

# **Tanzania To Widen Social Security Coverage of Informal Sector**

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Dar Es Salaam - The International Social Association (ISSA) has launched its two-year social security scheme aimed at widening social security coverage to include the informal sector.

With this program, Tanzania becomes second in the Anglophone countries in the continent to embark on the social security changes.

The launching of the long awaited scheme was held yesterday whereby the ISSA Regional Program Manager, Nayantara Pathmarajah Banna who arrived in Tanzania to promote and launch the scheme officiated the function.

The ISSA held meeting with members of the National Social Security Fund (NSSF). According to Banna, in many developing countries, only a small minority of the populations had access to social benefits. He said in the more affluent countries, labor market trend upswing in part times employment, noting that undeclared work and self employment have often restricted access to benefits in recent years.

"Our scheme will mainly focus at eliminating factors that bar the informal sector from social security coverage," he said.

The NSSF Director General, Mr. Mustapha Mkulo said that his organization has recently looked into other areas of widening the fund. He said in order to succeed more efforts were needed especially in marketing, advertising, performance assessment measures and innovation. He did not explain on the coverage of the fund. However, studies indicate that most of present day pension industry only focuses on the pensionable employed citizens. This social group accounts for only three percent of the Tanzanian population. Tanzania has at least 10 separate statutory schemes, which are segregated and stratified. But all schemes cover employees in the formal sector of the economy which employ less than 15 percent of the population.

Some of these schemes are contributory and some are not. In 1998 the government tabled the Act called, The Government Pensions Act, 1998.

The aim of the legislation was to repeal the colonial Ordinance and introduce a social security scheme for government employee under pensionable service, but remained mum on the informal sector. The challenge confronting social security in Tanzania, according to various analyses, centres on how it can be broadened to cover unemployment insurance and universal health insurance.

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