a given region aged 65 and above while Tanzania National Ageing Policy defined old person or population as individuals who are 60 years and above.
CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter covers literature reviewed on impact of social security in improving welfare of the old Population. The study looked on the concept of Social Security, its conception and development. The chapter also discussed various theories related to Social security and empirical study on the topic.

2.1 Concept of Social Security

Many scholars and researchers have written on Social security (Olivier, Bailley, ILO,) however there is no agreed definition on the concept of social security; most of scholars have associated the concept with social protection and risk management (Tulia, 2007).

There are three major approaches to defining social security: Firstly, social security can be defined with reference to the list of social risks; secondly, it can be defined in terms of the involvement of the state; and thirdly, social security can be defined in terms of its aims. (ibid). Olivier (1999) suggested that the concept of social security should not be confined to these approaches and that it is necessary to include the broad range of social security measures in any meaningful definition.

Social security means any kind of collective measures or activities designed to ensure that members of society meet their basic needs and are protected from the contingencies to enable them maintain a standard of living consistent with social norms. International Labour Organisation (ILO) defined Social security in its broadest meaning as: The protection measures which society provides for its members, through a series of public measures against economic and social distress that would otherwise be caused by the stoppages or substantial reduction of earnings resulting from sickness, maternity, employment injury, unemployment, disability, old age, death, the provision of medical care subsidies for families with children. The framework included the old as one of the vulnerable group that without consideration on health services, food and other necessities they will be on high risk. However the definition faced criticism from scholars.
2.2 Concept of old Population

Ageing populations are a global phenomenon. The definition of old age is subjective, and in most developed nations, is defined by a chronological age of sixty-five years and above and is associated with retirement age. For instance in developed countries such as Britain and United States of America (USA) old age is 60 years. In other countries retiring age differs according to gender. In Latvia for example men retire at the age of 55 whereas women retire at the age of 60 (HelpAge International 2001; Heslop & Gorman 2002).

In Tanzania, Old age and aging is defined as the final stage of human growth from childhood, youth to old age. Tanzanian government define older people or population as those aged 60 years and above, however, the definition is broaden to not only consider chronological parameters but also functional and social aspects of age that seem to be more appropriate for an African context. Such aspects can be the seniority status of a person within his or her community commonly called “Mzee”, the roles assigned to older people, or perhaps even more importantly the loss of roles accompanying physical decline or other changes in status such as widowhood, which are of local significance (URT 2003; HelpAge International 2001; Heslop & Gorman 2002).

The issue of Old Population and Ageing cannot do away with economic, and health matters pertaining Old people. In Tanzania old people are of various groups that include retirees, peasants, herdsmen and fishermen. Economically, older people are among the poorest in the society. Various groups of older people such as peasants, herdsmen and fishermen do not belong to any formal social security system. Retired older people who are members of the Social Security Schemes face problems resulting from inadequate benefits and bureaucratic bottlenecks. Furthermore, the existing poverty reduction strategies do not include older people (URT, 2003).

Prolonged diseases are a common feature among many older people. Additionally, health services are not easily accessible to the majority of older people besides they are
expensive. Health care professionals on the other hand lack motivation and are not adequately trained to handle older peoples’ illness.

2.3 Conceptual Framework of Social Security

In research methodology, conceptual framework is very crucial since it serves as the basis for understanding the causal or correlational patterns of interconnections across events, ideas, observations, concepts, knowledge, interpretations and other components of experience. According to Miles and Huberman (1994), a conceptual Framework is a visual or written product that explains, either graphically or in narrative form, the main things to be studied; the key factors, concepts, or variables and the presumed relationships among them.

The ILO framework of social security is based on a three-tier structure, which seeks to utilize various funding sources for provision of better protection to the country’s population. This structure also seeks to address needs of different groups in the society with respect to income and degree of vulnerability.

According to ILO framework, Three Tier system is an arrangement/system designed to cater for different needs of protection for different categories of people depending on their level of incomes. Tier one, which is financed by the government, caters for those who are not able to purchase social security services e.g. sick, disabled, elderly etc. Tier two caters for those who can contribute and is compulsory and supervised by the government. Tier three caters for those who can afford to supplement their Tier two security by purchasing commercial insurance benefits. Tier three is voluntary and privately managed. Three-Tier system is designed to reduce the government expenditure on social assistance/security programs through expansion of coverage of Tier Two and Three.

**Tier One – Social Assistance Schemes**

This constitutes provision of services such as primary health; primary education, water, food security and other services on a means tested basis. In Tanzania these services are usually financed by the government and Non-Governmental Organisations (NGOs). Help Age International is also working in Dodoma and Arusha in assisting the older
people to obtain identification cards from district authorities to enable them to access health facilities without cost.

**Tier Two - Mandatory Schemes**

These are usually compulsory and contributory schemes financed by both employer and employee during the working life for terminal and short-term benefits. This tier involve pension scheme covered by pension funds, According to Retirement Benefit Law a member is required to contribute 20% of her salary every month, the contribution payment procedures differ with fund. Some fund requires a member to contribute 5% of his or her salary while employer contribute 15% of employees salary other funds wants employee to contribute 10% and employer 10%. The programs provide for income replacement and benefits in kind for the contingencies of death, maternity, employment injury and pensions for the long term contingencies of old age, invalidity and survivorship.

**Tier Three - Voluntary or Supplementary Schemes**

Supplementary schemes is established to cater for different social services like health, pensions and other types of insurance over and above those provided by mandatory and social assistance programmes. These schemes shall be run by employers, private companies, professional bodies and community-based organisations (CBOs). The schemes under this tier include personal savings, co-operative and credit societies, occupational pension’s schemes and private schemes; managed by employers, professional bodies, community based organizations and other private sector actors. In Tanzania this scheme is manifested in form of SACCOS which provides credit to its members at a very low interest, in times of problems one can borrow and sort his or her problems.
Figure 2.1: Social Security and Welfare of elderly

Source: Researcher’s Construct (2013)

Figure 1 above conceptualizes the relationship between variables linked to social security and welfare of the elderly. Aging, or the processes of growing old is associated not only with physical change, such as less strength and ill health, but also with social changes, such as low status and isolation. These characteristics may make some elderly more vulnerable to poverty in terms of income as well as access to basic needs, unless
the person has significant assets or support from relatives. The presence of social security in form of social assistance like provision of free medical services, food and psychosocial services can help improve their well-being.

Impoverishing forces which poor elderly people face include material deprivation, social isolation and sense of powerlessness, ill health and low nutrition, and lack of care and support. These may lead into a decline in social well-being and security. Diminishing strength, often accompanied by stigma may affect the kind of work elderly people can do.

Existence of mandatory scheme in form of pension to retired elderly help them meeting their basic needs like food, some use their pension to take to school their grandchildren or dependents.

Supplementary scheme as the name suggest help those who are member to enjoy the privileges offered by the scheme to solve their minor problems. They can obtain micro credit at low interest or enjoy services like health insurance that help them during illness.

The combination of the three tiers can help achieve welfare to the elderly since, not every elderly is a member of the pension fund or can afford the service, Health services is expensive majority of the elderly do not afford they are sometimes forced to seek help from relatives or their children. But with introduction of CHF and NHIF they have been able to enjoy free services.

2.4 Development of the Concept of Social Security

The concept of social security has traditionally been used to denote measures and schemes devised to protect income. The concept emerged during the industrial revolution when urbanisation was the order of the day and migrating workers needed protection from their employers as they were detached from their communities.

The term social security was first officially used in the title of United States legislation-the social security Act of 1935 even though this act initiated programs to meet the risks of old age, death, disability and unemployment only. It appeared again in an Act passed in New Zealand in 1938 which brought together a number of existing and new social security benefits. It was used in 1941 in wartime document known as the
Atlantic Charter. The ILO was quick to adopt the term, impressed by its value as a simple and arresting expression of the deepest and most widespread aspirations of people all around the world.

A number of approaches to social security emerged, inter alia, the Bismarckian approach and the Beveridge approach.

The Bismarckian approach was initiated by Chancellor Otto von Bismarck of Germany in the 1880s and his country became the first industrialised country to adopt public and formal social security programme. This programme was employment based and was built on the principle of social solidarity and was compulsory for workers. The benefits which were available under this programme were independent of one's contributions but were subject to minimum levels and upper limits. About 30 years later, similar programmes were introduced in other European countries and some Latin American countries.

Conversely, the Beveridge approach, which was created by William Beveridge, the initiator of the development of the Welfare State in Britain, hinged on the creation of universal protection for the entire population. This approach included both social insurance and social assistance schemes. While the former would cover those who are able to contribute for their wellbeing, the latter would be state-funded, non-contributory and means- or needs-tested benefits, specifically for those who cannot make contributions to the former.

Another approach following similar principles is the Scandinavian model. This model advocates "relatively high minimum universal protection to all its citizens and residents." Although it is also funded by taxation or rather by the state budget, it operates on what (Olivier, 2001) calls "accepted moral and humanitarian principles." The Scandinavian model goes beyond the categorical means- or needs-testing. Its main aim is to guarantee people a standard of living which is based on moral and humanitarian standards.

While the Bismarckian approach is based on social insurance principles, the Beveridge approach is based on both social insurance and social assistance principles. Social security experts and the ILO accept that social security includes elements of both social...
insurance and social assistance. This is evident in the ILO approach to social security which encompasses both approaches in its conceptual definition of social security.

The ILO defines social security to mean:

> The protection which a society provides for its members, through a series of public measures, against the economic and social distress that otherwise would be caused by the stoppage or substantial reduction of earnings resulting from sickness, maternity, employment injury, unemployment, invalidity, old age and death; the provision of medical care; and the provision of subsidies for families with children.

Despite the fact that the ILO definition incorporates the two approaches, it has been heavily criticised, mainly for being too narrow and not sufficiently comprehensive for developing countries. The narrowness of the concept is clear from the fact that it adopts a risk- or contingency-based approach, aligning social security programmes to public measures and neglecting other social security actors. The concept also concentrates on compensatory measures and leaves out issues of prevention, re-integration, redistribution of resources, poverty and social exclusion.

However, recently, the ILO recognised the need to focus on poverty prevention and alleviation as some of the important aims of social security and to engage other actors such as the family and local solidarity networks, civil society institutions, enterprises and commercial market, government and social security institutions, and the international community.

The first criticism of the ILO concept of social security is that its contingency- or risk-based approach has weaknesses. If the concept of social security is based on the traditional social risks as outlined by the ILO, many risks in developing countries would be excluded. According to Pieters, the ILO’s list of risks.
2.4.1 Objectives of the Social Security Scheme

The major objectives of social security are: poverty prevention, poverty alleviation, social compensation and income distribution. Many issues relating to social security are sensitive, as they touch on the material interests of organized workers and the unorganized poor as well as insurance industry and employer organizations. (URT, 2003).

The social security system in Tanzania has the following key features:-

(i) Social assistance schemes which are non-contributory and income-tested, and provided by the state to groups such as people with disabilities, elderly people and unsupported parents and children who are unable to provide for their own minimum needs. In Tanzania social assistance also covers social relief, which is a short term measure to tide people over a particular individual or community crisis; (ibid).

The Kwa Wazee project found in Bukoba, Kagera region offers an example of social assistance scheme implemented by local government authority officials and Non-Governmental Organisation known as Help Age International with the aim of addressing the needs of older people. The project uses targeting criteria that are generally well understood, and the findings of the study indicate that pensions do reach very vulnerable older people. The scheme operates in rural communities with extremely high poverty rates and it is perhaps inevitable that a proportion of older people remain ‘excluded’. (Hofmann, 2008. et.al).

(ii) Mandatory schemes, where people contribute through the employers to pension or provident funds, employers also contribute to these funds; The scheme covers formal social security programmes operated by Social Security Fund like Public Service Pension Fund(PSPF) Parastatal Pension Fund (PPF), Government Employers Provident Fund (GEPF), Local Administrative Provident Fund (LAPF), National Social Security Fund (NSSF).

(iii) Private savings, where people voluntarily save for retirement, working capital and insure themselves against events such as disability and loss of income and meet other social needs (URT, 2003). The programme is now introduced by
Public Service Pension Fund (PSPF) through Supplementary Scheme (URT, 2003).

Despite the existence of this framework, service delivery has not reached the majority of Tanzanians due to inadequate financing and fragmented institutional arrangements. The estimated total population of Tanzania is 33.5 million. Out of this, 70 per cent are in the rural areas, while the rest are in urban areas. The total labour force of Tanzania is estimated at 16 million, where 5.4% of the total labour force or 2.7% of the total population is covered by the mandatory formal social security system. 93 percent of the capable workforce is engaged in the informal sector in both rural and urban areas; out of that 80 per cent is in engaged in the agrarian economy (ibid).

2.5 Benefits Offered by Social Security

In Tanzania, there are two categories of social security benefits, that is, short-term benefits and long-term benefits. The first category is the Short-term benefits covers those benefits which have time limits or are of a temporary nature some paid once, these include maternity, educational, employment injury and withdrawal benefits, special lump sum or gratuity benefits like funeral grants, death benefits, sickness benefits and medical care. The second category is the long-term benefits involving benefits which cannot cease as long as the beneficiary lives. They are also known as life-time benefits. These include retirement/old age benefits, invalidity/disability benefits and survivors' benefits. These benefits require recipient to meet certain qualifying conditions, however these qualifying conditions differ from one scheme to another. The number of benefits also depends on the particular scheme as there is no single scheme in Tanzania which covers all the risks outlined above.

2.5.1 Retirement/Old Age Benefits

Old Age/Retirement benefits are available under most of the social security schemes in Tanzania including NSSF, PPF, LAPF, GEPF, PSPF and the PSRB. However, there are differences between schemes when it comes to the period of contributions, some set 10 years to be qualifying period for monthly pension while others set 15 years or 180 months to qualify for monthly pension. The condition of attaining a retirement age to qualify for an old age pension applies to all schemes except where the contrary is indicated.
NSSF requires a member to attain a pensionable age of 60 years and having contributed to the scheme for at least 15 years or "made at least 180 contributions to the fund. Where a member has not fulfilled the two conditions, he/she is awarded a retirement special lump sum. The scheme also pays retirement benefits to a member who has not reached the age of 60 but has contributed for 180 months. While PPF offers retirement benefits to a member who has contributed at least 120 months before retirement. Where a member has less than 10 years' contributions, he/she is awarded a gratuity benefit. Similarly, PSPF offers retirement benefits by way of pensions, specifies a retirement age of either 55 years or 60 years and an aggregate of 15 years of qualifying service. PSRB offers retirement pensions for specified political leaders, that is the former President, Vice President, Prime Minister and the speaker of the National Assembly. Other political leaders receive a lump sum gratuity depending on the years they have spent in service. PSRB specifies neither age nor contributory time because it is a non-contributory scheme and political posts are not determined by age. GEPF also offers retirement benefits where a member has reached a prescribed retirement age. Retirement benefits under GEPF are in the form of lump sums, not pensions. Similarly, LAPF does not offer pensions but rather lump sum payments in the event of retirement.

2.5.2 Survivors' Benefits
Survivors' benefits are available where a member of a social security scheme has died, and they are given to surviving family members of the deceased, in most cases, the dependants. The schemes which offer this benefit include NSSF, PPF, PSPF, PSRB, GEPF and LAPF. While the NSSF, PPF, PSPF and PSRB offer both survivors' pensions and lump sum payments, LAPF and GEPF offer only lump sum benefits. Under NSSF, a survivor's benefit can be paid in three forms, namely, a survivor’s lump sum grant, a survivor's pension and a survivor's special lump sum. This benefit is paid to the dependants of the deceased and the National Social Security Fund Act of 1997 defines a dependant to include a spouse or spouses, a child under 18 years, or a child receiving education who has not attained the age of 21. The conditions for receiving survivors' pensions are that the deceased must have attained pensionable age, and would have been entitled to a retirement pension had a claim been made, A survivor's
lumpsum grant is paid before the monthly pensions, where the deceased member of NSSF qualified for a retirement pension, but had not received it before he died.

A dependent child who is also an invalid also receives pension PPF also provides for survivors' benefits which are awarded to the dependents of the deceased. The conditions for receiving a survivor's benefit are that the deceased must have made contributions for at least 120 months and must have died while in service. Where these conditions are not met, the surviving dependents are entitled to a death gratuity which is paid to the legal personal representative of the deceased estate. Under the Parastatal Pensions Act of 1978 a dependent is defined as a widow(s), a widower, a child under 18 years, excluding a daughter who was married preceding the deceased's death, and the immediate parents of the deceased. However, the widower and the parents have to satisfy the Board of Trustees of PPF that they were "wholly or substantially dependent upon the deceased member’s income for their livelihood.

PSPF provides for entitlement to a survivor's benefit for the widow or children of the deceased who were dependent on the deceased or disabled. Where no pension has been paid to the widow or widower, a death gratuity may be awarded to the parents of the deceased if they were dependent on the deceased. PSPF regards as a child any person below the age of 21.

The Political Service Retirement Benefits Act of 1999 provides for survivors’ pensions or gratuities for the surviving widows/widowers and/or dependents of the specified political leaders. It is only the President whose widow/widower is entitled to a survivor's pension and the dependents to gratuities, while other political leaders’ widows/widowers and dependents receive gratuities. The Political Service Retirement Benefits Act of 1999 defines a dependent as a widow, widower, every child of a leader who was dependent upon the deceased leader before his or her death, and the immediate parents if they satisfy the Permanent Secretary to the Treasury that they were dependent on the deceased leader preceding his/her death.

Finally, GEPF, LAPF and the Workmen's Compensation Ordinance of 1949 offer survivors' benefits to dependents in the form of lump sum payments.
2.5.3 Invalidity/disability benefits
These benefits are also offered by the existing social security schemes in Tanzania including NSSF, PPF, PSPF, PSRB, GEPF and LAPF. NSSF offers invalidity benefits in the form of a pension and a lump sum. The conditions for entitlement to an invalidity pension are that a member must be suffering from a permanent invalidity, must be under pensionable age and must have made 180 monthly contributions or at least 36 monthly contributions, of which 12 contributions or more must have been paid immediately preceding the date of invalidity. Where a member does not meet the conditions above, he/she receives the invalidity special lumpsum. Where the conditions are fulfilled, an invalidity pension is payable for his/her life time, and when the invalid reaches retirement age, a retirement pension is awarded for the rest of his/her life.

The Parastatal Pensions Act of 1978 offers disability benefits upon fulfillment of two conditions. Firstly, it has to be medically proven to the satisfaction of the employer that the employee can no longer discharge his or her duties. Secondly, the member must have made at least 120 monthly contributions to PPF. Where the member's contributions have been made for less than 120 months, a gratuity is awarded instead of a disability pension.

PSPF offers an invalidity pension to a member as a result of loss of earning capacity due to inability to work. The assessment of invalidity is undertaken by an established Medical Board. Qualifying Conditions include being a member of the Fund and should have contributed to the Fund for a minimum period of 180 months or 15 years to receive both pension and gratuity while a member who has contributed to the Fund for a period less than 180 months or 15 years will be paid a gratuity only;

2.5.4 Maternity benefits
Maternity benefits are a short-term benefit. Only the NSSF and PSPF under its new scheme called Supplementary Scheme provides maternity benefits for its female members. For NSSF members the conditions attached to this benefit are that the insured must have made at least 36 months of contributions, out of which 12 months of contributions must have been made immediately prior to the confinement date, the member must produce a medical certificate to show that she is expecting a child or has
delivered a child, and there must be a three-year interval from the last receipt of the benefit.

2.5.5 Employment injury benefits
As with maternity benefits, employment injury benefits are provided only by NSSF. Employment injury benefits embrace employment injury and occupational diseases. These benefits are provided by way of cash benefits, medical care, provision of artificial limbs, attendance allowances for helpers and death benefits. The qualifying conditions include being registered with NSSF before the occurrence of the injury or occupational disease, and that the member must have been injured or contracted the occupational disease in the course of employment, or in connection with a specific activity in a specific occupation respectively. Where an injured member or the one who contracted an occupational disease dies before a claim is made, then a death benefit is awarded in the form of a survivor's pension except where the survivors are entitled to other benefits related to the same incident.

2.6.6 Funeral grants and educational benefits
Funeral grants are offered by NSSF, PSPF and GEPF while educational benefits are provided by PPF. Under NSSF, a funeral grant is offered as Reimbursement for expenses incurred by family members for the burial of a deceased member. The qualifying conditions are that the deceased must have been an active member, must have made at least one contribution, and expenses must have been incurred for the burial of the deceased member.

2.6 Concept of Social Security and Welfare of Elderly
Poverty among older people varies by race, sex and marital status, whereas those who are widowed or single are most likely to be poor (Zastrow, 2010).

As people grow older, they risk outliving their other resources, become less able to work and become more dependent on social security benefits for their income. Providing longevity insurance addresses concern about benefit adequacy by increasing social security retirement benefit for beneficiaries who reach an advanced age such as 80 or 85. Longevity insurance seeks to reduce the risk that they fall into poverty at older ages by increasing their social security benefits (Kohl, 2010).
Social security is an important source of retirement income for almost everyone, in the US in 1983, 3 in 5 beneficiaries aged 65 or older relied on their social security benefits for at least one half of their income. It is also an important source of continuing income for young survivors of deceased workers. (U.S., 1993).

The social security system was never designed to be the main source of income for older adults. It was originally intended as a form of insurance that would partially supplement other assets when retirement, disability, or death of a wage earning spouse occurred. Yet many older adults do not have investments, pensions as savings to support them in retirement and therefore, Social security has become their major or sole source of income (Zastrow, 2010).

In United States of America Social security is the main source of income for two third of all elderly people. Nine percent of older white women are poor, compared to 23.7 percent of older Africa America and 19.5 percent of older Hispanic. Older women are likely to be poor than older men. (Social Security Administration, 2008).

The financial problems of older people are compounded by additional factors. One factor is the high cost of health care as previously discussed. A second factor is inflation; inflation is especially devastating to those on fixed incomes. Most private pension benefits do not increase in size after a worker retires. For example, if living costs rise annually at 3.5 percent, after 20 years a person on fixed pension would be able to buy one half as many goods and services as he or she could at retirement. (ibid).

Research conducted by (Social Security Administration Office, 2008) revealed that Monthly social security benefits are vital for millions of seniors. The social security program directly touched most seniors lives. Ninety one percent of people aged 65 and older receive Social Security benefits. For elderly persons with low incomes, social security provides nearly 90 percent of their retirement incomes, 75 percent of their retirement income and for those with high incomes, 24 percent of their retirement income (Congressional Quarterly, 2000). Segal (2010) report revealed that almost half of elderly people (47 percent) had incomes below the poverty line before they received social security benefits. With monthly benefits, the proportion dropped to less than 9 percent. For 20 percent of those workers who are 65 or older. Social security is the only source of income for 65 percent of all recipient aged 65 and over.
Social security can contribute to economic growth, it encourages investment, in particular for small-business entrepreneurs linked to security, promotes productivity, better health status for workers and sustains economic activities and wage security. It also contributes, through intellectual development and human social capital growth.

Social security for the poorest and the most vulnerable can also facilitate the implementation of structural reforms aimed at economic growth and development. Furthermore, it has a key function in promoting equity and reducing inequalities and it represents a powerful instrument for redistributing wealth between different population categories (Bailey, 2004).

Engelhardt (2004) on his paper carried out in Brazil on Social Security and The Evolution Of Elderly Poverty, revealed that Social security is important to old or ageing people since most of the elderly have low chance of getting employment as well as not strong enough for manual work. To help the aged meet their basic need for their households and medical services, the government of Brazil decided to include social security or rather pension programmes in their constitution.

The 1988 Brazil constitution recognized the right to social protection for workers in the rural areas, particularly for those in informal employment. This led to the formulation and implementation of a new rural old age pension since 1991. Initially, the age of pension eligibility was reduced from 65 years of age to 60 for men and 55 years for women. Later on, entitlements to old age, disability and survivor pensions were extended to workers in subsistence activities in agriculture, fishing and mining as well as to those in informal employment. Prior to 1991 only heads of households were entitled to a pension. After the reforms the entitlements were extended to all qualifying workers thus expanding coverage to female rural workers who were not heads of household. Pension benefit was raised from half to one minimum wage 200 Reals as of December 2002, equivalent to US$55. (ibid)

The non-contributory pension programme in Brazil reaches about 5 million poor older people at a cost of 1 percent of the GDP. The programme is reported to be financially sustainable and commands strong political support. Social pension in Brazil increases the share of the poorest 5 percent in national consumption by 100 percent, the pension
programme in Brazil is associated with increased school enrolment, and particularly girls aged 12-14. A pension in the family reduces a household probability of being poor by 18 per cent. (ibid).

Social security proved to be of assistance to most elderly in sub-Saharan African countries despite low coverage, for example Tunisian government deliberately introduced mandatory social security scheme to all Tunis who work in the public and private institutions, the initiative succeeded in raising social security coverage for health care, old age pensions, maternity and employment injury. The government believe that if many people are covered by social security when are young and able to produce they can save a lot and reduce the number of dependents after retirement age as will be able to meet at least their basic need (Gillion, 2000).

The Old Age Pension Scheme has had some relative success in meeting some of the human basic need of older people of Botswana. Studies of pension scheme have found that they do reduce individual and household poverty increase older people’s status and improve their family access to basic services and employment and that pensioner have become the main income earners in many extended families (Lucas, 2009).

Several studies have shown pension schemes have a positive impact on the well-being of the members of the household within whom the pensioner resides. The pension money used to buy food for the household, clothes, pay medical bills and pay school expenses for grandchildren (Seabueng, 2000). This clearly shows that in the vast majority of cases, pension do not appear to be consumed solely by pensioners themselves.

In Botswana Social security for elder and the aged consist of three forms, namely social assistance, social insurance and social allowance, all of these forms aim to help improving welfare and wellbeing of the elderly in towns and rural areas. (Lucas, 2009).

The social Assistance programme is the forms of social security where by the government of Botswana provide cash to the old by means test, the aim of the programme is to alleviate poverty to some group of people which among them is destitute group which cover the old and the aged (ibid).
The second form is Social Insurance; this programme covers pensions, employment compensation and is designed to protect earners against reduction or loss of earning due to retirement or risks. This scheme is contributory scheme paid by employers and employees, self-employed depending on the nature of specific scheme. Example of social insurance scheme in Botswana include government pension scheme, Public and Private Health Insurance. Those employed in Government and Parastatal there is contributory retirement package that include pension that is paid monthly. The monthly pension helps meeting the economic need of the elderly members. (Ntease and Solo, 2007).

The last form is Social Allowance, these are universal payments given to persons from designated category that are in exceptional need, these groups include old people, orphans, World War veterans and Home Based Care to assist them in realization of their full potentials. The main objective of social allowance is social compensation. (Ntease and Solo, 2007).

Social pension in Lesotho was introduced in 2004. Those aged 70 years and above, except those already receiving a government pension, receive 150 Maloti (US$22) per month. Such pension is received at post offices throughout the country. Photo identification is required to register for pension. This pension is financed from state budget. Social pension constitutes 2.4% of the national budget or 1.43 percent of GDP.

In 2006 almost 72,000 people, 96 percent of those eligible were receiving the social pension, more than half of them were women. The results from the programme on social pension suggest that positive impact not only on the recipients but also beneficial impact on the local economy and community. There is debate on the need to increase coverage by widening eligibility to start from the age of 65 and also to increase the cash transfers. Research done on the Lesotho social pension shows that 18 percent of recipients spent part of their social pension on creating cash jobs for other people.

Early findings from the Kalomo cash transfer pilot scheme in Zambia indicate that a payment of $6 per month to the poorest 10% of households has a marked impact on households reporting an increase in daily food consumption and an 8% decrease in the proportion of underweight children. Pensions also have direct benefits across families and communities, tackling the intergenerational nature of poverty. For example, in
South Africa, pensions reach 1.9 million older people at a cost of 1.4 GDP. A pensioner in the family reduces a household’s probability of being vulnerable and poor by 12.5%.40.

In South Africa the popular but means tested state provided old age, disability and child support grants fulfill an extremely important function as poverty relief measures and reach sizeable number of those who fall within the category. (Olivier, 1999). Guhan (1994) asserts that social protection in poor countries will have to be viewed as part of, and fully integrated into, poverty alleviation programs such as access to productive assets, employment guarantees, minimum wages and food security.

According to Article 22 of the Universal Declaration of Human Rights of 10th December 1948; social protection is a rights issue. Likewise, Article 11(1) of the Constitution of the United Republic of Tanzania stipulates that:-

“...The state authority shall make appropriate provisions for the realisation of a person’s right to work, to self-education and social welfare at times of old age, sickness or disability and in other cases of incapacity…..”

Within Tanzania a person whose age is 65 years and above is officially considered as elderly. According to the Household Budget Surveys (1991/92 and 2000/01) the percentage of elderly people as share of household members has increased from 2.7 to 3.7 per cent for Tanzania mainland for the last decade. For the rural areas the change has been from 2.9 to 3.9 per cent. Corresponding change for urban areas other than Dar es Salaam is from 1.9 to 2.8 per cent while for Dar es Salaam it is from 1.1 to 2.2. The pattern is that the share of elderly members in households is increasing in both urban and rural areas, and there are more elderly people in rural as compared to urban areas (Hofmann, et.al 2008).

Aging, or the processes of growing old is associated not only with physical change, such as less strength and ill health, but also with social changes, such as low status and isolation. These characteristics may make some elderly more vulnerable to poverty in terms of income as well as access to basic needs, unless the persons has significant assets or support from relatives. (ibid).
Impoverishing forces which poor elderly people face include material deprivation, social isolation and sense of powerlessness, ill health and low nutrition, and lack of care and support. These may lead into a decline in social well-being and security. Diminishing strength, often accompanied by stigma may affect the kind of work elderly people can do.

Indeed, the problems of the elderly are massive, particularly taking into account the high levels of poverty, the ageing structure of the population, and the lack of formalised social security. The increasing importance of household dependency on cash remittances may also shed some light to this issue. For instance about 8 per cent of households in mainland Tanzania depend on remittances.

In Tanzania, the proportion of the population aged over 60 is expected to rise from 5% in 2006 to 11% in 2050, thereby increasing the significance of the ageing population. Older people disproportionately experience poverty due to lack of income security, inadequate family or social support and poor health associated with ageing and difficulties in accessing health care. As population ageing accelerates, the number of older people living in poverty and those who depend on them is likely to increase. (ibid).

The National Health Policy (ratified 2007) addresses issues of access equity of health services for rural and urban older people and possible measures to redress this. Moreover the National Ageing Policy as well as MKUKUTA addresses issues of entitlement to free health care services to older persons aged 60 years and above. However when it comes to implementation there are a number of constraints such as poor administrative structures and procedures, bureaucratic hindrances, unavailability of proper medical services and medication, as well as reluctance of health care staff and local government officials to adequately deliver older people their entitled services.

Ageing also has an important gender dimension. Universally, women tend to live longer than men. Globally, the number of widows and older never-married women is rising rapidly in most parts of the world. The highest growth rate of any age group will be among those aged 80 and over, who are mostly women.
Tanzania Participatory Poverty Assessment (2003) summarised: “As people grow old, strength and vitality diminish while frequency and forms of ill health multiply. - Diminishing strength and stamina obviously affect the kind of work that elderly people can do and how long they can do it….As they grow old people’s health is threatened …. (e.g. Arthritis, rheumatism, cataracts, osteoporosis, lumbago and type II diabetes and others that become much more common (like) heart disease, strokes, hernias and dementia….Indeed, many of these become increasingly problematic as people’s immune systems wear down and their capacity to heal slows. The net result is that elderly people experience a higher rate of illness and injury.

In Tanzania, the provision of social protection to vulnerable groups is a policy aimed at reducing poverty rooted in the National Strategy for Growth and Reduction of Poverty (MKUKUTA). Social pensions are seen as an effective way of implementing one of MKUKUTA’s most fundamental objectives: the reduction in the numbers of people living below food and basic needs poverty lines. Some 40 per cent of older people are eligible for social protection under the MKUKUTA mandate and should be covered by effective social protection measures by 2010.

The country’s main social protection scheme with direct relevance to older people’s welfare is the employee contributory social security pension scheme. But this is limited in terms of its coverage: only five per cent of the working population contributes a manifestation of the low numbers who are formally employed. There is very little documentation in Tanzania on social pensions or social assistance for older people. Thus, the Kwa Wazee scheme can be regarded as a step towards the introduction of more such provision in Tanzania.

2.7 Theoretical Review
In search of the suitable theory regarding social security, various theories were found useful to the study. These theories included.

2.7.1 Optimal Redistribution theory
According to the optimal redistribution theory, a social security scheme which is devised and implemented by the government aims at distributing the wealth of the economy in such a manner as to help alleviate poverty among the elderly. The theory
propounds that transfer of resources from younger generation to the older generation takes place. (Gurusamy, 2009).

One of the critics leveled against this theory is that, the theory does not explain the reason as to why individuals who earn more are able to get higher benefits under the social security scheme, if the objective is to alleviate poverty and to achieve optimal redistribution.

This theory is applied since the social security schemes in Tanzania has the same feature since one contribute less when starts employment and during retirement the pension payment and the monthly allowance is high.

2.7.2 Insurance theory
According to the theory, the objective of the social security is to replace income that is lost to a family through the retirement, death or disability of a worker, through and with the help of insurance. Social security aims at protecting against these risks. This based on the premise that accumulating savings when one is young, is a sure way to ensure against inability to earn income when one is old. This often calls for the intervention of the government to make insurance program mandatory. This is the essence of the social security system. (Gurusamy, ibid).

2.7.3 Paternalistic theory
According to the paternalistic theory, government shall arrange for a forced savings program, so as to ensure social security of its people. The theory is based on the assumption that many individual will not save enough for retirement if left to their own devices because of; Lack of information necessary to make an informed judgment about their post-retirement needs. Inability to make effective decisions about long term issues, because of the willingness to accept the inevitability of aging. Failure to give sufficient weight age to the future while making decisions.

The theory suggest that working population need to save for the anticipated future risk and old age when they are no longer with energy to work and earn as when they were young and strong. (Gurusamy, ibid).

The study applied paternalistic theory because the theory entails that the government shall arrange for a forced saving programme to its people for future. The social security
system of Tanzania has the same feature where by the government provide arena for compulsory scheme of contributing to social security funds while in service for anticipated future risks, in this programme the law guiding social security require that employer and employee to contribute some amount amounting 20% of employee’s salary and submitting the contribution every month to pension funds like Public Service Pension Fund (PSPF), Parastatal Pension Fund (PPF), Government Employers Provident Fund (GEPF), Local Administrative Provident Fund (LAPF), National Social Security Fund (NSSF).

2.7.4 Inducement theory
The theory is based on the premise that human capital tends to depreciate with age and so the elderly tend to have less than average human capital efficiency. According to this theory, social security is designed so as to induce the elderly to retirement. This is because aggregate gross Domestic Product (GDP) is larger if the elderly do not work than if they did. Each individual’s productivity depends positively on his own capital and on the average human capital in the economy. Hence, the elderly have a negative impact on the productivity of the young. The young, therefore, have the incentive to induce the elderly to seek retirement. (Gurusamy, ibid).

2.8 Research Gap
Kessy, Hofmann, Dau, 2008 have written on social security issue, some wrote on extension and coverage of social security in Tanzania and global, some have compared social security schemes of Tanzania and other countries while others have given look on laws and policies regarding social security. However few of the study attempted to look on influence of social security schemes in improving social welfare of the elderly.
CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction
The previous chapter reviewed literatures on social security and its influence in improving welfare of the elderly. This chapter covers various methodologies used in the study. The research design, area covered by the study, population selected for the study. Sample and sampling, instruments used in collecting data as well as data analysis.

3.1 Research Design
Aaker et al (2002) defined a Research Design as the detailed blue print used to guide a research study toward its objectives. According to this definition a research design is a detailed plan of work done to achieve the research objective. The type of design directs the selection of a population, sampling process, methods of measurement and a plan for data collection and analysis. The choice of research design depends on the researcher’s expertise, the problem being examined, the purpose for the study and the desire to generalize the findings. It is based on the sampling of the study.

Singh, Y and Nath ,R. (2007) defined Research Strategy as a generalized plan for a problem which includes structures, desired solution in terms objectives of research and an outline of a planned devices necessary to implement the strategy. The research strategy is a part of a larger development scheme of a research approach. The research strategy is based on the objective of research.
The research employed Research Strategy approach basing on the objectives of the study. It however applied a case study design to get necessary required information. Its characteristic is a single case design, where as one Social Security Fund PSPF was studied so as to assess influence of social security scheme and difference it make in improving welfare of the old population. The case study design was chosen due to its ability to provide in-depth of the case to be studied. It is appropriate for gathering data from various sources including documentary reading, questionnaires and interviews. It is also useful in studying a particular social unit and it guarantees a particular freedom and flexibility in the actual process of data collection in the area of study.

By using case study, the researcher investigated the benefits provided by social security funds and how they influence well-being of the elderly. This is because case study is focused on answering “how” and “why” questions. In this aspect, the case study enabled the researcher to achieve the objective of this study, by exploring the influence of social security schemes in improving welfare of the elderly.

The strategy was also applied because of the time constraints that could not allow the researcher to carry out a research over an extended period (Kassam, 1990).

The study however, used both qualitative and quantitative research methodology. The study used mixed methods research design. “It is argued that to use only qualitative or quantitative approach falls short of major approaches being used in the social and human sciences. In fact, the combination of qualitative and quantitative approaches provides the most complete or insightful understanding. It thus provides a better understanding of research problems than either one approach alone. It can also provide better opportunities for testing alternative interpretations of the data, for examining the extent to which the context helped to shape the results, and for arriving at convergence in tapping a construct (Creswell, 2003).

Qualitative information was important to capture the respondents’ feelings, views and sentiments on the nature, forms and limitations of existing formal and informal social protection measures through semi-structured interviews and focus groups.
3.3 **Area of Study**
The study was conducted in Dar es salaam City specifically at Public Service Pension Fund (PSPF) Headquarters. The choice of the place was influenced by time factor and financial constraints.

3.4 **Population of Study**
Population refers to the larger group from which the sample is taken (Kombo and Tromp, 2006). Thus a population refers to the people that the researcher has in mind from which information can be obtained. The study had a population of 309,767 retired, in–service members, PSPF staff including senior and junior and employers of different institution because PSPF is one among the social security funds that offers Old Age benefit.

3.5 **Sampling Frame**

3.5.1 **Sample size**
A Sample size is the exact number of items selected from a population to constitute a sample (Kothari, 2004). The researcher had a sample of 100 members of PSPF men and women of which 60 questionnaires we redistributed to retired members, 20 in service members, 10 staff members from PSPF including senior officials and 10 employers from various institutions.

**Table 3.1: Distribution of Respondents**

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Distributed Questionnaires</th>
<th>Quantity of Respondents</th>
<th>Percentage of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retired members</td>
<td>60</td>
<td>49</td>
<td>62.8</td>
</tr>
<tr>
<td>PSPF</td>
<td>10</td>
<td>7</td>
<td>9</td>
</tr>
<tr>
<td>In-Service members</td>
<td>20</td>
<td>17</td>
<td>21.8</td>
</tr>
<tr>
<td>Employers</td>
<td>10</td>
<td>5</td>
<td>6.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
<td><strong>78</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

**Source:** Researcher’s Construct, 2013
3.5.2 Random Sampling

Simple Random Sampling was employed to obtain respondents to the study. The sample offer equal chance to every respondent to be selected. The study had appropriate sample of 49 retired members of PSPF.

3.5.3 Purposive Sampling

Purposive sampling was used as a sampling technique. The sampling influenced the use of Public service Pension Fund staff, in-service members and employer because they are informed of Pension and social security issues that enabled the researcher to answer the research questions and meet the research objectives. This form of sample is often used when working with very small samples such as in case study research and when one wish to select cases that are particularly informative (Saunders and Mark, 2000). The logic on which the researcher bases his strategy for selecting cases for a purposive sample should be dependent on the research questions and objectives. The study chose PSPF because it is one of the social security funds that provide old age benefits and other benefits.

3.6 Data Collection Method

The research tool provides the input into a study and therefore the quality and validity of the output (the findings), are solely dependent on it (Kothari, 2004). The researcher used closed and open-ended questionnaires, interview and documentation since the combination of different instruments offer chance of getting better results.

3.6.1 Questionnaires

Kothari (2006) Questionnaire is regarded as a series of questions, each one providing a number of alternative answers from which the respondents can choose. The researcher distributed 100 questionnaires both, open-ended and close-ended questions that will help the researcher to get answers and relevant information from respondents.

3.6.2 Interviews

Kothari (ibid) defines interview as the technique of data collection that involves direct contact between researcher and respondent. The researcher interviewed some retired members of PSPF and officers at PSPF to acquire first-hand information.
3.6.3 Documentation
It deals with secondary data where by the researcher obtains information from articles, journals, books pamphlets and other documents. The researcher use reports documented by PSPF, PPF to get first-hand information. The reason for using documentary research in this study was that documents pertaining to the study were available the reason that influenced which researcher to track various information from documents, records, and publications within a short time and with less cost.

Saunders (2006) commented that one of the advantages of using secondary data is the enormous saving of resources particularly time and money. The researcher used literature like books to see what was written by various scholars on the topic; the researcher also used journals and articles.

3.7 Validity and Reliability
According to Yin (1994) the concept of reliability has the goal to minimize errors and biases in a study, through ensuring the possibility for similar results on repeating the same procedures (while ensuring that different methods are supplemented in the sense of capturing information that could not be captured by the other method(s). In order to increase validity the questions were checked by an independent party to see if they were understandable.

3.8 Data Analysis
Data analysis refers to the computation of certain measures along with searching for patterns of relationship that exist among data groups (Kothari, 2004).

The study applied both qualitative and quantitative analysis techniques such as tables and charts to ease understanding of the data presented. For example the study used charts and tables to present age, sex, education level of respondents in form of their percentage and quantity. This enables reader to quickly understand the proportion of respondents, their age, sex, education levels and their opinion on influence of social security in improving welfare of the elderly. The researcher analysed Qualitative and quantitative data by using the Statistical Package for Social Scientists (SPSS-20.0 version) because the package offer high degree of precision without misrepresenting the conclusion. The analysis was guided by research objectives and research questions.
CHAPTER FOUR
DISCUSSION OF THE FINDINGS

4.0 Introduction

This chapter presents findings, data analysis and discussions of the major findings from the study. The study intended to assess Influence of Social Security in Improving Welfare of the Elderly with case study of PSPF as one of the Social Security Scheme offering Old Age and other benefits to elderly. The Chapter comprises three sections. Section one presents Respondent’s profile. Section two presents research objectives as explained in chapter one. Section three analyse and discusses the research findings. The Qualitative data analysis was applied by using Statistical Package for Social Scientists (SPSS-20.0 version). Qualitative results have been coded and analysed.

4.1 Presentation of the Data

Primary data was obtained from questionnaires. A total of 100 questionnaires were distributed, 60 to retired members of PSPF, 20 in service members of PSPF, and 10 staff members of PSPF including senior officials, and 10 employers.
A total of 100 questionnaires were distributed however only 85 were returned which is equal to (85%) of the returned questionnaires only 78 were used for analysis equivalents to (91.8%) of the returned questionnaires. The remaining 7 equals to (8.2%) had information which was incorrectly filled and lots of questions were not answered. 62.8% (49) out of 78 questionnaires were from retired members, 9% (7) from staff members of PSPF, 21.8% (17) from in-service members and 6.4% (5) from employers. Table 4.1 below show clearly the pattern of Distribution of Respondents explained above.

**Figure 4.1: Distribution of Respondents**

<table>
<thead>
<tr>
<th>Category</th>
<th>Quantity of Respondents</th>
<th>Percentage of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retired members</td>
<td>60</td>
<td>62.8%</td>
</tr>
<tr>
<td>PSPF</td>
<td>10</td>
<td>9%</td>
</tr>
<tr>
<td>In-Service members</td>
<td>20</td>
<td>21.8%</td>
</tr>
<tr>
<td>Employers</td>
<td>4</td>
<td>6.4%</td>
</tr>
</tbody>
</table>

*Source: Researcher’s Construct, 2013*

### 4.2.1 Respondents Profile
4.2.1.1 Sex of Respondents

Both men and women are involved in family caring. Though, in most African families women play major part as care takers, they contribute highly to the provision of family needs and welfare, sometimes they assume head of family role. Results shows that 51.3% (40) out of 78 respondents were female and the remaining 48.7% (38) were males. However 80% (32) out of 40 females were married while 15% (6) were widows and the remaining 5% (2) were divorced. Since questionnaires were distributed without any gender bias, this indicates that women are more in the public service comparing to men. Moreover the study on marital status revealed that 20% (8) of the respondents heading families were women, either due to death of their partners or divorce this suggest that women longevity is higher than men on one hand while women chance of influencing welfare of the society if empowered economically on the other hand.

Furthermore 80% (32) of the total women respondents were married, this suggest that couples stand high chance of having better welfare than single women basing on a supposition that families headed by couples stand great chance of having better welfare than single families because the burden of caring the family is shared.

Table 4.2: Sex Distribution of Respondents

<table>
<thead>
<tr>
<th>Sex</th>
<th>Quantity of Respondents</th>
<th>Percentage of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>40</td>
<td>51.3</td>
</tr>
<tr>
<td>Male</td>
<td>38</td>
<td>48.7</td>
</tr>
<tr>
<td>Total</td>
<td>78</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Researcher’s Construct, 2013
4.2.1.2 Age of respondents

The age-groups in the study represent different categories of people with different knowledge and experience on social security issues either as beneficiaries or expected beneficiaries of the scheme. It can be assumed that due to biological changes that naturally accompany the ageing process a certain decline in physiological functions and abilities will lead to more dependence and vulnerability with growing age. It is believed that the older you become the less energetic you get and the less income you earn, hence very old people are faced with a limited capacity to cope with their difficult life circumstances. It has become clear in interviews that a proper understanding of the particular living conditions of different age groups is an essential prerequisite to consider adequate and meaningful interventions towards social protection.

The respondent’s age results shows that 14.1%(11) were in the age ranging between 36-45, 23.1%(18) ranged between 46-55, while 32.1%(25) were between 56-65, others 25.6% (20) were between 66-70 the rest 5.1% (4) were over 70 there is relationship between Age of respondents, perception and knowledge of social security and influence in improving welfare of the old population. However, the older the age the
more experienced on the issue one becomes although each age had different opinion on social security and its contribution in improving welfare of the old. The pattern is shown clearly in the Table 4.2 and chart below.

Table 4.3: Age Distribution of Respondents

<table>
<thead>
<tr>
<th>Age</th>
<th>Quantity of Respondents</th>
<th>Percentage of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>36-45</td>
<td>11</td>
<td>14.1</td>
</tr>
<tr>
<td>46-55</td>
<td>18</td>
<td>23.1</td>
</tr>
<tr>
<td>56-65</td>
<td>25</td>
<td>32.1</td>
</tr>
<tr>
<td>66-70</td>
<td>20</td>
<td>25.6</td>
</tr>
<tr>
<td>over 70</td>
<td>4</td>
<td>5.1</td>
</tr>
<tr>
<td>Total</td>
<td>78</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Researcher’s Construct, 2013

Figure 4.3: Age Distribution of Respondents
4.2.1.3 Education level of respondents

The research shows that of the surveyed respondents 2.6% (2) of the 78 respondents were Primary Education holder, 19.2% (15) are secondary school education, 12.8% (10) certificate holders, 38.5% (30) hold Diploma the rest 26.9% (21) were degree holders. In the study educational levels of the respondents was investigated because it was assumed that in Tanzania education level have impact in economic status of a person since it was assumed that in Tanzanian the more educated you are the high your pension will be, because they are determined from one’s salary. The educational level also entails how socially secured a person would be. For instance the less educated a person is the low salary is likely to receive hence low contribution amount and low pension.

Source: Researcher’s Construct, 2013

Table 4.4: Education level of respondents
<table>
<thead>
<tr>
<th>Education</th>
<th>Quantity of Respondents</th>
<th>Percentage of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Education</td>
<td>2</td>
<td>2.6</td>
</tr>
<tr>
<td>Secondary Education</td>
<td>15</td>
<td>19.2</td>
</tr>
<tr>
<td>Certificate</td>
<td>10</td>
<td>12.8</td>
</tr>
<tr>
<td>Diploma</td>
<td>30</td>
<td>38.5</td>
</tr>
<tr>
<td>Degree</td>
<td>21</td>
<td>26.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>78</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

*Source*: Researcher’s Construct, 2013

**Figure 4.4: Pattern of Education level of respondents**

![Bar chart showing the pattern of education level of respondents]

*Source*: Researcher’s Construct, 2013

### 4.2.2 The Role of Social Security scheme in improving welfare of the elderly.

The objective intended to establish whether social security has any contribution in improving welfare of the elderly. The objective was attained by asking the respondents a number of questions such as “Does social security influence welfare of elderly?
Results show that 59%(46) out of 78 responded YES social security influence welfare of the elderly; others 28.2% (22) answered NO; while the rest 12.8% (10) where UNCERTAIN whether social security influence welfare of the elderly.

Follow up questions were asked to the question above, those who answered YES were asked: If your answer is Yes to question above Can you explain in brief how social security influences welfare of the elderly? 80% (37) of the respondents justified that social security through gratuity has been able to change lives of many elders by helping them build houses, starting small business and establishing small projects like farming and animal husbandry. Businesses and projects give them chance to earn and meet their daily needs, paying school fees for their children and grandchildren. Some said that social security has helped them get treatment and stay healthy through National Health Insurance Fund. Other 20% (9) said that the monthly pension they receive although is little but it helps them attending their basic needs like buying food, paying bills and other utility, this helps to keep them better every month, Since when one grows old needs become fewer than when one is young as most of old people do not need clothes, shoes or luxuries as young ones do.

The responses suggest that the scheme contribute to the welfare of the old population, by providing money that help them buy basic needs such as food, paying bills like water and electricity bills, getting treatment and stay healthy by using the same pension. Moreover, Pension in form of gratuity have encourage investment because beneficiaries have established business and provide job opportunities to others, the very same business produce and earn them a leaving. The scheme have boosted retired esteem by maintaining their capacity to provide for the family through projects and businesses they have established as well as making them employers.

Social Security has also been associated with reducing frustrations something that boosts their life span. The stress of where to get money to buy food, medicine, paying bills is reduced to some extent. About 68.8%(33) of the respondent acknowledged that the monthly pension they receive is not reflective of real life because the amount elderly receive is little to meet their daily needs, as the pension received does not change for years while there is inflation that affect value of the shilling.
Others 10.4%(5) said that social security does not influence welfare of the elderly because Social security funds seem to exploit elderly by investing and making a lot of profit at the expense of the members’ fund while most elderly receive small amount as pension every month. The monthly contribution members contribute while in service is used to invest to help accumulate profit to pay retired their monthly pension. But the amount paid is still very low to sustain their living.

Moreover social security is accused of neglecting health issues to elderly as 20.8% (10) of the respondents proved to be members of health insurance after retirement. Majority of them 79.2%(38) use their own money to get treatment, the free medical programme established by National Old Age Policy seem to be a mere paper work because elderly do not receive medical care as promised, some health centres lack personnel especially trained personnel even those who are there are not enough to attend patients. Other medical centres lack important medicines which has forced elders to go to pharmacies and private hospital for treatment and medicines. Health issues seem to be rampant among elderly as most of them when reaching 60’s are facing health problem that cost them a lot of money .Health funds like National Health Insurance Fund (NHIF) helps cover the cost and making easier for elderly to get treatment.

The last group was the one UNCERTAIN whether social security influence welfare of the elderly. About 30%(3) of the respondents explained that most of the social security gratuity given to retired does not help much as one retires at old age where he or she can neither start serious business nor manage it properly as they lack the energy to move here and there. The voluntary and mandatory retirement age seem to be too long because by the time when one retires he is not strong enough to fight or hustle.

Others 70 % (7) said that the money retired receive as monthly pension is too small to make them survive in this current life. Some of the respondents gave their own example that they receive 100,000 per month; the very same amount could be used in a week because of the family size and needs, since they’re staying with grandchildren and other dependents. The chart below show the pattern of the respondents answers.
Table 4.5: Pattern of respondents answers

<table>
<thead>
<tr>
<th>Answers</th>
<th>Quantity of Respondents</th>
<th>Percentage of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>46</td>
<td>59</td>
</tr>
<tr>
<td>No</td>
<td>22</td>
<td>28.2</td>
</tr>
<tr>
<td>Uncertain</td>
<td>10</td>
<td>12.8</td>
</tr>
<tr>
<td>Total</td>
<td>78</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Researcher’s Construct, 2013

Figure 4.5: Pattern of Respondents Answers

Source: Researcher’s Construct, 2013

4.2.3 Perception of People on social security

The objective aimed at finding people’s perception on social security to elderly, whether have any benefit to elderly? There were different perception to the question; some perceived it positively while others had negative opinion on the scheme. 71.8% (56) perceived the program positively; the rest 28.2% (22) had negative opinion.
Those who perceived the scheme positively had their different ways of describing Social Security Scheme, some of the respondent perceived Social Security as a foundation of economic security for retired and their families as when the bread earner retires he does not lose everything rather he still receive monthly pension that help in meeting some small needs although not at the same level they used to. Some gave example of their close relatives who receive monthly pension of 200,000 though is not enough but can help in some minor family problems especially food, paying bills like water and electricity.

To others Social security is a rescuer, because it helps cover the gap between when a person is in service receiving monthly salary and retirement when one loses monthly salary and at that age can hardly get employment, so the monthly pension received cover the gap, most of respondent 18.4% (9) out of 49 acknowledged that social security has rescued their lives by enabling them to own their houses or homes.30.6% (15) admitted that the scheme is a relief to retired because when one retires most have stress on how they will live without monthly salary but when they have pension the frustration and stresses of life lowered as a result their life span increase.

Social Security was cited more often as the most important source of survivors’ income when the parent pass away before the child reaches 18 years or when still in college, a child can receive pension after every three months until he reaches 21 years of age, finishes college or becomes independent.

However there are those perceived it negative, the reason given included exploitation of the elderly who are members by using their funds to build houses and big buildings that they sell or hire to non-member at high price while most of members receive low pension that does not satisfy their need even their basic needs. They also established that even the “house project” they fund is not meant for members and most retired members since the houses are sold at high price depending on the size of the house and place, most of members when retired they receive gratuity that is low depending on their last salary before retirement so it is not easy for them to afford such houses.
Social security is cited as exploiter since it exploit public servants to the late years in service by extending retirement age and when one retires is weak and can no longer build himself since the time when he was young enough to build his life was tied up, the salary was also low to enable them to do big things in those days. Suggesting that retirement age should be 50 voluntary and 55 mandatory retirements.

Table 4.6: Pattern of respondents answers

<table>
<thead>
<tr>
<th>Perception</th>
<th>Quantity of Respondents</th>
<th>Percentage of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>56</td>
<td>71.8</td>
</tr>
<tr>
<td>No</td>
<td>22</td>
<td>28.2</td>
</tr>
<tr>
<td>Total</td>
<td>78</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Researcher’s Construct, 2013

Figure 4.6: Pattern of respondents answers

Source: Researcher’s Construct, 2013
4.2.4 Benefits received by elderly from Social Security

The objective was to find out benefits of social security received by elderly, I asked the following question to attain objective number three. Do you know any benefit offered by social security to elderly? Most of the respondents equals to 88.5% (69) answered Yes the rest 11.5% (9) responses were negative.

Most of those answered Yes mentioned Gratuity, as the main benefit one could count, because the amount is given at once and it is good amount to help retirees plan programs or establish projects that could help them survive after retirement.

Monthly pension is another benefits offered to elderly, although they acknowledge it as being minimal but has helped in utility cost. The monthly pension has helped them buying food for the family, buying medicine when sick.

Other respondents have mentioned Self-esteem as another benefit one get for being a member of the fund, The reason given is that most of the elderly when retires do not have many source of income, they depend mostly from contract works or help from children. This has been of help because it reduces dependency and burden to those who are taking care of them like children, grandchildren although they admit the fund is not sufficient.

Education benefit to children below 18 years or still at college offered by some of the funds like Parastatal Pension Fund (PPF) was also mentioned as another benefit an elderly can enjoy from social security, If a person retires while his children are at school and is a member of education scheme, his or her children will continue to receive the benefit.

Other funds that provided health insurance has been mentioned as another benefit an elderly could enjoy, some of the elderly when asked about benefit received from social security they pointed health insurance as a great help because it covers their medical expense which is very expensive.
Table 4.7: Pattern of Respondents Answers on Knowledge of Benefits received by Elderly from Social Security

<table>
<thead>
<tr>
<th>Answers</th>
<th>Quantity of Respondents</th>
<th>Percentage of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>69</td>
<td>88.5</td>
</tr>
<tr>
<td>No</td>
<td>9</td>
<td>11.5</td>
</tr>
<tr>
<td>Total</td>
<td>78</td>
<td>100</td>
</tr>
</tbody>
</table>

**Source:** Researcher’s Construct, 2013

Figure 4.7: Patterns of Respondents Answers on Knowledge of Benefits received by Elderly from Social Security

**Source:** Researcher’s Construct, 2013

4.31  The Influence of the social security in improving welfare of the elderly.

The results suggest that 80%(37) of the elderly who are receiving social security in form of monthly pension basis view social security as of little contribution in improving
their welfare, they revealed that the pension they receive is low to help them survive with the standard of current life because the salaries they were paid were low while the pension is determined from last salary. About 74% (36) of the respondents revealed that they were receiving less than 500,000 which was low and had effect in pension. This is proved by responses from the question asked about the source of income to retired 25% (12) of the elderly responded that they engage in business, 27.1% (13) on contract work 18.7% (9) others involve in Agriculture the rest 29.2% (14) depend on pension and assistance from their children and relatives.

The findings revealed that most of the retired engage in various economic activities and agriculture as well as part time jobs in various institutions so as to increase their earns, cope with different hardships and earn a living as a result of receiving low monthly pensions. This suggests that the amount retired receive is not enough to push their lives for the month, that is why they look for alternative means to increase their income.

Time interval of receiving monthly pension is too long to help them attend their priority and immediate needs as sometimes elderly ought to borrow some money to resolve their needs and when the pension is released them end up paying debts. The three months period seem to be a long interval to elderly because they do not have more opportunities to earn or generate money.

However, 75% (36) of retired associated improvement of their wellbeing with gratuity they receive immediate after retirement as a catalyst in changing their lives if wisely used. Great number of respondents acknowledged that gratuity has enabled them build houses and do away with problem of rent, something which they could not make while at service, because of the salary received. Others have associated their wellbeing with gratuity they received have enabled them to starts business and investments that help generating income and cover the gap existing due to absence of monthly salary and allowances.

The data collected through documentary review which included; PSPF Report 2013, revealed that up to April 30, 2013 the fund has been able to build 4,142 houses to members throughout Tanzania who have reached voluntary retirement age which is 55 years by using some of their pension (lumpsum). This witness that social security
scheme is useful because if the members were left alone to save for the future they could hardly do.

Moreover, 25% (12) of the retired have mentioned health insurance as one of the schemes that have contributed to their wellbeing because one cannot work if is sick or not health. The Insurance has enabled them to get treatment and stay healthy. Most of the people when reaching old age are affected by old age diseases like diabetes, pressure and cancer which are very expensive to cure and most of them do not afford the treatment.

4.3.2 The perception of social security to elderly
Analysis of findings on the perception of Social Security to elderly shows that 87% (42) of the respondents find it worthy contributing to social security when young for future when they turn old. Although they suggested that the amount paid as pension should be increased to cope with changing economy.

The findings suggest that social security especially Gratuity received immediate after retirement is viewed as foundation of economic security to most elderly because it has enabled some to own land for agriculture and paying labourers with the small amount they receive every month.

Social security seems to reducing stress and frustrations of how one will live after retirement. It provides relief to some retired by providing capital to most retired, because when they retire from work most have stress on how they will live without monthly salary but when they have pension although small, frustration and stresses of life lower as a result their life span increase.

Social security is cited as exploiter since it exploits public servants by extending retirement age so when one retires is weak and can no longer build himself since the time when he was young enough to build his life was tied up, the salary was also low to enable members to invest during their years in service. They suggested that retirement age should be minimized to 50-55 where one retires compulsory.
4.3.3 Benefits of social security to elderly

Social security funds offer a number of benefits to its members among them being Old Age benefits, education benefits to dependents of members, maternity, invalidity and funeral, however very few of these benefits are enjoyed by elderly.

Analysis of the findings of the benefits of social security to elderly shows that 87.5%(42)elderly benefit from gratuity they receive after retirement than other benefit offered by social security. The findings reveal that retirement benefit has contributed in changing economic life of the elderly who had better retirements plan. Some have been able to initiate economic projects that help generating money for their daily lives after retirement. Some have engaged in agriculture, poultry and husbandry especially chicken and cow keeping. The money they get have enabled them to maintain their lives by buying food, paying bills, paying medical expenses and school fees to children and dependents mostly grandchildren.

Apart from Old Age benefit, the monthly pension has been attributed as another social security benefit elderly have been able to enjoy after retirement. The pension elderly receive have helped paying their utilities, as most of retired acknowledged pension to help paying bills ,buying food and paying medical bills. The pension is admitted to be the source of income to some of the elderly.

It is noted that in some funds like Public Pension Fund social security has been of help to retired by covering education for their children who are below 18 years of age or still at college depending on their parents for basic needs. 

On the other hand 12.5%(6) of the respondents seem not to benefit from social security because they view it as exploiter of the members by using their funds to build investments that generate lots of money while paying the elderly low pensions. It is viewed as of advantage to those with big salaries because apart from receiving gratuity, they also receive higher pension comparing to ordinary members with low salary.

Social security seem to be of great benefit to in service members than elderly because once the member retires he lose all other benefits except monthly pension and health benefit to those who are still members.
4.4 Conclusion

Social Security seem to be of great assistance to over 80% of the retired through lumpsum amount they receive once after retirement, however the monthly pension is still low to almost 75% of the surveyed population.

Despite pension being low, over 70% of the surveyed population found it worth contributing to social funds when still young and energetic because, when one grow old, energy to earn like before diminish. The amount one served when still in the office will help in attending some minor needs.
CHAPTER FIVE

CONCLUSION AND RECOMMENDATION

5.0 Introduction

The study assessed the influence of social security in improving welfare of the elderly. The study data were collected and analysed by using Statistical Package for Social Scientists (SPSS-20.0 version) and the findings were presented in graph. This part covers conclusion arrived from the assessment of the scheme in influencing welfare of the old population and recommend possible solutions to improve the funds and making them worth in the lives of elderly.

5.1 Conclusion

Influence of social security schemes in improving welfare of the elderly

The government recognizes contribution and importance of older people in the society, their knowledge, experience, wisdom and their contribution in socio-economic development. Older persons are key contributors to household security through waged labour, profits from petty trade and small businesses, through the growing of agricultural foodstuffs as well as livestock rearing for direct household consumption and sales. Their wellbeing is important with regard to contribution they make. To fully understand influence of social security in improving welfare of the old population, it is important to understand factors that determine the well-being of elderly persons. Among these are: active participation in society and development; work and the ageing labour force; rural development; migration and urbanization; access to knowledge, education and training; intergenerational solidarity; eradication of poverty; income security; social protection/social security and poverty prevention; health promotion and well-being throughout life; older persons and HIV and AIDS; universal and equal access to health care services; housing and living environment; care and support for care givers; neglect, abuse and violence etc.

Existing schemes do not adequately support the needs of destitute older persons the findings revealed that, about 60% of the retired do part time jobs in various institutions
others engage in various economic activities like petty business and agriculture so as to cope with the changing life and hardships.

The study revealed that older people in Tanzania are challenged with a variety of multi-faceted problems which affect their well-being and force them to a tough struggle for survival. Health problems and poor income to meet their daily needs seem to be a threat to their wellbeing. Health services policies and National Aging Policy that advocate for the wellbeing is a mere paper work because elderly do not receive medical services they were promised. in some places there is no health centres, while in some places there is no medicine and care giver.

**Perceptions of elderly on the social security**

Social Security in human life is very important because everyone is vulnerable to risk especially elderly, as people grow older, they risk outliving their other resources, become less able to work and become more dependent either on others or other source of income like investment if had opportunity to invest so, existence of social security helps covering the gap.

The study findings revealed that Social security scheme helps to reduce individual and household poverty, increase older people’s status and improve their family access to basic services. The study have shown that pension scheme have a positive impact on the well-being of some of the members and their household within whom the pensioner resides. The pension money used to buy food for the household, clothes, pay medical bills and pay school expenses for grandchildren. This is witnessed by 25%(12)some respondents who admitted to receive 500,000 per month.

**Benefits received by elderly from social security**

Benefits offered to retired or old population are few they are mostly provided with old age benefit in terms of monthly pension which is also small, health or medical benefit is enjoyed by few populations.

Social security funds seem to cover few population ,the advantaged group currently is the one used to be in government service, the funds should consider expanding their services to informal sector which has a lot of people working without security.
5.2 Recommendations

Influence of social security schemes in improving welfare of the elderly

There is raised concern from the elderly that the monthly pension paid is low to help them meet their need and improve their welfare. It is suggested that the amount paid should be reviewed often to enable the elderly receive reasonable amount that will help them meet their basic needs in the changing economy and inflation at the end improve welfare of the elderly.

There is a need of providing entrepreneurial skills to older people for the purposes of enabling them to participate better in income generating activities, because about 52.1%(25) of the retired acknowledged of involving in business and agriculture after retirement, the skills will build their capacities to productive business skills and knowledge.

Perceptions of elderly on the social security

Most people are not informed of social security, social security funds should take trouble to sensitize community to join social funds to be safe in circumstances where they can no longer earn either due to illness, invalidity or when become old. Social security should also aggressively go out and promote their benefits package so that they become known to their existing members and potential customers, because about 55%(43) of the members seem not to know other benefits offered by PSPF with the exception of old age benefit.

The funds should educate members and non-members on activities and investments the fund is carrying to generate money to sustain payment of pension because there is complaint that fund exploit members by investing members money while they do not benefit.

The scheme should be extended to cover elderly who are non-members, because most of the people when grow old they lack people to take care of and feed them to an extent of being placed in special houses for the elderly.
Benefits received by elderly from social security

Social Security Funds should establish supplementary schemes like the one established by Public Service Pension Fund to accommodate many people working in informal sector to contribute and save for the future.

Health is one of the factor that determine welfare of a person, it is recommended that Social Security Funds should add medical benefit among the old age benefit so that many members enjoy free access to medical services when retires unlike currently where About 25%(12) of the elderly who are members of the Health Fund enjoy that benefit after retirement, it is recommended that medical pension be introduced by all pension Funds and extended to elderly even after retirement because good health influence welfare of an individual.

The Social Security Regulatory Authority should manage benefits offered by different funds; the benefits offered should be similar to all funds because pension funds have different benefits it offers to its members like education benefit.

Conclusion

Income security and health seem to be major concern to old people; as most of them do not have many sources of income while having families to take care. They are forced to work hard at their old age to get money to feed themselves and their families. Their welfare depends on sustainable available resources. Providing reliable and useful social security schemes will contribute in improving elderly welfare. Health issue is another factor that affects welfare of the old population. Improving health centres by providing medicines and professional health workers will contribute to improving their welfare. The healthier the person is the longer and happier the person lives.
REFERENCE


Kassam, (1990) Participatory Research: An Emerging Alternative Methodology In Social Science Research,


Public Services Pensions Fund,(2012/2013), Annual report, Public Service Pension Fund.


APPENDICES

Appendix 1:

Questionnaire to Retired, Employers, In-Service members and Staff from PSPF

Study on Influence of social security scheme on improving welfare of the elderly in Tanzania. This study is conducted as part of the requirement for the Degree of Masters of Public Administration of Mzumbe University. The success of this study greatly depends on your assistance. For this reason, I request for your kind response to the following set of questions. Your responses will be treated with confidence.

Section 1: General Information

Tick one appropriate answer

Name (Optional)

1. Sex  Male: Female:

2. Age: Under 30  Between 30 – 45  Between 45 – 60  Over 60

3. Educational: Primary  Secondary  Certificate  Diploma
   University

4. Marital Status: Married  Single  Divorced  Widow(er)

5. Employment Status: Full time(Permanent)  Part-time(Temporary)
   Retired

6. What is your family size?
(i) Nuclear family?
(ii) Extended?

7. Do you have children?
   (i) Yes
   (ii) No

8. If yes to question 7, how many children?
   (i) One - two
   (ii) Three - four
   (iii) Five - six
   (iv) More than six

Section 2: Information about Your Economic Activities / Employment.

Tick one appropriate answer.

9. From which institution were you working?
   (i) Government
   (ii) Private institution
   (iii) Self employed

10. For how long have you been employed?
    (i) Below one year
    (ii) Between 1– 5 years
    (iii) Between 6-10 years
    (iv) Over 10 years

11. What is / was your average income in a month?
    (i) Below 100,000.00
    (ii) Between 100,000.00-400,000.00
    (iii) Between 400,000.00-1,000,000.00
    (iv) Above 1,000,000.00
12. If you are given 1,000,000.00 how are you going to spend them?

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<tr>
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<td>Medical care</td>
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</tr>
<tr>
<td>Rent</td>
<td></td>
</tr>
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<td>Saving</td>
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<tr>
<td>Investment</td>
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</table>

Section 3: Information about Social Security and Welfare of Elderly.

Tick one appropriate answer.

13. What is the source of income to most elderly?
   (i) Pension
   (ii) Business
   (iii) Investment
   (iv) Contract- employment

14. Do you receive pensions?
   (i) Yes
   (ii) No

15. If yes to question 10, from which fund?
   (i) NSSF
   (ii) PPF
   (iii) PSPF
   (iv) LAPF
16. Does social security offer any benefit to its members?
   (i) Yes
   (ii) No

17. Tick some of the benefits offered by Social security. (Multiple ticks is allowed)
   (i) Maternity benefits
   (ii) Retirement (old age) benefits
   (iii) Survivors benefits
   (iv) Funeral grants
   (v) Invalidity benefits
   (vi) Employment injury benefit
   (vii) Sickness (Health) benefit
   (viii) Withdrawal benefit
   Other benefits (Please specify……………………………………………………………………

18. What benefit social security offer to elderly especially after retirement? Can you explain in brief?
   ……………………………………………………………………………………………
   ……………………………………………………………………………………………

18. Does the pension you receive cover immediate and basic needs?
   (i) Yes
   (ii) Not
19. To what extent does it cover immediate and basic needs? Tick appropriate answer

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<td>Appropriate answer</td>
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</table>

20. How do you perceive social security? Can you explain in brief?

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..........................................................................................................................

21. Does social security influence welfare of the elderly?
(a) Yes  
(b) No  
(c) Uncertain

22. If Yes to question above Can you explain in brief how social security influences welfare..........................................................................................................................
.......................................................................................................................... 

23. If No to question above, why do you think Social Security does not influence welfare of the elderly?
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Thanking you for taking your time to answer