EFFECTIVENESS OF MARKETING IN EXTENDING SOCIAL SECURITY SERVICES IN INFORMAL SECTOR: CASE OF NATIONAL SOCIAL SECURITY FUND IN MOROGORO

By

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Dissertation Submitted to Mzumbe University, in a Partial Fulfilment of the Requirement for the Award of the Master Degree in Business Administration (MBA) – Corporate Management of Mzumbe University

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CERTIFICATION

We, the undersigned, certify that we have read and hereby recommend for acceptance by the Mzumbe University, a dissertation entitled **Effectiveness of marketing in Extending Social Security Services in Informal Sector:** Case of the National Social Security Fund (NSSF) in Morogoro, in partial fulfillment of the requirements for the degree of Master in Business Administration of Mzumbe University.

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DECLARATION AND COPYRIGHT

I, Yasin Shabani, declare that this dissertation is my own original work and that it has not been presented and will not be presented to any other university for a similar or any other degree award.

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ACKNOWLEDGEMENT

Various individuals have contributed towards the completion of this dissertation. Understandably, it is not easy to mention everyone in these few pages. I sincerely acknowledge and appreciate valuable individual contributions without which this work would not have come to fruition.

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I remain fully responsible for any shortcomings in this work

DEDICATION

To my lovely mum Mariam Shabani Sumba

I honour my grandparents the late Sheikh Shaaban Sumba and Bi Arafa Kasanga

What they did continues to bring happiness and success in my life.

LIST OF ABBREVIATION

GEPF	Government Employees Provident Fund
GDP	Gross Domestic Product
ILO	International Labour Organization
ISSA	International Social Security Association
LAPF	Local Authority Provident Fund
NBS	National Bureau of Statistics
NHIF	National Health Insurance Fund
NPF	National Provident Fund
NSSF	National Social Security Fund
NGO	Non Governmental Organizations
PPF	Parastatal Pension Fund
PSPF	Public Service Pension Fund
SSRA	Social Security Regulatory Authority
SPSS	Statistical Package for Social Scientists
SACCOS	Savings and Credit Co-operative Society
URT	United Republic of Tanzania
ZSSF	Zanzibar Social Security Fund

ABSTRACT

Access to social security is internationally acknowledged as a human right, but in fact is one that is far more honoured in its breach than in its enforcement, and is frequently not readily accessible to the most vulnerable in society. The growth of the informal economy, both in developing and developed countries has exposed the weaknesses and shortcomings inherent in the traditional approach to the provision of social security for those who fall outside of the formal economy. Social security has also traditionally been a vehicle to promote social cohesion and solidarity between different sectors of society, yet it is clear that marginalised workers in the informal economy and the poor in general are often excluded from this solidarity (GURN 2005). And for the case of Tanzania, informal sectors employ about 93% of the capable workforce whereas the total labour force is estimated to be more than 16 million (URT 2003) but these people remain uncovered with formal social security schemes, so their life are miserably when it comes to the issue of contingencies. The need of extending social security services to these people is highly encouraged. This study is set out to determine the effectiveness of marketing in social security schemes in Tanzania in speeding up the move of extending coverage of their services to the people of informal sectors.

The study was conducted at the National Social Security Fund (NSSF), and to workers in the informal sector from Morogoro region. The researcher selected NSSF due to the fact that, NSSF open the door to the people of informal sector earlier than other social security schemes in Tanzania. According to NSSF study report on the extension of social security (2001), it argued that NSSF have many members from the informal sector compared to other social security funds and also easy accessibility of data due to the fact that there are limited bureaucratic tendencies.

The sample of 120 respondents was drawn from Morogoro region. This includes staff from NSSF Morogoro office and workers from the informal sector.

Both primary and secondary data were collected to accomplish the study. Primary data was collected using questionnaires.

The data obtained in this study was analyzed using Statistical Package for Social Scientists (SPSS) through descriptive analysis method. Results were summed up and conclusion made.

The findings from this study revealed that, social security schemes have significant role in assisting the government to make its people be able to address social contingencies and natural disasters. Despite its importance, it covers small population of workers and leaving the majority uncovered, especially those from the informal sector. Thus there is a need to increase efforts in extending these services. From the study, the work of extending this services is not an easy task, it needs new look and innovative intervention whereby the approach of synergism and Total Quality Management will be applied so as ensure the strategic flow of information to the people of informal sector to join formal social security schemes

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CHAPTER ONE

INTRODUCTION

1.1 Background Information

The quest for security has been one of the persistent features of the human society. The existence of organized social life is itself a manifestation of this quest. Man can't enjoy any security outside the society. However, the term 'social security' is of very recent origin, for the first time it is being used in the United States Social Security Act of 1935 and then spreading rapidly throughout the world, as it came to be mentioned in the Atlantic Charter of 1941. Though the first use of the term is less than fifty years old, the concept behind it is as old as the beginnings of the organized society.

The term "social security" may mean different things to different people, but it has one common thread, that of the natural desire of communities for greater protection from life's problems, from uncertainty, diseases and deprivation.

The ILO has defined social security as ''*the protection which 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''* (URT 2003 pg 2)

The industrialization that had taken place in Europe in the nineteenth century had led to the rise of social and economic problems. Most of the people drifted away from rural areas into towns, where commercial and industrial development was taking place, and where wage employments were found. Workers in industry became reliant on regular payment of wage for food, shelter and clothing. In absence of such payments, they failed to support themselves and their families. The traditional social systems used previously to support the family or community were crumbling, no longer functioning or were becoming very weak (ILO 1992).

People have become increasingly reliant for the standard and quality of their life on the income or wage they earn when performing their work – whether in a formal or in an informal work area. In the absence of this income or wage, they have often been unable to cushion themselves and their families from life uncertainties.

Before establishment of formal social security, communities organized into various groups to protect themselves and their families from such life uncertainties such as hunger, animals, human marauders and other dangers which had threatened or surrounded them and also to try to lessen the other harsher aspects of life. This system is commonly known as informal or traditional social security system.

In industrial era, the attempt to lessen distress of wage stoppages as a result of sickness, unemployment resulted by works injury or old age, saving schemes were organized by governments or mutual agreement aid in societies. States began to introduce legislation to require employers to provide some maintenance of their ill or injured workmen. Workers started to organize themselves and became more vocal and powerful, and social security programs began to take shape in industrialized countries.

In the case of Tanzania, The Tanzania Social Security Policy (2003) assert that the concept of social security existed 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 of 1923 as amended by Cap. 371 in 1954, Provident Fund (Government Employees) Ordinance Cap 51of 1948 as amended in 1962, Provident Fund (Local Authorities) Ordinance Cap. 53 of 1944 and the Workmen's Compensation Ordinance Cap 262 of 1948 as amended in 1963.

After independence, new legislations were enacted and others amended. They included the Statutory Severance Allowance of 1962; the National Provident Fund Act of 1964; as amended in 1997 and transformed into the National Social Security Fund Act in 1998, the Parastatal Pension Fund Act No 14 of 1999 and National Health Insurance Fund Act No 8 of 1999.

Development of the social security was considered paramount and accorded increasing importance in the government circles and the social security institutions agendas in the country. For example, the government increased the number of institutions providing the social security services in the country by establishing the Parastatal Pension Fund (PPF)….. the Public Service Pension Fund (PSPF)……, among others.

It was envisaged that the social security institutions have a high potential to advocate for coverage extension at the national political level and to offer their expertise and experience in the policy-making process leading to more effective social security measures and extension outcomes. In the same vein, the government established the Social Security Regulatory Authority (SSRA) in 2011 to regulate the social security industry and institutions in Tanzania.

This amendment on the legislations aimed at coping with the challenges and reforms taking place in the social security industry. Among the daunting challenges facing the industry, and policy makers as well, is the extension of social security services to the wider population. It is well known that, before these reforms, all social security institutions concentrated to small formal work group, thus leaving those in the informal sector unattended. This poses a real dilemma to the informal sector. For example, different statistics compiled on the informal sector occupancy in the labour market and its contribution in Tanzania, invariably all show a positive and significant role played by the sector in job creation and contribution to the country's economy. Despite this significant socio-economic impact in the country, the employees in this sector continue to be excluded from the formal social security coverage. In its study on Informal Sector Taxation in Tanzania in 2010, the Economic and Social Research Foundation (ESRF) indicated that, the number of informal operators in Tanzania is growing fast and their share to the GDP is large; currently estimated at 40%. The sector also contributes 70% of the total active labour force (Daily News, 2011)

Although there are some amendments on legislations but the challenge on the issue of extending social security to the informal sector is still there as Dau (2003) wrote on extending social security coverage through micro-insurance schemes in Tanzania, and noted that of 16 million capable labour force, 1 million work in the formal employment and only 0.9 million are covered by the social security schemes. This is about 5.6% of the capable labour force

Also Kaushik (1998) in his study comparing the social security coverage between the developing and the developed countries, lamented that the social security coverage is only 10% of the active population in the developing countries compared to 80% coverage in the developed countries. Ackson (2010) study on comparative social security coverage determined that only 6% of the Tanzanian work force is covered. Despite of their disparity, the statistics indicate that the social security coverage is very low, and situation to the informal sector is worse.

This research therefore is going to look at the effectiveness of marketing in social security schemes in Tanzania and the need of extending social security services to the informal sector.

One of the most significant current discussion in global social security industry is how could the service extended to the people of informal sectors and this is due to the fact that studies estimated that between 70 and 80 per cent of the global population is not covered by the social security. In sub-Saharan Africa and South Asia it is estimated that only 5 to 10 per cent of the active population is covered by the statutory social security scheme, most of these being old-age pension schemes, in some cases also providing access to health care, but coverage is tending to fall. In Latin America coverage ranges from 10 to 80 per cent according to the country, but on the whole it is stagnant. In South East and East Asia, it ranges from 10 per cent in countries such as Cambodia to 100 per cent in the Republic of Korea for sickness insurance. In the transition countries of Europe, it lies between 50 and 80 per cent, and in some of the wealthiest industrialized countries there is still today increasing gaps in social security coverage. In general, worldwide it can be taken that only 20 per cent of workers enjoy adequate social security (ILO 2002).

Therefore the issue of extending services to the informal sector is one of the greatest challenges that ILO and social security schemes face.

Although the ILO definition of the term social security as it has been given in my introduction has made comprehensive, little attention has been paid to the people working in the informal sector. Earliest efforts made by most governments to provide the social security services were addressed to meet needs of the formally organized workers, leaving out majority in the informal sector. However, the informal sector plays a major role in employment creation, production and income generation, and the people employed in the sector have also the same social needs as their counterparts in the formally organized sector.

The ILO has put the extension of the formal social security coverage to the excluded populations as one of the chief priorities in the framework of its global strategy. The importance of this strategy was reaffirmed with vigor by the General Conference of the International Labour Organization (ILO) at its 89th session in June 2001 in Geneva. In that conference it was concluded that the ILO should act urgently to fill the gaps in the social security coverage. Since then, ILO activities were aimed at helping member states to improve and expand the protection they provide to all members of the community across the full range of contingencies.

The International Social Security Association (ISSA) had also conducted a study on *"Examining the Existing Knowledge on the Extension of Social Security Coverage***".** The study provided an overview of global trends and challenges facing the extension of the social security, reviewed the main concepts for measuring performance, and identifies both lessons learned and gaps in knowledge as a basis for future action. As an outcome of the study, ISSA developed a *strategy for the extension of social security coverage*, which was presented at the World Social Security Forum in 2010. The strategy defined the priority challenges for coverage extension, specific opportunities for the social security institutions, a collaborative ISSA process for defining action plans of the social security institutions to work towards extending coverage and the role of the ISSA in supporting its member institutions to implement these plans.

The strategy elaborated further that, the ISSA understands that, towards implementation of this strategy, there are groups that are typically difficult to cover by contributory schemes; thus extending coverage to these difficult-to-cover groups of workers requires the social security institutions to innovate and seek new administrative solutions, and most of these groups belong to the informal economy. The inclusion of such groups requires taking into account the specific conditions, needs and financial capacities of such groups, and innovations may include adaptations to benefit packages, voluntary membership initiatives or collaboration with community-based or other types of schemes (ISSA 2010)

In the case of Africa, the informal sector coverage with the social security systems is seen important aspect but it seems to be beyond the available resources and as it is noted that in the current world recognition of the contribution of social security systems to social stability and poverty reduction is growing fast. The African Governments face challenge of effectively extending the formal social protection to all members of their societies as most members of the society struggle even to get their basic needs (food, shelter and clothes) at the same time societies have very limited access of the traditional forms of the social security programs, Pabboner and Sanchez (1999**)** in their study of social security in African countries showed that formal social security systems covered a small percentage of the population. According to them, since the size of formal labour force is small, should not be surprisingly that the coverage of the overall population is low, as it seen in the table 1 below for the selected African countries.

Table 1: Labour Force and Social Security Coverage

Country	Year	Contributors	Labour Force Coverage
Benin	1989	152,443	3.7
Burkina Faso	1989		4.7
Burundi	1989	597,452	13.7
Chad	1990	-	1.1
Cote d'ivoire	1989	-	9.3
Ghana	1989	1,100,000	13.3
Kenya	1990	1,400,000	14.7
Madagascar	1990	261,469	5.4
Mali	1990	-	2.5
Mozambique	1986	1,248	0.5
Niger	1990	108,656	2.8
Nigeria	1990	1,000,000	2.4
Rwanda	1989	315,217	9.3
Senegal	1990	220,542	6.9
Tanzania	1990	642,600	5.1
Zambia	1989	359,620	13.8

Source: International Patterns of Pension Provision, Palacios/Pallares 1998, the ILO, EPF, Staff Estimates and CIV.

In Tanzania, the issue of low coverage was addressed in Social Security Policy (2003) whereby the policy estimated that at 16 million people where 5.4% of the total labour force is covered by mandatory formal security system and the remain are engaged in informal sector which are untouched with these prevailing formal security schemes.

Following these developments and small coverage of the formal social security services, various self-employed and the informal sector workers in the country, have set up their own informal social security schemes in order to meet their priority social protection needs like UPATU, SACCOS.

The mechanism used in these schemes is generally the provision of mutual support through the pooling of resources based on the principles of insurance, help being extended to those in need.

On the other hand the formal social security in the country which represents a fragmented system also found a need to adapt itself to the changing world and the changing needs, if it is to remain true to the promise it holds out. The sector which comprises of seven schemes; the National Social Security Fund (NSSF), the Parastatal Pension Fund (PPF), the Local Authorities Provident Fund (LAPF), the Public Service Pensions Fund (PSPF), and the National Health Insurance Fund (NHIF), which offers health insurance for the employees in public service. Other schemes include the Government Employees Provident Fund (GEPF) and the Zanzibar Social Security Fund (ZSSF), which covers employees of Zanzibar, currently hold a statement promising to cover the informal sector; however, to date little has been achieved.

This study will try to find out how marketing in social security services will help to extend the coverage because marketing is a driven process of strategy development, taking into account a constantly changing business environment and a need to achieve high levels of customer satisfaction. Marketing focuses on organisational performance rather than the traditional concern of increasing sales. Marketing strategy builds competitive advantage by combining the customer influencing strategies of the business into an integrated array of market focused action (Craven 1997).

There are several reasons why services industries neglected the marketing concept in the past, because many service firms did not use formal management or marketing techniques. Others believed that it was unprofessional to use marketing concept, some faced high demand that they saw no need for marketing philosophy, yet it is important for services industries and social security schemes in particular to understand the role played by marketing philosophy especially in the area of marketing of social security products (Nchula 1999)

The issue of extending social security services to informal sector has received the critical attention and this need the social security schemes to orient the effective strategic marketing and concentrating with the additional marketing concepts of relationship marketing and one to one marketing (Gabriel, 2004).

Importance of these two added marketing concepts will enable to attract the people in informal sector to join to these schemes. It is from this view that this research is aimed at examining the effectiveness of marketing of service products in Tanzania social security schemes.

1.2 Statement of the Problem

The business environment has shifted from monopolistic to a more competitive business environment addressed with challenges and opportunities which can be exploited by social security services, although the organization structure of these social security schemes is directed towards compliance rather than meeting the customer expectations and changing demands of their external environments. With the need of expanding services to informal sector the effective marketing cannot be left behind by social security schemes particularly in this world of competitions.

Marketing provides concepts and processes for gaining competitive advantage through creation of superior performance, sustaining superior performance, understanding of core business, knowing well your competitors, ensuring sophistication (Hi Tech) and understanding of internal and external target market and react to feedback(Gabriel 2002). Social security schemes in Tanzania must make sure that effective strategic marketing to their benefits and services offered to the general public being one of the roles to be played to assure their existence in this business.

In this arena of social security industry in Tanzania the question remain if there is effective marketing; and if yes why in informal sector are not joining to this schemes?

In January 2003 The United Republic of Tanzania through Ministry of Labour Youth Development and Sports inaugurated the National Social Security Policy and the aim of this policy is to realize the goals and objectives set out in the National vision 2025 by extending social security services to the majority of the Tanzanians.

In recent years, various efforts have been made by ILO, ISSA, Government and Social Security Schemes themselves to ensure that majority of Tanzanians are covered by the formal social security system, yet the coverage of social security in Tanzania is 6% out of 21.0 million effective labour forces. This state of affairs led Baruti (2007) to argue on the need to adopt new strategies.

There is a need to increase the level of public awareness on the social security system in respect of benefits offered, coverage, investments, general operations and services in this sector. Liberalization of social security activities in the country as proposed in the social security policy of 2003 ended the monopoly in the operation of social security as enjoyed previously by the existing social security institutions in the country hence a need for marketing of social security benefits and services is the major area of my research paper.

The Social Security (Regulatory Authority) Act No. 17 of 2008 has come with the member freedom of choice as cited in Section No 30 which state "Every employer in the formal sector shall be required to register his employees with any of the mandatory scheme, provided that it shall be the right of the employees to choose a mandatory scheme under which the employee shall be registered"

Despite these efforts, the response is very insignificant. The study therefore intend to discusses the contribution of marketing in the extending coverage to the excluded specifying those working in the informal sector with limited reference to other excluded categories such as the elderly and the unemployed.

1.3 Objectives of the Study.

1.3.1 General Objectives.

The general objective of this study is to identify the position of social security schemes in the informal sectors. The focus of the study will be analysing the aspects of marketing that will attract people of informal sector to join the schemes

1.3.2 Specific Objectives

Specifically the study is intended to do the following,

1. To assess if there is instituted marketing development in the context of informal sector.

2. To assess the level of public awareness towards the services offered by social security schemes.

3. To assess the values added to customers/members of social security schemes

4. To examine the customer reaction on informal sector towards social security schemes.

1.4 Research Questions

In order to achieve the above study objectives, the researcher was guided by the following research questions

1. Is there instituted marketing development in the context of informal sector?
2. What is the level of public awareness toward the services offered by social security schemes?
3. What are the values added to customers/ members of social security schemes?
4. What are the reactions of customers on informal sector towards social security schemes?

1.5 Significance of the Study

The study therefore set out to assess the importance of marketing to social security schemes under the prevailing socio-economic situation in Tanzania, whereas a lot of people who are working in informal sectors remain uncovered by social security schemes.

The concept of marketing in the world today has influence in social security institutions as it has been done by other services oriented firms, this will bring positive impact on the Social Security institutions in terms of high returns on investment, market share, profitability, good image and sustained survival in the competitive business environment

Findings are expected to enable the formal social security players to identify areas of weakness so as to set reasonable marketing strategies to extend their coverage.

The study will be significant to other researchers, as it is likely that the findings shall be applicable to stakeholders and management of Social Security Industry within and outside the country.

The finding and implication will also help the social security schemes in Tanzania to see the potential of informal sectors, hence helping meet their objectives of increasing membership size by covering people from informal sectors.

It will also be helpful for future studies of this nature in terms of identifying the gaps to be covered.

1.6 Limitations of the study

The Researcher was expected to face some limitations in conducting his study. The limitations include but are not limited to:

> Financial constraints – The Researcher is under self sponsorship hence he faced shortage of fund to meet all requirements of the study.

Time constraints – The researcher has other responsibilities to perform at work, since he is a full time worker.

The social security industry is wide, as currently there are about seven major social security schemes in the country. Namely; NSSF, PPF, LAPF, PSPF, GEPF, NHIF and ZSSF, therefore it will not be possible to undertake study in all schemes.

1.7 Delimitation of the study

In order to overcome the stated limitations, the study concentrated on one pension scheme, namely the National Social Security Fund (NSSF).

The reason behind this selection is that, the NSSF open the door to the people of informal sector earlier than other social security schemes in Tanzania. The schemes have many members from the informal sector compared to other social security funds and also easy accessibility of data due to the fact that there are limited bureaucratic tendencies.

Efforts will be made to make sure that available time and funds are efficiently and effectively utilized to accomplish the task.

1.8 Chapter summary

Chapter one presents background of the study whereby the coverage of social security and the strategies to extend coverage explained; Statement of the problem which explains the reason why the Researcher decided to undertake the study; Research objectives and Research questions that will guide the Researcher on data collection; Significant of the study, Limitations and Delimitations of the study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews the existing literature and theory relating to background history of social security and extending social security mostly to informal sector and to establish the gap in available literature. It also draws some experiences learnt from other countries in provision of social protection to the public, also provides the situation of social security in Tanzania.

The chapter is mainly divided into three parts which are theoretical literature review, empirical literature review and conceptual framework. The section gives ideas of what other authors/writers says concerning the proposed subject under the theoretical literature, while the empirical literature review presents a survey of experiential studies by other researchers for matters related to the study and their recommendation, the conceptual framework is the operationalization of the theory.

2.2 Theoretical Literature Review

2.2.1 Concept of Social Security and Its Historical Perspective

The term "social security" may mean different things to different people, but it has one common thread, that of the natural desire of communities for greater protection from life's problems, from uncertainty, diseases and deprivation.

Kaseke (2000) argues that when the term of social security is mentioned, what comes to the minds of many social security administrators and academics is conventional social security. This is not withstanding the fact that conventional social security only responds to the needs of a small percentage of the African population. Conventional social security is a recent phenomenon in many African countries, particularly in Eastern and Southern Africa.

This helps to explain why conventional social security systems are not well developed in the majority of African countries. Conventional social security refers to modern or western concept of social security based on the experiences and circumstances of developed countries.

The ILO has developed a standard definition of social security which is largely informed by Western experiences and concept of social protection. The ILO (2000:29) defines social security "as the protection which society provides for its members through a series of public measures to offset the absence or substantial reduction of income from work resulting from various contingencies (notably sickness, maternity, employment injury, unemployment, invalidity, old age and death of the breadwinner); to provide people with health care; and to provide benefits for families with children."

Also kaseke hold that, this definition encompasses benefits provided under three different forms of social security, namely social insurance, social assistance and social allowances. It should be noted, however, that social insurance is the most dominant form of social security in developed countries. Social insurance refers to schemes that provide social protection to workers and their families against future contingencies. The contingencies include unemployment, employment injury, invalidity, sickness, maternity, old age and death. Social insurance schemes are contributory as both employers and employees contribute to the schemes. There is therefore entitlement to benefits based on the record of contribution (Kaseke 2000).

Before establishment of formal social security, communities organized into various groups to protect themselves and their families from such life uncertainties such as hunger, animals, human marauders and other dangers which had threatened or surrounded them and also to try to lessen the other harsher aspects of life. This system is commonly known as informal or traditional social security system.

The literature on traditional and informal social security systems has focused on the organizational and administrative structures and social relations among members of the family, the kinship, neighborhood and community groups and types of transfers going on within these systems (Tungaraza et al 2002).

These systems operate in both urban and rural areas. A number of studies on informal social security systems have shown that they have failed to promote equitable economic growth and that these programs are biased in favor of the rich. Furthermore, they show that poverty alleviation programs have failed to identify the real poor (Sender and Smith 1990). The lack of accountability and inadequate resources allocation of these programs has also been shown.

The industrialization that had taken place in Europe in the nineteenth century had led to the rise of social and economic problems. Most of the people drifted away from rural areas into towns, where commercial and industrial development was taking place, and where wage employments were found. Workers in industry became reliant on regular payment of wage for food, shelter and clothing. In absence of such payments, they failed to support themselves and their families. The traditional social systems used previously to support the family or community were crumbling, no longer functioning or were becoming very weak (ILO (1992).

2.2.2 Social Security as Human Right Issue

International instruments adopted by the ILO and the United Nations affirm that every human being has the right to social security. In the Declaration of Philadelphia (1944) the International Labour Conference recognized the ILO's obligation as regards "the extension of social security measures to provide a basic income to all in need of such protection and comprehensive medical care". The ILO's Income Security Recommendation, 1944 (No. 67), provides that "social insurance should afford protection, in the contingencies to which they are exposed, to all employed and self-employed persons, together with their dependants" (Paragraph 17). The Universal Declaration of Human Rights, 1948, states that "everyone, as a member of society, has the right to social security [...]" (article 22), and refers specifically to the right to medical care and necessary social services, to security in the event of sickness, disability, widowhood, old age and unemployment, and to special care and assistance for motherhood and childhood (article 25). The International Covenant on Economic, Social and Cultural Rights, 1966, recognizes “the right of everyone to social security, including social insurance” (article 9).

Likewise, Article 11(1) of the Constitution of the United Republic of Tanzania stipulates that:-

“The state authority shall make appropriate provisions for the realization 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…..”

In view of such provision there is still inadequate coverage of social security services to the Tanzanian Society and it goes without saying that the practical implementation of this right requires a major undertaking by the State and the community.

Reynaud (2002) argues that a very large proportion of the population in most regions of the world still does not enjoy any social protection or is covered only very partially. This is the case for the vast majority of people in developing countries, and even in some of the richest industrialized countries there are large and growing gaps in social protection.

2.2.3 Aims of Social Security

The quest for security has been one of the persistent features of the human society. The existence of organized social life is itself a manifestation of this quest. Man can’t enjoy any security outside the society.

The aim of social security is to guarantee income security as a line of defence against poverty. Income security enables individuals to have access to life sustaining goods and services. The ILO (2000) discussed various sources of income security which include the family and local solidarity networks, institutions of civil society such as self-help groups and mutual benefit societies, the commercial market and public institutions.

Stephen Mckay and Karen Rowlingson in their book titled ***Social Security in Britain (1999)*** tries to provide about six aims of social security as follows:

(i) Insuring against the risks of particular events in life, such as unemployment

(ii) Relieving poverty or Low income

(iii) Redistributing resources across people's life cycles

(iv) Redistributing resources from rich to poor

(v) Compensating for some types of extra cost(such as children and disability)

(vi) Providing financial support when traditional families break down.

However, the ILO (1984) has stated that "The fundamental aim of social security is to give individual and families the confidence that their level of living and quality of life will not, in so far as possible, be greatly eroded by any social or economic eventuality." While International bodies may mention ideas of ensuring that risk is reduced, or of maintaining equality, the alleviation of poverty in Britain has traditionally been a particularly significant objective of social security policy (Walker with Ashworth, 1994).

Article 22 of the Universal Declaration of Human Rights states: "Everyone, as a member of society, has the right to social security" and Article 25 formulates it in a more precise way as "every person has the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control", (ILO, 2008).

ILO's manual for social security financing, gives two basic functions of modern social protection system as follows:

(i) A Safety Net function, which ensure that each member of society who is facing destitution is provided with the minimum level of cash income, health, and social services which allow the member to lead a socially meaningful life.

(ii) Income Maintenance function, which permits economically active members of society, or all residents, to build up entitlements which allow them to maintain a decent standard of living during periods of unemployment, sickness, maternity, old age, invalidity and survivorship, when other forms of income and activity are not possible.

Social protection system need not be confined to reacting to situations created by economic and political changes. They can facilitate economic transition or development by providing a benefit delivery system that promotes economic development. The key problem, for social protection policy makers in any economy, is to find an appropriate combination of the alleviation and prevention functions of the social protection system and, at the same time, actively support the process of economic development or change. It is recognized that social and economic development must proceed together, and that careful design of social protection programmes, and judicious allocation of resources to them, can further the objectives of both social and economic development. Social security is one of these social programmes. In any country there is a level of social security which is appropriate to its administrative infrastructure and capacity, and the stage of economic development which has been reached (Stephen and Karen, 1999).

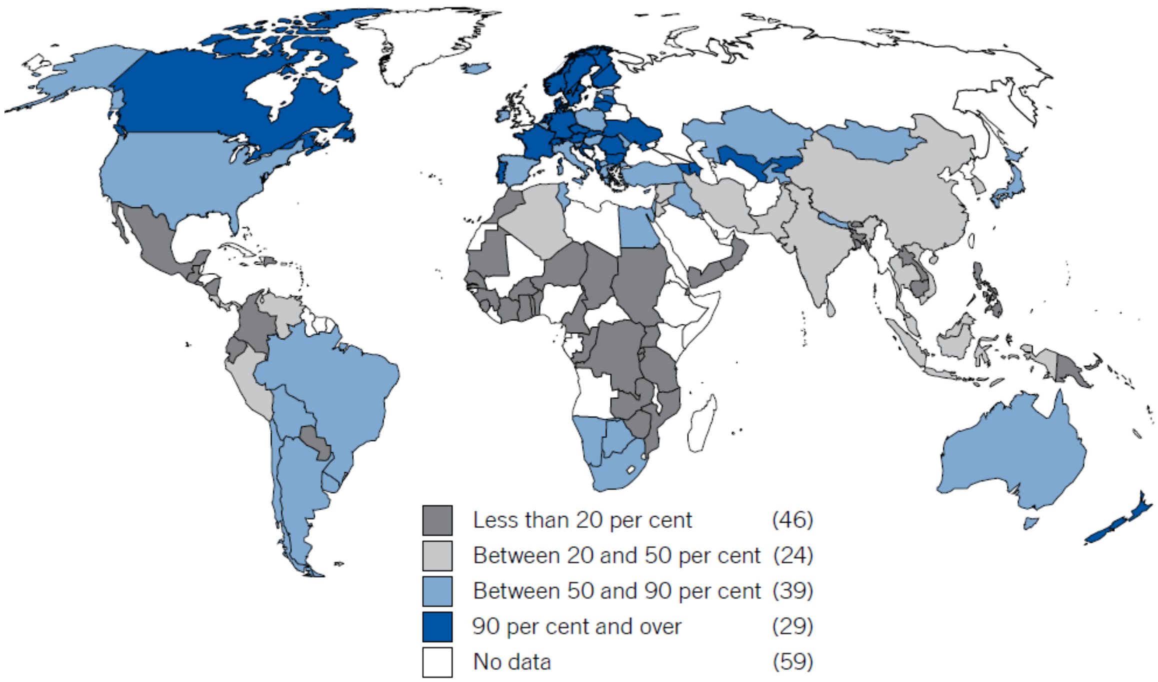
In a review on the extension of social security van Ginneken and McKinnon (2007) come to conclusion that a fundamental shift has occurred regarding the primary objective of social security: it has moved away from being an income replacement measure towards becoming an indispensable tool for poverty alleviation. If indeed this assessment is correct, we need to reflect upon the future role of social security. It is beyond doubt that a continuing shift towards poverty alleviation a focus underpinned and reinforced by a rights-based approach to social security – will have profound implications for current normative social security practice.

2.2.4 Social Security in the Informal Sector

Though the definition of the informal sector varies from one country to another, informal sector workers are generally those workers with low incomes or self-employed, working in very small (unregistered) firms or the household sector, most of the time work on a part-time basis and move from one industries to another such as agriculture, construction and services. However Since 2002 the ILO has incorporated a new definition for informality that the informal economy represents a set of economic activities carried out by workers and economic units that, under the law and in practice, are insufficiently contemplated in formal systems or not at all (ILO, 2002).

Hu and Stewart (2009) says that workers in informal sector are typically not covered well by formal (in many cases not at all), structured pension systems compared to workers in the formal sector - who normally join either mandatory or voluntary pension systems, or both. The workers from the informal sector most of the cases may also come from lower income and uneducated groups, meaning their knowledge and understanding of pension and saving products is also limited, and their resources for long-term savings scarce. Hence gaining access to a structured pension system is a challenge for them. The situation appears almost worldwide but it is even more severe in developing countries. The challenge is greater in these countries partly due to logistical difficulties in getting informal sector workers to participate in pension schemes, and partly due to the traditional role of family support in pension provisioning. See figure 1.

Figure 1. Old-age pension beneficiaries as a percentage of the population above retirement age, latest available year.



Source: Based on ILO, UN and other data; see ILO (2010c), fig. 4.3.

Despite of this situation, this group has high need of formal social security cover. This is substantiated by the ILO surveys conducted in India; one in the urban area year 2001 and the other in rural area year 2003 which aimed at collecting primary indicators of social security needs and information of the informal economy workers. The survey results were as follows:

(i) There was a high need for some form of social protection for the informal economy workers. Health insurance was the highest priority for both urban and rural areas. Work injury and old-age benefits were high priorities in the urban survey, while old-age benefits and education were high in the rural survey.

(ii) A significant portion of the informal economy workers were willing to contribute to a suitable scheme. In the urban survey 41.4% replied that they were prepared to contribute, while 16.0% replied positively in the rural survey.

(iii) At the same time, the survey results confirm the limited contributory capacity for rural and urban informal economy workers. Without any form of cost sharing or subsidy, it would be difficult for the informal economy workers (especially those working in rural areas) to contribute Rp. 25,000 per month for health insurance in addition to premiums for other programs.

Social security services are very important and are highly needed. Despite that being the case, the challenges are also so many.

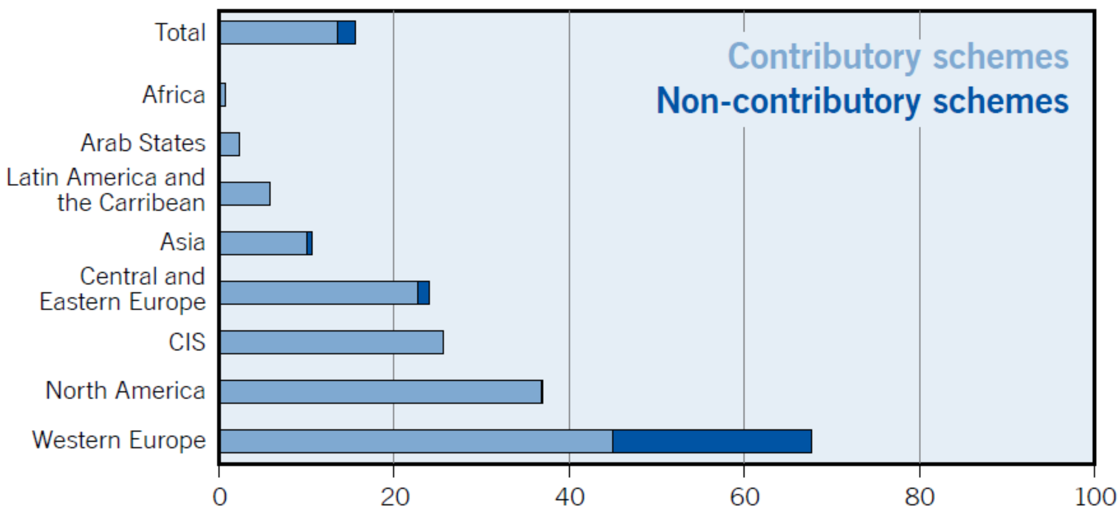
A report of 1998 by Heritage Foundation cited by proponents of private accounts claims that African Americans have a perception that ‘‘social security is a bad deal for African Americans and gives them a lower rate of return than whites receive — because African American men have shorter life expectancies than white men. President Bush echoed this claim earlier this year when he commented that African American males die sooner than other males do, which means the system is inherently unfair to a certain group of people.” (Beach and Davis, 1998).

Bertranou (2007) indicated that an important issue in the case of Argentina relates to the perceptions regarding social security institutions and the coverage they provide. A qualitative study detected that ‘‘there is a lack of trust in the system and the perception that benefits provided by the system are low and contributions are high. An analysis of the relationship between the financial load that contributions represent and the benefits to be received, however, showed that both the general and the simplified schemes are significantly subsidized’’.

For African countries, Barbone1 and Sanchez (1999**)** showed that formal social security systems covered a small percentage of the population.

According to them, since the size of formal labour force is small, should not be surprisingly that the coverage of the overall population is low. (Table 1) Coverage in terms of the relevant target population is substantially higher, especially when formal sector employment was dominated by the public sector. Pension expenditure in relative terms is still small in Africa. The average ratio of pension expenditure to total GDP for the countries included in Table 1 stands at 0.55 percent.

Table 2. Unemployment; Effective coverage worldwide (unemployed who actually receive benefits latest available year, %)



Source: ILO (2010b).

From table 2 above shows that coverage rates vary widely with respect to different levels of development. Unemployment insurance programs are found in less than 50 per cent of countries, providing potential legal coverage to hardly more than one-third of the world's economically active population (ranging from 3 per cent in sub-Saharan Africa to between 20 and 30 per cent in North Africa, the Middle East, Asia and Latin America, and to over 70 per cent in Europe and North America), but their effective coverage is significantly lower

Kaseke (2000) argued that ''Before discussing ways to bring informal sector workers into structured pension systems (either mandatory or voluntary), it needs to be acknowledged that in reality in developing countries – particularly those with the lowest income levels - there is always a group of population whose main challenge is to meet basic needs, e.g. food, clothing and housing. Informal sector workers (including agricultural workers) in developing countries are an important component of such population groups. In this context, it could be very difficult (if not impossible) for governments to undertake any meaningful actions to bring these individuals into formal pension systems. Therefore, an important policy tool is to provide social assistance to all of the poorest elderly, on a non contributory basis''.

(Holzmann et al, 2000) also argued that; ''contributory pension systems impose constraints on productive investments of the informally self employed. The constraints imposed by formal pension systems on the self employed (especially the poor self employed) are more binding on their investments in productive inputs than on their ability to smooth consumption. The rate of interest on borrowing for investment in small enterprise can be very high – even infinite – while the net marginal returns to a unit of capital invested in small enterprise may be considerably higher than the returns from investing the same unit of capital in an AFP account. Avoidance of the formal pension system may be optimal given capital and credit constraints on productive investment choices of the self employed and the opportunity costs of vesting scarce capital in an illiquid retirement account''.

However it was currently reported by ISSA (2012) that, the recent African experience seems to indicate that the rapid extension of contributory coverage is possible, for even low-income African countries such as Rwanda. In many countries, however, much remains to be accomplished in building a sound social security system covering the entire population. In the report, ISSA call for gradual reduction of reliance to donor-supported pilots and programs, in order to strengthen the recipient country's national ownership and to ensure their conformity with national social security strategies.

Specific objectives must be to continue to extend coverage under existing social security programs to the excluded rural population and informal-sector workers and to establish new programs, perhaps, among other nationally-defined priorities, for family allowances and unemployment protection.

The ILO (2010) argued that the overall challenge to social security systems particularly in industrialized countries is the changing demographic environment. Developing countries will also face these challenges at some stage. However, their main challenge today is to extend social security coverage by putting in place sustainable social security systems – starting with a basic level of protection for all and gradually building on that base to provide higher levels of protection.

2.2.5 Extending Social Services in Tanzanian Context

In Article 11(1) of the Constitution of the United Republic of Tanzania stipulates that:-

> *"The state authority shall make appropriate provisions for the realization 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….."*

In view of such provision there is still inadequate coverage of social security services to the Tanzanian Society and it goes without saying that the practical implementation of this right requires a major undertaking by the State and the community

Also in The National Social Security Policy for the United Republic of Tanzania (2003) states that;

''Every human being is vulnerable to risks and uncertainties with respect to income as a means of life sustenance. To contain the risks, everyone needs some form of social security guaranteed by family, community or society as a whole. Such socio-economic risks and uncertainties in human life form the basis for the need of social security whose basic principle is risk pooling by society given that no individual can guarantee his or her own security.''

However the 2003 social security policy shows that 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 per cent of the capable workforce is engaged in the informal sector in both rural and urban areas; out of that 80 per cent is engaged in the agrarian economy.

Through this policy, the Government shows the intention to establish social protection measures to its people against economic and social flux which may be caused by unemployment, sickness, disability, old age, widowhood. This is mainly to provide social compensation, income distribution, fight poverty as well as social and economic inequalities in the society hence promote peace, stability and social cohesion. It also recognized that social security is fundamental to the creation of social cohesion, the furtherance of political inclusion and stability as well as the development of democracy, and that it is an important tool for the prevention and alleviation of poverty through the enhancement of productivity. The policy also acknowledge that, Social security plays a great role in poverty reduction, it is a means of resource redistribution in the society hence raise the income of the poor as well as it increases domestic demand and encourage economic growth by expanding domestic markets.

The National Social Protection Framework (1998), indicate the need for social protection systems which is consistent with MKUKUTA's objective to address vulnerability. Social protection calls for effective risk-reduction mechanisms for all vulnerable members of Tanzanian society – both poor and non-poor. ''MKUKUTA clearly states the need for a social protection policy framework that will ensure that the needs and rights of the poor are adequately protected and addressed: including preventing the population from falling into poverty and vulnerability.''

The framework; National Social Protection Framework (1998) also give a list of six major mandatory government schemes that currently provide social security in Tanzania. The schemes include:

i. National Social Security Fund (NSSF) for employees of the private sector and non-pensionable parastatal and government employees
ii. Public Service Pension Fund (PSPF) for central government employees eligible to receive pensions
iii. Parastatal Pension Fund (PPF) for employees of both private and parastatal organizations
iv. Local Authorities Pensions Fund (LAPF) for local government employees
v. Government Employees' Provident Fund (GEPF)
vi. National Health Insurance Fund (NHIF)

The framework clearly indicate that Tanzania has no social security arrangements for people who work in the informal, agricultural and extractive sectors, and that majority of unemployed individuals in Tanzania are not covered by any form of protection. The framework indicates that, only about 2.8 percent of the labour force is covered by mandatory social security schemes (pension and provident funds). The schemes cover the formal sector and benefit packages are limited.

Tungaraza et al (2002) indicated that, the development of formal social security has been gradual and the introduction of structural adjustment programmes has led to the decline of formal security schemes. In terms of coverage, formal social security schemes cover only 6% of the population and focus on only a few risks.

They further argued that, apart from conventional social security programmes covering a relatively limited proportion of the population, the programmes also do not provide adequate social protection to members, and leaves members in poverty when faced with contingencies. They say; poor continue to rely on traditional social security programmes which serve them only inadequately.

Late Retired President Julius K. Nyerere in his speech in 1999 when supporting the launching of National Social Security Fund (NSSF), insisted Tanzanians to join the NSSF so that they may enjoy the various benefits offered by the scheme. He requested Tanzanians to take note of the facts that, while most of the social protection schemes available in the country carter for few areas in formal employments. NSSF is designed to carter for a wide public coverage. Mwalimu further commented that, those charged with the responsibility of handling Social security protection have realized the needs of the society to increase coverage and decided to effect changes. ‘‘It is important to us to make use of this opportunity” He said the late retired president Mwalimu J.K Nyerere. Finally, he advised peasants and even petty businessmen to nurture the culture of saving part of their earnings through the scheme, no matter how they earn (NSSF 1999).

The introductory part of NSSF Operation Guide No. 2 issued 2010 indicates that; The National Social Security Fund (NSSF) was established by the Act of Parliament No. 8 of 1997 to replace the defunct national Provident Fund (NPF). It is the scheme that is financed through contributions at the rate of 20% of employees’ salary of which 10% to be deducted from employee and the other 10% to be added by the employer. The guide list categories of which NSSF extend its coverage in the country. Among the categories are people who are self-employed or any other employed person not covered by any other scheme

Statement of the Director General of NSSF in the annual report of 2006/07 indicated that the Fund will continue with its efforts of educating general public in order to increase the level of awareness and importance of joining the NSSF scheme. Similarly, the Fund will continue with its efforts to widen membership coverage to informal sector (NSSF2007)

In the Parastatal Pensions Amendment Act No.25 of 2001, among other issues PPF is also required to extend to self employed as well as labour force in the informal sector. Initially PPF covered employees of Parastatal organizations and those in private companies with minister's consent. In the amendments, the legal provision requiring the Minister's consent to extend coverage was removed giving the Fund's mandate to widen up coverage to all employees including those on contracts following amendment of its Act.

2.2.6 Marketing Concept and Its Effectiveness in Extending Services

In its policy statement in the National Social Security Policy, the Government of Tanzania enhancement of a legal framework that shall provide for all employees in the formal sector and devise means of extending coverage to the informal sector such as agricultural, mining, fishing and small businesses.

The marketing concept emerged in the mid-1950s. Instead of a product centred, make and sell philosophy, business shifted to customer centred sense and respond philosophy instead of hunting, marketing is gardening. The job is not to find the right customer for your products but the right product for your customers. The marketing concept holds that the key to achieving organizational goals consists of the company be more effective than competitors in creating, delivering, and communicating superior customer value to its chosen target markets. Several scholars have found that companies who embrace the marketing concept achieve superior performance (Kotler 2006).

Marketing thinking was developed initially to sell physical products and equipments. However one of the major trends in recent years has been the phenomenal growth of services marketing. At one time services firms lagged behind manufacturing firms in their use of marketing because they were small or they were professional business that did not use marketing or they faced large demand or little competition (Ibid).

In the discussion of extending social security services to informal sectors the issue of marketing of social security service product strategically must received special attention because the market concepts links the company success with the consumer/members continuing satisfaction also it builds the company's offering around meeting those needs better than the competitors. Importance of marketing concept is that it costs as much to acquire a new customer than it does to service an existing one. Likewise customers/ members tell twice as many people about a bad experience over a good one.

Human beings learn from their old experiences, get influenced by their social environment, and constitute purchasing decisions based upon their current beliefs and values. Human beings also get affected by marketing strategies such as promotions and advertisements (Karakaya et al 2011).

As marketing being considered has been an effective tool and strategy for increasing the sales of a product. For marketing strategies, companies look for segmentation of its consumers, provision of successful goods and services for each consumer segment and also employment of right promotional tools and pricing strategies to accomplish the company's objectives (ibid). Also this aspect can be used in social security scheme to extend their services to the informal sector by provision of successful services to the people of informal sector and also employing the right promotional tools and pricing strategies to accomplish the objective of extending coverage.

Raynaud (2002) sees the importance of marketing in the discussion of extending social security to informal sector by insisting the use promotion which is an aspect of marketing activities he argued Making greater efforts in the field of promotion is another possibility, since experience shows that a large proportion of the target population is generally poorly informed of the advantages of being insured. At the same time it is important to strengthen the system's credibility.

Promotions as the one of marketing activities in the 4Ps or the extended 7Ps of marketing mix is very important because it reduce the case of "imperfect market structure" in social security schemes in sense that there is absence of perfect knowledge to the buyer of social security services (Magori 2013)

Promotion entails the communications to customers about the availability of services/product, their prices, delivery system and term attached to the offer. It is imperative for the promotion to tell the customers that here is the service to needed as produce to meet your needs. This is under marketing generic philosophy. Promotion helps to keep the gap between promise making and promise keeping. Promise making is when you are alerting the customers that you can offer something to them. Promise keeping is the actual performance of what promised and this is the important tool to link the two domains (Gabriel 2005). This totally not seen in the context of informal sector.

The challenge for ILO strategy of extending social security is that only a fifth of the world's population enjoys comprehensive social security coverage. This has been the case before the global economic crisis, and has been further exacerbated by the crisis in large parts of the world. However, the crisis has also provided an opportunity to address these challenges in a more coordinated and forceful way. ILO intend to Build a national social protection system that provides guaranteed, adequate, sustainable social benefits and access to social services is an economic and social necessity for all countries to be able to alleviate the effect of economic crises and to ensure equitable growth. (ILO 2010)

2.3 Empirical Evidence

Due to various noted shortcomings towards extending social security coverage, several studies have attempted to address the matter.

Masanja (2010) wrote on strategic marketing in the context on social security schemes in Tanzania and noted that the organization structure of these social security schemes is directed towards compliance rather than meeting the customer expectation and changing demands of their external environments and this lead to not attract the informal sector.

Magori (2013) claimed that the great challenge that faces social security industry in Tanzania is imperfect marketing structure of these schemes in the sense that customers / buyers are not aware of the product offered.

Mruma (2006) indicated that members' education as one among the factors contributing to non responsiveness of workers to join social security scheme**.** From analysis made on data collected, he argued that less had been done to educate the public on the importance of joining social security schemes.

Samson (2009) said that ''the people of Africa do not need to wait for economic growth and formalization to enable the extension of social insurance instruments modeled on industrialized countries' systems. Innovative approaches are leap-frogging the conventional wisdom, developing income security mechanisms that enable voluntary take-up by those in the informal sector. These voluntary mechanisms are likely to work best when linked to organizations of informal workers who are able to join the formal scheme as a group".

Dau (2003) wrote on extending social security coverage through micro-insurance schemes in Tanzania, and noted that of 16 million capable labour force, 1 million work in the formal employment and only 0.9 million are covered by the social security schemes. This is about 5.6% of the capable labour force

Barya (2009) claimed that the limited resources, mismanagement of existing resources, and undemocratic politics in underdeveloped societies hinders governments' to cater social security services to majority of the poor. Then underdeveloped countries then should talk of social assistance or social aid.

However, study conducted by NSSF in 2001 shows contradictions between social security needs as defined by the ILO Convention No. 102 which set the minimum standards of social needs for nine main social security branches namely; old age, invalidity, survivors', sickness, maternity, medical care, employment injury, death and unemployment benefits. According to the study the existing social security institutions in Tanzania are offering one or more of the above mentioned benefits. However some of these benefits are not the priority social security needs for the informal sector employees as illustrated in the findings of the NSSF study. The study report depicts among others, the priority social security needs as summarized in table 2 below:

Table 3: The Priority Social Security Needs for the Informal Sector Employment in Small and Medium Enterprises

Type of benefits	**No. of respondents**	**Percentage (%)**
Loan/Credit facility	109	49
Sponsorship for vocational training	2	0.9
Basic education for children	14	6.3
Reliable market for their products	5	2.3
Housing Loans	5	2.3
Working tools	4	1.8
Same benefits as NSSF	83	37.4
Total	**222**	**100**

Source: NSSF (2001) "Study Report on the Extension of Social Security".

Baruti (2007) explains the ways that can be deployed by the Government to facilitate the extension of social security coverage to Informal Sector Employees through putting an enabling environment for establishment of Informal Sector Social Security Scheme. He further proposed that the established scheme to have its own management and its members should be those working in Informal sector while others who will who opt to register should be on voluntary basis.

Ackson (2010) argued that, since the formal sector is shrinking and the informal sector expanding by embracing those from the formal sector and the new labour market entrants, he suggested that there should be coordination between the specialized social security schemes for the informal sector and those for the formal sector should be established. The coordination between the two should ensure that when a formal sector worker moves to the informal sector and vice versa would still be protected against the social risks ensnaring them into poverty

Verick (2006) in his study concluded that rather than targeting one specific sector, the policymakers in Africa should target on removal of the barriers that prevent the reallocation of resources and mobility of labour between the formal and informal sectors. The barriers include labour market rigidities, over regulation of businesses, taxation, and the lack of appropriate training. By removing these constraints, the informal/formal dualism in the labour market will cease. The debate then will be not one about the differences between sectors, but rather about the need to promote economic growth and job creation in the economy, in line with extending worker protection, social security and benefits to mitigate any short-term episodes of unemployment and earnings volatility.

Baruti (2007) suggested strategies that can be adopted for extension of social security coverage to Informal Sector Employees. These include:

(i) Establishment of Partnership between Social Security Institutions and Micro Credit Institutions/ Saving and Credit Cooperatives Societies (SACCOS).

(ii) Establishment of a specific Unit or department within each of the existing Social Security Institutions to cater for Informal Sector Employees; and

(iii) Establishment of a specific scheme with a defined regulatory framework to cater for Informal Sector Employees.

Bossert,(1987) and Bakari (1988) have argued that despite the fact that there are many organizations in social security sector in Tanzania the services provided by each scheme are based on the principle provided by the statutes established them such as NSSF Act of 1997 and PPF Act of 1978 as amended by Act of 2001.

However these schemes have to market their products to the general public, because without doing strategic marketing there is a high risk and significance chances of failure in achieving organisation goals/objectives. The neglect of marketing concept of social security products have led to many complaints from customers due to low public education, poor customer services and care on what constitute social security services as opposed to other financial services like banking.

2.4 The Research Gap

Literature on the subject reveals that there have been several literature and studies on extending coverage of social security services to the informal sector. However, majority of these studies does not provide the comprehensive solutions to the issue of extending services to the informal sector. And also issue marketing in social security is covered in a limited extent. Therefore, findings from this study, conclusions and recommendations will cover the gap.

2.5 Conceptual Framework

The theoretical framework of the study is a structure that can hold or support a theory of a research work. It presents the theory which explains why the problem under study exists. Thus, the theoretical framework is a theory that serves as a basis for conducting research (McQuail and Windahl, 1993).

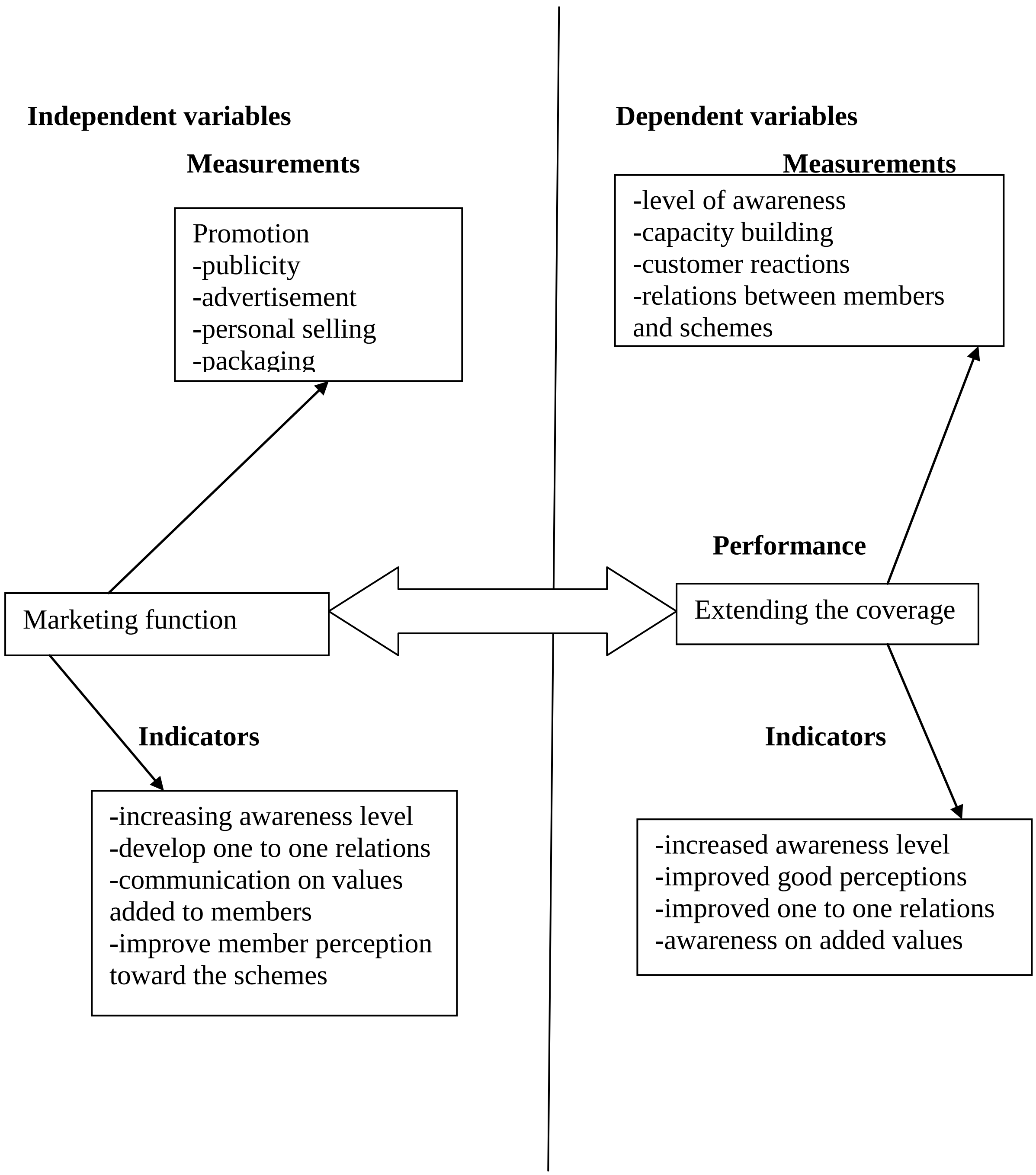
A conceptual frame work is an assemblage set of research concepts cum variable together with their logical relationship often represented in the form of :diagrams, charts, pictographs ,flow-charts, organ gram or mathematical equations. Conceptual research framework unveils studied phenomenon of concepts cum variables into simple set of relations that can be easily understood, modelled and studied (Ndunguru, 2007).

A conceptual framework is increasingly strengthens and keeps the research on track by:

a. Providing a clear link from the literature to researcher goals and questions
b. Contributing to the formulating of research design
c. Providing reference points for discussion of literature, methodology and analysis of data
d. Contributing to trustworthiness of the study
e. Giving broad scope to thinking about the research
f. Conceptualizing the problem and providing the means to link ideas and data so that deeper connection can be researched.

A conceptual framework should assist the researcher to organize his/her thinking and complete an investigation successfully. it must explain the relationship among inter linked concepts (Kombo,2005).

Figure 2: Conceptual framework on effectiveness of marketing on extension of coverage to the informal sector.



Source: Adopted from Kikula (2010)

The framework indicates the role of marketing on the issue of extending social security services to the informal sector. The studies indicate that people of informal sector are poorly informed on social security scheme services and also they have poor perception on them. This makes them difficult to voluntarily join to the schemes. The framework suggests that social security institutions should institute the marketing development in the context of the informal sector so as to extend the coverage. This will enable the social security institution to increase their membership sizes due to the fact there are about 15 million people who are not covered by this schemes and only 0.9 million who are covered

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The purpose of this chapter is to describe the research methodology that the researcher used in this study. It includes study area; research design; Population, Sample and sampling method and procedure. It also includes Data collection methods.

This chapter presents the research design and area of study, sample and sampling techniques, nature of data and its sources, collection techniques, data analysis and the strategies that were persuaded to ensure validity and reliability of data and information.

3.2 Area of the Study

The researcher carried out the study at National Social Security Fund (NSSF) in Morogoro municipal. The selection of the scheme was due to the fact that NSSF has been said to be the only Fund which has more than five hundred members in informal sector, and also NSSF has many products with which will be marketed to the informal sector people and make them attracted to join the scheme.

3.3 Research Design

Researcher employed a cross sectional research design while conducting the study. Selection of this research design stem from the research question. As De vaus (2001) argues “the function of a research design is to ensure that the evidence obtained us to answer the initial question as unambiguously as possible”. This study aimed to explore practice and the experience, perceptions and views of a sample worker of who work with NSSF and people of informal sector. The research was therefore based on cross sectional design. The researcher administered questionnaire to collect data from sampled individuals. This design involves the collection of data on more than one case at single point in time (Bryman, 2004). While cross sectional study is typically associated with quantitative it is also often employed in qualitative research as De Vaus (2001) argues that there is no reason why qualitative or quantitative data are more appropriate for the logic cross-sectional design. For the case of this study both qualitative and quantitative were employed.

3.4 Population and Sample size

A Population is a group of individuals, objects or items from which samples are taken for measurement (for example a population of students).population also refers to the larger group from which the sample is taken and lastly Population is any precisely defined set of people or collection of items which is under consideration (Hussey and Hussey, 1997)

3.4.1 Study Population

For the purpose of this study, population consists of 623 people that were involved in this study for the purpose of collecting the required information, and this included NSSF employees, and people from informal sector (non-members and members) found in market place and other informal organized group. The study population from the group of employee includes management and other staff members directly handling the registration activities in their day to day operations.

3.4.2 Sample Size

Sample refers to the number of items selected from the universe to constitute a sample. Purposive sampling method was used for this study. This is deliberately non random method of selecting participants for research, which allows individuals to be selected because they have knowledge relevant to the research (Bowling, 2002).Therefore the sample size was 120 respondents drawn from the population 623 of NSSF Employees at NSSF morogoro office, and selected work force in the informal sector at morogoro market place, local garages and local carpenters. This aimed to ensure that participants were currently working with social security schemes or engaged in informal sector. The table 1 below shows the sample size involved in the study

Table 4: Sample size

Type of Respondents	Population	Sample size	Percentage of population
Managerial level	8	8	6.7
Employees (Customer Contact Personnel)	53	19	15.8
Workers in Informal Sector	562	93	77.5
Total	623	120	100

Source: Researcher Data, 2013

3.5 Sampling Procedure

The researcher employed purposive sampling technique, which is a non probability sampling design, based on assumption that it represents a 'typical sample' from the appropriate target population. The quality of samples selected by using this approach depends on the accuracy of subjective interpretation of what constitutes a typical sample. Also purposive sampling was adopted due to the fact that sample will be based on experience or knowledge of the group to be sampled.

3.4 Data Collection Techniques

The Researcher collected both sources of data, namely primary and secondary sources of data.

(i) Primary Source of Data

The researcher collected primary data through questionnaires and in depth interview. The data from both labourers in informal sector and NSSF staff were collected using this data collection instrument.

(ii) Secondary Source of Data

The researcher also collected secondary data through documentary review. The data were obtained from various records available at NSSF which include daily, monthly and annual reports compiled in the course of operation; research reports, published and unpublished; manuals; handouts speeches and presentations done in various seminars and meetings.

3.4 Data Analysis Method

Data obtained were analysed using a special computer program known as statistical package for social scientists (SPSS) package through descriptive analysis method.

All collected Data were put together and tabulated to determine the frequencies of score that enabled the Researcher to reduce Data into small portions which ware used for analysis and finally to draw conclusion

CHAPTER FOUR

RESEARCH RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents research results and discussion of the study focused on effectiveness of marketing in extending social security services to the informal sector. The findings and discussion arise from the analysis of the questionnaires and results of the study done to the NSSF directors, managers and supervisors as a group, the NSSF customer contact personnel; and workers from the informal sector. Quantitative and qualitative data were analysed using SPSS and Microsoft Excel Spread sheet. In most cases descriptive statistics were derived shown in frequencies and percentages.

The study undertook to explore the effectiveness of marketing in extending social security services to the informal sector. Presentation, analysis and discussion based on perceptions of the study groups on the research topic and their opinions together with suggestions for improvement.

4.2 Analysis of the Questionnaires

This part analyzes the questionnaires returned by the respondents. Researcher distributed three different types of questionnaires to three groups of respondents which sometimes warrant a separate analysis of each group.

4.2.1 Demographic Characteristics of the Respondents

This section looks at some pertinent characteristics or attributes that define the different groups of respondents. The analysis is hoped to give some insight on the effectiveness of marketing in extending social security protection to the informal sector.

4.2.1.1 Gender of the Respondents

Table 4.1 Summary of the gender distribution

	Male	%	Female	%	Total
NSSF Directors, managers and Supervisors	7	5.8	1	0.83	**8**
NSSF Customer contact personnel	10	8.3	9	7.5	**19**
Workers from informal sectors	48	40.0	45	37.5	**93**
Total	**65**	**54.16**	**55**	**45.83**	**120**

Source: Researcher Field Data, 2013

Table 4.1 reveal that in all three groups the number of male respondents slightly exceeds their female counterparts. In the group costumer contact personnel female workers who returned the questionnaires were 7.5 percent of the total respondents, and male workers were 8.3 percent. For the part of Directors, Managers and supervisors who returned the questionnaires, female worker was only 0.83 percent of the total respondents, and male workers were 5.8 percent. For the part of workers of informal sectors female respondents were 37.5 percent of the total respondents, and male workers were 40%. Despite this disparity, this snapshot is representative of the general population. The above finding shows that women are most disadvantageous group due to existing mode of life left them behind not only in formal sectors but also in informal sectors as Stevenson (1986) argued theoretical and empirical studies show that one of the disadvantaged groups from the economic point of view is women.

Also the findings from the table 4.1 reveal that the move of extending social security to informal sector should consider the women who are not involved in the informal economy and this group is most vulnerable when it comes to issues contingencies so this information is very useful in this study.

4.2.1.2 Age Groups of the Respondents

Table 4.2 Age groups of the respondents from Workers of Informal sector and NSSF Customer contact staffs

	18 - 25	%	26 - 30	%	31 - 40	%	41 - 50	%	51 - 60	%	Total
Workers in the Informal Sector	11	9.2	33	2.75	28	23.3	15	12.5	6	5	**93**
NSSF customer contact staff	0	0	5	4.2	6	5	7	5.83	1	0.83	**19**
Total	**11**	**9.2**	**38**	**31.6**	**34**	**28.3**	**22**	**18.3**	**7**	**5.83**	**112**

Source: Researcher Field Data, 2013

All the questionnaires distributed did enquire about the age distribution of the respondents, except those questionnaires distributed to NSSF directors, Managers and supervisors. The table 4.2 shows analysis of age distribution in the remaining two groups which gives a contrasting picture. A young generation makes up the most of the workers employed in the informal sector. About seventy two (72) which is 60 percent of the population under study is below 40 years of age. This is very important as a young workforce which contributes for a longer period. Though respondents are from young generation, this reveal that the large workforce remain uncovered so deliberate initiative and adequate planning should be taken to ensure there is social security program that covers the informal sector and this also will help the Social Security Fund to attain their goal of increasing membership size and help the government in poverty alleviation.

For the case of the people who deal with customers, the NSSF customer contact personnel are mostly comprise of young people, in the formal employment.

Fifty Eight (58) percent of the customer contact personnel at the NSSF are below 40 years of age which is equal 9.2 of sample under study. This may help understand, somehow, on the changes taking place in the social security sector, why the informal sector was not previously covered by the formal social security schemes and the current need to cover it.

4.2.1.3 Education Levels of the Respondents

Table 4.3 Summary of education distribution of respondents from informal sector and NSSF Customer Contact Staff

	Primary	%	Secondary	%	Bachelor	%	Masters	%	other levels	%	**Total**
Workers in the Informal Sector	23	19.2	58	48.3	11	9.2	1	0.83	0	0	**93**
NSSF Customer Contact staff	0	0	0	0	12	10	2	1.66	5	4.2	**19**
Total	**23**	**19.2**	**58**	**48.3**	**23**	**19.2**	**3**	**2.5**	**5**	**4.2**	**112**

Source: Researcher Field Data, 2013

This perhaps giving the picture and determines the effective marketing strategy that can be employed in the extension processes. Table 4.3 reveals the education distribution of the respondents and show that almost all of the respondents from the informal sector have a primary or secondary education except twelve (12) only which is marking up 10 percent of the respondents have a higher education. To a great extent this may help to determine which is the most appropriate marketing strategy that can be employed in the informal sector so as to extend the coverage of social security protection. Low level of education means that most of the individuals employed in this sector are either excluded by the social security entities or exclude themselves.

They are neither provided the right information about social security protection nor do they have the means of getting this information.

On the other hand basing on their education, one can believe that the NSSF Customer contact personnel are capable of handling the move of extending social protections to the people of informal sector. Two (2) of the respondents have a masters degree which is marking up 1.66 percent while the other twelve (12) which is also 10 percent of the respondents have a bachelor degree, while only five(5) have other levels education these are certificates and diploma which is 4.2%. That means hardly seventy four (74%) of the 19 respondents staff have degree level education or above. This implies that the Fund has adequate capacity in terms of knowledge to cope with the speed in extending its services to the informal sector.

4.2.2 Analyzing the Directors, Managers and Supervisors of NSSF

There were kind of information sought from this group which is different from those of other group, this warrant a separate analysis as they are not described by most of the characteristic or attributes that were used to describe other groups.

4.2.2.1 Job Titles of Respondents

Table 4.4 Analysis of job titles of the NSSF directors, managers and supervisors

	Frequency	Percent	Valid Percent	Cumulative Percent
Benefit Manager	1	0.83	0.83	0.83
Chief Manager	1	0.83	0.83	1.66
District fund Officer	1	0.83	0.83	2.5
Manager Admin	1	0.83	0.83	3.32
Principal officer	1	0.83	0.83	4.15
Principal Officer	1	0.83	0.83	4.98
Senior Officer	2	1.66	1.66	6.7
Total	8	6.7	6.7	

Source: Researcher Field Data, 2013

It was thought appropriate to group respondents according to their job titles at NSSF, as it can be seen in the analysis made in Table 4.4. The table reveal that 2.5 percent are Managers and one them Chief Manager, 2.5 percent are principle officers and 1.66% are senior officers, though some of them are just supervisors, but they provide important information to the middle and top management and the others directly support the top management in decision making, hence their opinions are considered important in the whole process of extending social security protection to the people of informal sector.

4.2.2.2 Years of Employment at the NSSF

Table 4.5 Analysis of directors, managers and supervisors years of employment with the NSSF

Years	Frequency	Percent	Valid Percent	Cumulative Percent
14	1	0.83	0.83	0.83
15	3	2.5	2.5	3.33
17	1	0.83	0.83	4.2
20	1	0.83	0.83	5.03
21	1	0.83	0.83	5.83
37	1	0.83	0.83	6.7
Total	8	6.7	6.7	

Source: Researcher Field Data, 2013

The second important factor that the study looked at was the number of years they have been with the NSSF. Table 4.5 above shows the analysis of the years of employment with NSSF. This is considered important in gauging the calibre of the people in the decision making positions in the organization and if they are the right people expected to carry the organization forward.

From the analysis made shows that most of the respondents have worked with the organization for over 14 years. This means that most of the people occupying the senior positions are people with long experienced. Their work experience in the Fund, indicate that they have experience various changes taking place in social security industry, so will not be difficult to them to adopt the new strategy in extending services to the informal sector.

4.3 Membership Status

Table 4.6 Analysis of membership status of workers in the informal sector

Status	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	17	14.2	14.2	14.2
No	76	63.3	63.3	100
Total	93	77.5	77.5	

Source: Researcher Field Data, 2013

Table 4.6 indicates information regarding membership in social security firms by respondents in the informal sector:

The fundamental aim of social security is to give individual and families the confidence that their level of living and quality will not, in so far as possible, be greatly eroded by any social or economic eventuality but this is not the case to people of informal sector. Workers in informal sector are typically not covered well by formal (in many cases not at all), structured pension systems compared to workers in the formal sector - who normally join either mandatory or voluntary pension systems, or both. The workers from the informal sector most of the cases may also come from lower income and uneducated groups, meaning their knowledge and understanding of pension and saving products is also limited, and their resources for long-term savings scarce. . Statistics and studies show that a partly portion of this sector is covered by formal social security schemes. This is evidenced by fact provided in the current study where seventy six (76) out of ninety three (93) which is 63.3 percent of the respondents who are workers in the informal sector said that they have never been members in any social security firm, while the remaining 14.2 percent happened to be members when they were working in the formal sector.

This state of affairs is extremely alarming since most social amenities such as better education, better med-care are becoming more and more monetized and priced out of reach of majority of the population, and this is new great business opportunity the security funds can utilize so it is the time for funds to come up with strategies to use the chance.

4.4 Marketing development in the context of informal sector.

4.4.1 Analysing marketing efforts done by social security fund in the context of informal sector

Surely what we saw in the last section – section 4.3 indicates that much is to be done if really the intention of the Social security funds is to materialize. One of the basic principles in marketing is that the business should know their customers. On this regard social security funds should also understand its market, how the market perceive them, this being current and potential market. This section will inquire if genuine marketing efforts have essentially been invested to address the worries of the industry and those of the stakeholders.

The first step would be to understand your customers, their needs and their perceptions of you – the ‘know your customer’ concept. Obviously this requires an investment in acquiring such knowledge. So the basic question here would be if proper marketing research was carried to understand the workings of the informal sector, their fears and perceptions and how to overcome the hurdles.

Table 4.7 Analysing marketing efforts done by social security fund in the context of informal sector as responded NSSF Management

	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	5	4.2	4.2	4.2
Neither Agree nor Disagree	2	1.66	1.66	5.88
Agree	1	0.83	0.83	6.7
Total	8	6.7	6.7	

Source: Researcher Field Data, 2013

Table 4.7 reveals the information regarding the marketing efforts done by social security funds gathered from Directors, Managers and supervisors at NSSF. When this question was put to eight (8) Directors, Managers and supervisors at NSSF, almost in unison they disagree that social security funds has done a lot to market its services to informal sector. Only one (1) which is 0.83 percent thought that there were marketing efforts being done and 1.66 percent of them they are neither agree nor disagree on the matter. These findings impliedly means that social security funds in reality do not seriously engage in covering the people of informal sector.

Table 4.8 Analysing marketing efforts done by social security fund in the context of informal sector as responded by people of informal sector

	Frequency	Percent	Valid Percent
I am not sure	8	6.66	6.66
No efforts made	82	68.3	68.3
Yes there are some efforts made but not enough	3	2.5	2.5
Total	93	77.5	77.5

Source: Researcher Field Data, 2013

Table 4.8 reveals the information regarding the marketing efforts done by social security funds gathered from people of informal sectors, when this kind of question was put to ninety three (93) people of informal sector if they see any marketing efforts done by social security fund to them, 68.3 percent of the respondents, in unison they see no marketing efforts made to them and this made them to be unaware of what is going in social security schemes, eight (8) respondents which making up 6.66 percent there are not sure if there are marketing efforts made and only three (3) respondents which making up 2.5 percent they say yes there are some marketing efforts but not enough.

However evidence from secondary source consulted reveal that NSSF did some efforts to market their product in informal sectors. For example in Mwanza, NSSF running a campaign to the attention of small scale gold miners to register for the funds services also in Geita through NSSF Social Health Insurance Benefits attract the fishing community to join the fund.(Hifadhi news 2013)

It seems that more efforts are highly encouraged to market their products to the people of informal sectors so as to extend the coverage whilst increase the revenues of the fund but the table 4.8 shows that much should be done in terms of marketing.

4.5 Public awareness toward the services offered by social security schemes

4.5.1 Analysing the reasons for not joining to social security schemes to the people of informal sector

Table 4.9: Responses on the reasons for not joining to social security given by the workers in the informal sector

	Frequency	Percent	Cumulative Percent
I do not have any information about social security	87	72.5	72.5
Other reason/Not applicable	6	5	77.5
Total	93	77.5	

Source: Researcher Field Data, 2012

Where the inertia by the informal sector employees to join the formal social security? Table 4.9 reveals the reasons put forward by the informal sector: The main reason put forward by the majority of those employees in the informal sector not joining any social security fund was little or lack of knowledge about social security schemes this might be on how to join, how to contribute and how to benefit and what are the benefits.

Who is the illegible member and how to join to social security schemes? Obviously, they have to understand what that schemes stands for in the first place, how do they fit in and ultimately how will they benefit. The statistics in table 4.9 above begs a very fundamental question: Does the informal sector understand the services offered by these funds? It seems that most of the workers in the informal sector only know about the presence of the social security Funds especially the NSSF just because of its investments like kigamboni bridge , but do not know what the essence of the fund what the funds do and what can do for them.

4.5.2 Do the people of informal sectors understand the services offered by social security institutions?

Table 4.10: Responses on whether workers in informal sector understand the services offered by social security institutions

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	47	39.2	39.2	39.2
Disagree	18	15	15	54.2
Neither Agree nor Disagree	24	20	20	74.2
Agree	3	2.5	2.5	76.7
Strongly Agree	1	0.83	0.83	77.5
Total	93	77.5	77.5	

Source: Researcher Field Data, 2013

The table 4.10 reveals the information on the question of whether workers in informal sector understand the services offered by social security institutions when was put to the people of informal sector, forty seven (47) which is 39.2 percent of the respondents strongly disagreed, Eighteen (18) of them which is 15 percent disagree. Twenty four (24) which is 20 percent of the respondents were not sure, leaving only four (4) which is 3.33 percent in affirmative.

The findings in table 4.10 above impliedly show that less has been done to reach out to the informal sector. Though the social security funds have already started the move, the response obtained from this study should be considered as a wakeup call and take this challenge and work with it very seriously. It is believed that the social security fund that will recognize the business potential of the informal sector and enter this market before others will have landed a 'business sucker punch' and reap the benefits for many years to come. The cost of entry will likely be huge in future and premiums may be required in the form advertising, promotions, and public campaigns to make people to join them and as others will have already occupied the market.

4.5.3 Lack of adequate public education seems as hurdle for informal sectors to have social protections

Table 4.11 Survey on public education results

	Strongly agree	%	Agree	%	Not Sure	%	Disagree	%	Strongly disagree	%	Total
Workers in Informal Sector	1	0.8	6	5	23	19.2	30	25	33	27.5	93
Costumer contact staff	0	0	3	2.5	4	3.33	12	10	0	0	19
Directors, managers, Supervisors	0	0	3	2.5	3	2.5	2	1.7	0	0	8
Total	1	0.8	12	10	30	25	44	36.7	33	27.5	120

Source: Researcher Field Data, 2013

A survey on whether there has been adequate public education (see table 4.11 above) , particularly the informal sector, about social security protection shows that many of those asked believe that there is inadequate public education. The results shows that, seventy seven (77) which making up 64.2 percent of the respondents disagreed (33 of them strongly disagree) to the statement that adequate public education has been given on social security.

If the thirty (30) which is 25 percent of the respondents who are not sure about whether adequate public awareness on social security are added to that number then we can see that one hundred and seven (107) which is making up 89.2 percent of the respondent do either agree that not enough effort has been made or are not sure that adequate effort has been made to educate the public.

The majority of the informal sector workers have no information and inadequate efforts have been made to reach out to them and inform them about social security services. If social security schemes want to win this market they must do something.

Also this is evidenced by the fact that even the NSSF employees interviewed the customer contact staff and the other group of directors, managers, and supervisors – think that not enough has been done: only six (6) which is 5 percent of the respondent just agreed that enough public awareness has been done, whilst other seven respondents (7) which is 6 percent were not sure and leaving fourteen (14) of the respondents which is 12 percent not agreeing. These statistics draw a certain picture that the security funds still are not yet discover the potentiality of market in the informal sector and this is not only but the statistics in table 4.11 do just that and more. From those statistics, the big question is, have the social security funds made adequate efforts to educate the public, and particularly the informal sector about social security protection? It is not known if the answer is both yes or no.

Also the public education must reach to those policy makers, For instance in the last year amendments of social security law in Tanzania, especially on administration of benefits to members put them in cross road and come up with so called withdraw saga though later revoked. There was total confusion when listening to the members of parliament debates; the ones who passes the bill or when listening to the people contributing to the topic on TV talk shows or when reading comments written by various people in newspapers. This poses another question; do members of parliament and public at large understand the aims of establishing social security funds, and how the funds are supposed to operate? From the discussions, one can say the answer is both yes or no. The foregoing observations provide a big challenge to the social security funds in addressing and removing this confusion.

On the other hand how do you get the informal sector to join the formal social security schemes? Obviously, by making them aware of what is going on in social security especially the products of social security schemes and its benefits to them. What has been done to ensure this variable are in place? When asked to opine on why most of employees in the informal sector do not have social security protection, the often stated the same reasons which were; little or lack of adequate information about social security protection; and low and unstable income.

4.6 Value added to the customers of social security schemes

4.6.1 Analysis of the systems of offering benefit to social security

Table 4.12 Are Workers in the Informal Sector Satisfied with Benefit Payment Systems of Social Security Schemes?

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	34	28.3	28.3	28.3
Disagree	17	14.2	14.2	42.5
Neither Agree nor Disagree	39	32.5	32.5	75
Agree	3	2.5	2.5	77.5
Total	93	77.5	77.5	

Source: Researcher Field Data, 2013

Table 4.12 gives the statistics that most of the people of informal sectors they disagree with the proposition that people of informal sectors are satisfied with benefits payment systems of social security scheme and here is where the worries come. For example, informal sector employee were asked if they satisfied with the system of offering benefits in the security funds, fifty one (51) respondents which is 42.5 percent they disagree and thirty four of them strongly, while thirty nine (39) which is 32.5 percent are not sure and only (3) which is making 2.5 percent they just agree.

One of the damning finding that came out of the questionnaires is that the inertia by the informal sector to join social security schemes in the country stems from the fact that they are not well informed about the social security benefits offering systems, people of informal sector they have poor perceptions on the social security systems of offering benefits and others are not sure if those benefits are there in place and they believe that these social security funds are just for political ambitions of the rulers.

The finding from the table 4.12 paint the picture and as the people says ‘picture tells a thousand of stories’ and true to word, the statistics in table above do just that and more. From those statistics shows that a lot should be done to change the perceptions of people of informal sector so as to extend the social security services to them.

4.6.2 Benefits offered by social security Funds meets informal sectors needs for social protection

Table 4.13 Responses on whether the benefits offered by social security funds meet the needs of the informal sector.

	Strongly agree	%	Agree	%	Not Sure	%	Disagree	%	Strongly disagree	%	Total
People of informal sectors	0	0	3	2.5	39	32.5	17	14.2	34	28.3	93
Customer contact Staff	4	3.3	10	8.3	1	0.83	1	0.83	3	2.5	19
Directors, managers, Supervisors	0	0	4	3.3	3	2.5	1	0.83	0	0	8
Total	4	3.3	17	14.2	43	35.9	19	15.8	37	30.8	120

Source: Researcher Field Data, 2013

Table 4.13 above indicates that fifty six (56) of respondents which is making 46.7 they disagree and thirty eight (38) of them strongly whilst forty three (43) respondents which is 35.9 percent are neither agree nor disagree and leaving twenty one (21) which is making 17.5 agree that the benefits of social security meet the need of the people of informal sector and two (2) of them strongly,

Since they have no education about the benefits offered by social security funds and they are marketed to them what benefits will accrue to them if they join social security schemes, workers in the informal sector believe that the benefits offered are do add value. This observation is surely made from the point of ignorance rather than based on an informed analysis. No wonder then that when asked about this only few of the workers in the informal sector had a positive response.

4.7 Perceptions of the people of informal sector toward social security schemes

4.7.1 Is the Informal Sector Happy with the General Administration of the Social Security Funds?

Table 4.14: Responses from the informal sector on general administration of the funds

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	33	27.5	27.5	27.5
Disagree	20	16.7	16.7	44.2
Neither Agree nor Disagree	38	31.6	31.6	75.8
Agree	2	1.7	1.7	77.5
Total	93	77.5	77.5	

Source: Researcher Field Data, 2013

When people of informal sector they asked to rank their feelings about the general administration of the funds in the country (see Table 4.14) thirty three (33) which is making up 27.5 percent felt that the funds are poorly administered and these are strongly felt that, twenty (20) which is making up 16.7 percent they just felt are poorly administered, whereas thirty eight (38) which is 31.6 percent were not sure about the administration of the funds and only two (2) respondents which is 1.7 percent they just responded in a positive way. This does not paint a good picture at all and may give an indication of the daunting task ahead on extending social security services to this sector.

The table 4.14 indicates that people informal sector has poor perceptions toward the social security industry. They consider the general administration of the funds not to better, though this is rather interesting given the majority are not even members of these funds. They consider these security funds are only for the benefits of the minority and are governed for political rulers ambitions.

Table 4.15 Responses on whether the services are easily accessible

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	47	39.2	39.2	39.2
Disagree	16	13.3	13.3	52.5
Neither Agree nor Disagree	21	17.5	17.5	70
Agree	6	5	5	75
Strongly Agree	3	2.5	2.5	77.5
Total	93	77.5	77.5	

Source: Researcher Field Data, 2013

Table 4.15 indicates that people of informal sectors also were not happy with the availability social security services as they feel that the services are not easily accessible. Forty seven (47) of the respondents which is making up 39.2 percent strongly thinking that social security services are not easily accessible, whereas sixteen (16) which is making 13.3 percent they are just think social security are not easily accessible. Twenty one (21) which is 17.5 percent were not sure and only nine (9) respondents which is 7.5 percent agree that social security services are easily accessible and three (3) of them are strongly agree. This also is not a good sign for social security funds because accessibility of services is a pivotal in the whole process of extending social security to the informal sector especially when marketing is the strategy.

However evidence from some secondary data sources consulted shows that NSSF to ensure services are provided effectively to the members, the fund spread all over Tanzania. The services include registration of employers and members, receiving of contributions from employers and payment of benefits to the members. These services are available in all regional and district offices where as there are 27 regional offices 12 district offices and 23 sub-district offices and for members living in Zanzibar can access NSSF services through the offices of the Zanzibar Social Security Fund (ZSSF) since there is cooperation between NSSF and ZSSF on matters related to benefit payments. (NSSF Operation Guide 2013).This is a good sign and places NSSF at a pivotal position in comparison with peer funds.

4.8 Options for Extending Social Security to the Informal Sector

Table 4.16 Summary of NSSF employees' opinions on 'what should be done

	Customer contact staff		**Directors, managers, Supervisors**		**Total**	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
More public awareness campaign and improvement of services	16	13.3	6	5	22	18.33
Creation of enabling environment	2	1.66	0	0	2	1.66
Government political will	1	0.83	2	1.66	3	2.5
Total	19	15.8	8	6.66	27	22.5

Source: Researcher Field Data, 2013

In spite of the fact that, the aim of the study is to show the effectiveness of marketing in extending social protections to informal sectors, the study also unveils the options for extending the services. Table 4.16 shows responses of the respondents on what should be done. It is no wonder then that when NSSF employee respondents were asked what should be done in future the majority; twenty two (22) which is 18.33 percent, responded by saying that there is need of more awareness campaign and improvement of social security services. Others proposed other measures on creating enabling environment of the people of informal sector two (2) respondents which is 1.66 percent and only three (3) respondents which is making up 2.5 percent proposed on the need of government political will in the move of extending social protections to the people of informal sectors.

It can be observed that the need of more public awareness campaign and improvement of customer services is considered paramount in extending social security services to this sector as it has been supported by large number of respondents; creation of enabling environment to the informal sectors even if it has been proposed by fewer respondents, it should be looked at critical eye by the social security funds. This is due to the fact that most of the people of informal sectors are unaware of what is going on in Social Security schemes.

The above observations are valuable as they touch significant angles on enhancing the move towards extending social security to the informal sector. The observations obtained from the study will help the social security schemes in making the move successful as they express the needs and wants of workers as well as the people who serves them; therefore, managements of the social security funds in Tanzania are advised to work on the findings and proposed actions so as to successful achieve the objectives.

CHAPTER FIVE

SUMMARY, CONCLUSION, POLICY IMPLICATION AND RECOMMENDATIONS

5.1 Introduction

This chapter summarize the study findings, conclusion and recommendations for corrective measures to challenges and options on extending social security services to the informal sector.

5.2 Summary of findings

The researcher intended to conduct a study at the NSSF and to a sample group of 125 people. The group includes the NSSF staff and workers in the informal sector. Both primary and secondary data were collected. Primary data was collected through use of questionnaires. The researcher managed to collect data 120 respondents from the population of 623 people. Most of the participants were male, despite the fact that a good number of female participated. People below 40 years make up most of workers in the informal sector, while the staffs at the NSSF were most of middle age. The other contrasting demographic feature is the education of the participants. Most of workers in the informal sector have primary and secondary education; while most of the NSSF customer contact staff have degree level and above, at the same time the group of the NSSF director, managers and supervisors seems to possess a good experience of social security as all of them have saved the fund for more than fourteen 14 years.

Findings from this study revealed that most of the workers in the informal sector have never been members in any formal social security scheme. Most of them claimed to have no education about these social security schemes. The study also reveal that workers in the informal sector do not understand services offered by social security schemes, either the public education given seems not to be adequate, other challenges includes low wrong perception about pension funds and lack of understanding by the informal sector of services offered by social security.

The findings also reveal that there were insufficient efforts done on the move to extend social security to the informal sector and social security funds have not put adequate efforts. Social security funds lack though understanding of their customers and their perceptions, while the benefits offered were also considered not to be adequate. Most of the workers in the informal sector were not sure about general administration of these funds and also if the services they offered are easily accessible.

To arrest this situation, there is a high need to employ good strategies of marketing that will enable the security funds to meet the objectives of extending services and to satisfy the requirement of their customers. The proposed measure in the study includes; increase of public awareness campaign and improvement of customer services and creation of enabling environment to the people of informal sectors.

5.3 Conclusions

This study has given an account of and the reasons of employing marketing strategies for the move of extending social protections to the people of informal sector. Marketing recently become the dominant phenomena in the field of service industries, application of marketing strategies in world today cannot be ignored by social security institutions as it is been done by other services oriented firms and bring positive impacts. So this study is set out to determine the effectiveness of marketing in the extension of social security services to informal sectors

The recent enacted Social Security Regulatory Authority Act No. 17 of 2008 which came up with members/customers freedom of choice forces social security institution to adopt market orientation by involving the entire organization in obtaining information about customers, competitors and markets, viewing the information from a total business perspective and decide how to deliver superior customer value.

Basing on the results of this study and the proposed model it is evident that the management and employees of social security Institutions in Tanzania do not apply marketing strategies in their services as insisted by marketing expertise as a result they do not deliver the expected superior customer value. Also by not doing so the people of informal sector remain uninformed on what is going so in social security schemes. The management of these social security Funds and not able to evaluate the potentiality of the informal sectors which in our country employ a lot of people compared to formal sector which these social security funds they concentrate on.

In implementation of the current move made by the ILO, ISSA, the social security institutions to extend the services to the informal sector should not left to the social security schemes alone, the government has a primary responsibility, and social security schemes should complement the efforts.

The work needs to be accomplished with the new look and innovative interventions. Efforts must also be devoted to inform and educate the public as a whole and this can be done by employing strategic marketing strategies, not just the informal sector. With appropriate marketing strategies, this move will be successful though it is not an easy task, but it can be done. All stakeholders being the government, social security schemes, communities families, and all other organizations should work together to ensure success on this.

5.4 Policy implications

The results of this study indicate that most of workers in Tanzania especially the young group are engaged in the informal sector. Apart from being a majority group they are left out of the social security system despite its significance in provision of income security, access to health care and availability of the vacuum to join. The evidence from this study suggests that;

i. there is need for major campaign reforming public awareness, training policies and systems of social security institutions on extending the services to the informal sector to be launched in order to promote the extension of coverage of social security;
ii. the government should give the issue of social security especially of extending it to the informal sector a higher priority and assist to offer technical assistance in appropriate cases;
iii. the government and social security funds are highly required to formulate the framework which includes review of Social Security law, Policy, regulations and procedures to insure they adequately covers the issues of the informal sector.

The study also implies that the individual productivity of this sector is very low. Though it is the responsibility of worker to ensure they increase their production, but the social security has big responsibility of ensuring that it creates an enabling environment so that worker in that sector can utilize that opportunity.

5.5 Recommendations

These findings suggest several course of action that the social security funds are required to increase effort to extend coverage to the informal sector, as they are seen to be insignificant. This includes;

i. The social security funds to analyse if the modes use to publicise their scheme are suitable for the intended group.
ii. To check if they have suitable structure and good framework to adequately cover the informal sector.
iii. To conduct thorough study on how they can best administer the sector and how best they can satisfy their needs.
iv. To determine and institute best communication channels suitable to the sector taking consideration of their education level.

5.6 Direction for future research

This study has thrown up many questions in need of further investigations. Data from this study were collected at one point of time while marketing strategies of service products and superior customer value are dynamic phenomena, a similar research can be done over a long time period of time using longitudinal data. This may prove the validity of the mode and questions used in this study. But also the same study can be done by increasing the sampling units and use other statistical techniques in data analysis to determine the significant relationship between the variables propos.

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APPENDICES

APPENDIX I

RESEARCH ACTIVITY SCHEDULE

Study is expected to be accomplished within 28 weeks with effect from January to July 2013.

Months →	Feb				March				April				May				June				July				August			
Duration in Weeks →	1	2	3	4	1	2	1	2	3	4	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Activities ↓																												
Research Proposal Writing																												
Submission of Draft Research Proposal																												
Proposal Improvement																												
Data Collection																												
Data Analysis																												
Report Writing																												
Continuous literature review																												
Submission of Draft Report																												
Report Improvement, Binding and submission of final report																												

APPENDIX II

FINANCIAL BUDGET

The financial budget for this study is limited to **TZS 1,400,000/=** only. The breakdown is shown in the table below:

Table 4: Financial Budget

S/N	Activity	Cost (TZS)
1	**Secretarial Services**	
	Printing of Research Proposal	50,000
	Type setting and printing of final report	100,000
	Photocopy and paper 3 rims @ 10,000	30,000
	Printing of questionnaires	20,000
	Binding report 10 copies @30,000	300,000
	Sub total – A	**500,000**
2	Telephone communication	200,000
3	Data analysis	200,000
4	Lunch and dinner during data collection	100,000
5	Transport	200,000
	Sub Total – B	**700,000**
	Total (A+B)	**1,200,000**
6	Contingency	200,000
	Grand Total	**1,400,000**

Source: Researcher data, 2013

APPENDIX III

DODOSO KWA WAFANYAKAZI WA TANZANIA WA SEKTA ISIYO RASMI

Ndugu mwananchi,

Dodoso hili linalenga kukusanya taarifa kuhusu wafanyakazi wa sekta isiyo rasmi kutokushiriki katika mifumo rasmi ya hifadhi ya jamii. Dodoso hili limeandaliwa na mwanafunzi wa shahada ya pili Chuo Kikuu cha Mzumbe ikiwa ni sehemu ya kumalizia masomo yake. Taarifa zitakazokusanywa zitabakia kuwa siri kwa msimamizi wa utafiti na hazitatolewa nje kwa madhumuni mengine zaidi ya matumizi ya kitaaluma tu.

Hivyo unaombwa kujaza dodoso hili kwa makini ili kufikia lengo lililo kusudiwa.

Sehemu A: Taarifa muhimu.

1. Jinsia a) Mume b) Mke [ ]

2. Tafadhari onyesha kundi la umri wako (miaka):-
   a) 18 – 25
   b) 26 – 30
   c) 31 – 40
   d) 41 – 50
   e) 51 – 60 [ ]
   f) Zaidi ya 60

3. Onyesha kiwango chako cha juu cha elimu
   a) Shule ya msingi
   b) Sekondari
   c) Shahada ya kwanza [ ]
   d) Shahada ya pili
   e) Nyingine (taja) ………………………….

4. Umewahi kuwa mwanachama wa mfuko wowote wa hifadhi ya jamii? (ndiyo/hapana)…………………………..

5. Kama jibu ni ndiyo, taja ni kwa muda gani? (miaka)…………………………….

6. Kama jibu ni hapa, toa sababu…………………………………………………
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Sehemu B:

Tafadhari onyesha kukubaliana au kutokubakiana kwako na sifa zinazoelezwa na kila kipengele hapa chini kuhusiana na mifuko ya hifadhi ya jamii. Andika namba unayoona inawiana na maoni yako kufuata utaratibu uliowekwa hapo chini:

5-Nakubaliana kabisa 4-Nakubaliana 3-Sina uhakika na hili 2-Sikubaliani 1-Sikubaliani kabisa

		1	2	3	4	5
a.	Mifuko ya hifadhi ya jamii imeandaa mazingira ya kuridhisha kuhakikisha wananchi wa sekta zisizo rasmi wanashiriki					
b.	Elimu ya kutosha imetolewa kwa wananchi kuhusu namna ya kujiunga katika mifuko ya hifadhi ya jamii					
c.	Wananchi wanaelewa vizuri kuhusu mafao yanayotolewa na mifuko ya hifadhi ya jamii					
d.	Mafao yanayotolewa yanaendana na mahitaji ya wananchi hasa wafanyakazi wa sekta isiyo rasmi					
e.	Mfumo wa utoaji mafao unawaridhisha wananchi hasa wa sekta isiyo rasmi					
f.	Uendeshwaji wa jumla wa mifuko ya jamii ni wa wazi na unawaridhisha wananchi hasa wa sekta isiyo rasmi					
g.	Huduma za NSSF zinapatikana kwa urahisi kila mteja anapohitaji					

i) Je kwa mawazo yako unafikiri ni sababu zipi zinawafanya watu wengi wa sekta isiyo rasmi kushindwa kujiunga na mifuko rasmi ya hifadhi ya jamii?

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ii) Unafikiri kuna juhudi za kutosha zimefanywa na taasisi za hifadhi ya jamii kuhakikisha watu wengi hasa wa sekta isiyo rasmi wanajiunga na taasisi hizo ili

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iii) Je unafikiri kuna juhudi zozote zimefanyika na mifuko ya hifadhi ya jamii kuzinadi huduma zako kwenye sekta zisizo rasmi

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ASANTE SANA KWA KUONYESHA USHIRIKIANO

APPENDIX IV

QUESTIONNAIRES FOR DIRECTORS, MANAGERS AND SENIOR OFFICERS

This study is premised in collecting information related to extending social security to informal sector. The study is conducted by Mzumbe University student who is carrying out a research as part of fulfillment of a master's degree program. Any information provided will strictly remain confidential to the researcher and will be used for academic purposes only.

You are there fore kindly requested to fill this questionnaire carefully so as to achieve the anticipated purpose.

Part A: Basic Information.

1. Sex a) Male b) Female [ ]

2. Indicate your designation/position.………………………………………………
3. For how long have you been in employment with NSSF? (Years)……………….

Part B:

Please indicate the level of Agreement or Disagreement on each of the following statements in the order provided below:-

5-Strongly Agree 4-Agree 3-Neither Agree nor Disagree 2-Disagree 1-Strongly Disagree

		1	2	3	4	5
a.	The National Social Security Fund has done a lot to market its services in informal sector					
b.	Adequate public education has been given to the society concerning social security benefits					
c.	Enough studies have been conducted on extending social security					

	services to informal sector					
d.	The Fund understands societies perception on social security services especially those working in informal sector					
e.	Poor economic condition of the employees in informal sector hinder their participation in formal contributory social security systems					
f	Disorganization of informal sector lead to difficult administration					
g	Adequate efforts have been made by the Fund and other social security Funds in extending social security services to informal sector					
h.	Workers in informal sector are well informed of social security systems					
i.	Benefits offered by Social security institutions meets informal sector needs for social protection					

Part C:

Please give your own views on the following questions concerning extending social security services to informal sector

v) Give your opinion concerning the speed of extending social security services to the informal sector…………………………………………………………………..
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w) Do you think there are efforts made to speed up the extension of social security services to the informal sector?

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x) What do you think should be done

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THANKS FOR YOUR CO OPERATION

APPENDIX V

QUESTIONNAIRES FOR CUSTOMER CONTACT PERSONNEL

This study is premised in collecting information related to extending social security to informal sector. The study is conducted by a student from Mzumbe University who is carrying out a research as part of fulfillment of a master's degree program. Any information provided will strictly remain confidential to the researcher and will be used for academic purposes only.

You are there fore kindly requested to fill this questionnaire carefully so as to achieve the anticipated purpose.

Part A: Basic Information.

1. Sex a) Male b) Female [ ]
2. Please indicate your age group:-
   a) 18 – 25 years
   b) 26 – 30 years
   c) 31 – 40 years
   d) 41 – 50 years
   e) 51 – 60 years [ ]
   f) Above 60 years
3. Indicate your level of education
   a) Primary education
   b) Secondary education
   c) First degree [ ]
   d) Second degree
   e) Others (mention) ………………………….

Part B:

Please indicate the level of Agreement or Disagreement on each of the following statements in the order provided below:-

5-Strongly Agree 4-Agree 3-Neither Agree nor Disagree 2-Disagree 1-Strongly Disagree

		1	2	3	4	5
a.	Adequate public education has been given to the society concerning social security benefits					
b.	People in informal sector understand the services offered by social security institutions					
c.	The Fund understands societies perception on social security services especially those working in informal sector					
d.	Poor economic condition of the employees in informal sector hinder their participation in formal contributory social security systems					
e.	Disorganization of informal sector lead to difficult administration					
f.	Adequate efforts have been made by the Fund and other social security Funds in extending social security services to informal sector					
g.	Workers in informal sector are well informed of social security systems					
h.	Benefits offered by Social security institutions meets informal sector needs for social protection					

Part C:

Please give your own views on the following questions concerning extending social security services to informal sector

(a) Give your opinion concerning the speed of extending social security services to the informal sector………………………………………………………………...
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(b) Do you think there are efforts made to speed up the extension of social security services to the informal sector?
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(c) What do you think should be done………………….
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THANKS FOR YOUR CO OPERATION