

EVOLUTION OF SOCIAL SECURITY SCHEMES IN AFRICA - THE CASE OF TANZANIA

In English speaking Africa and in particular among the former British colonies there was a relatively uniform framework for the social security system. Thus, in countries like the United Republic of Tanzania one could typically find the following provisions which date from the colonial or immediate post-independence period: but experience has revealed major weaknesses:

- Σ a non-contributory defined benefit pension scheme for permanent public servants and members of the armed forces (*the absence of a contributory fund combined with economic difficulties has resulted in a failure in most countries to maintain the real value of pensions*)
- Σ a provident fund for private sector employees and non-pensionable public servants including employees of state owned enterprises which was effectively a compulsory savings scheme based on earnings related contributions paid by members and their employers (*lump sum payments do not provide adequate long-term income security and contributions invested have often failed to produce a positive return*)
- Σ a range of other benefits such as workers compensation, sick pay, maternity leave, severance payments provided directly by employers under a legal obligation (*this has tended to result in friction between employers and workers and in some instances of evasion or discrimination*)
- Σ 000a public health care system providing generally free access to health care (*economic difficulties and structural adjustment programmes have resulted in an inability for public health care systems to deliver adequate health care*)

In addition, the percentage of the labour force covered by such provisions has remained low (often less than 10 percent of the population) with the majority of the labour force who work on their own account or in the informal sector excluded from coverage.

Many countries have in recent years undertaken reforms to address these weaknesses. In Tanzania, the Government has recognised the need for reform to take place within a national strategy to ensure coordination and consistency. There are several strands to the reform process. **The National Provident Fund which was established in 1964 is being gradually converted into a comprehensive social insurance scheme.** Its 20 percent contribution is being used to finance a much wider programme including not only pensions in respect of old age, invalidity and survivorship but also maternity benefit, employment injury benefit and health insurance. This involves a switch from the individual accounts of the provident fund system to the pooling of risks in a social insurance fund.

The proposal to introduce a health insurance scheme recognises the difficulty in relying on a public health care system. Already legislation has been enacted to establish a compulsory health insurance scheme for civil servants and their families. Furthermore, the non-contributory pension scheme for public servants is being replaced over a five year transition period by a new contributory scheme. Finally, steps are being taken to promote community and group based micro-insurance schemes to provide social protection to those beyond the scope of the schemes described above.

The ILO was invited to assist in the development of social security in Tanzania in 1990 through a

technical cooperation project. This focussed initially on governance issues for the National Social Security Fund and addressed administrative, organisational and computerisation problems to provide a sound basis for the structural reform. A current project is assisting in the planning and the implementation of the employment injury and health insurance schemes.

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