

# The Plight of Social Pension Provision to Older People in Tanzania

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**Abstract:** *This paper attempts to examine the plight of social pension provision to older people in Tanzania. The main objective of this paper is four folds namely to examine the social and economic condition status of older people in Tanzania, to highlight the main contributions made by old people in social and economic development, to examine the challenges faced by older people and to examine the relevance of social pension provision among the older people in Tanzania. In an attempt to achieve the above objectives the paper used a desk review approach by reviewing different research papers, books and articles on social protection and ageing. The major findings reveal that whereas the old people are not homogenous their vulnerability revolves around their accessibility of income, social services, disabilities, gender and where they live (e.g. urban and rural areas). The findings further reveal that despite older people's contribution to the national economy as small farmers, fishermen, pastoralist and provision of other services they are excluded in formal pension system. The paper concludes that, extreme poverty amongst older persons is a reality in every region including Tanzania, lack of access to income, increased need for health care and dependency within the household are some of the factors that expose older persons to poverty. It is therefore argued that unless action is taken, the situation will deteriorate. The traditional reliance of many governments on contributory pension systems as the main source of social security in old age has left a significant portion of older persons unprotected. The study recommends that, the government must recognize social security as a human right issue and therefore they need to establish appropriate legal frameworks and design social pension schemes progressively to ensure access to social security for all. The paper further recommends that policy makers should see social protection as one of the essential component of a broader development strategy and thereby adopting a comprehensive and holistic approach to poverty reduction.*

## INTRODUCTION

Aging is a gradual change that occurs in maturation from infant to adulthood (Williams 2003). These changes involve a physiological decline seen in the middle and late adulthood of an individual. As people approach the adulthood they become weak, restrained, lonely and prone to various health problems (e.g. *stress, dementia, high blood pressure, upper and upper syndrome*) Experience reveals that, many developing countries are increasingly facing difficulties of supporting their older population (Du Guerry 1997; Cohen & Manken 2006). Many old people in the developing world are self-employed working in the agricultural and non-formal sector without receiving regular wages. Because of that, their income is not only

undefined but also irregular and periodic. It is for these reasons the majority of older people are not part of any formal pension system. In this paper an attempt is made to examine why the provision of social pension in Tanzania continue to remain a non-starter. The paper is divided into four main parts. The first part highlights the status of older people in Tanzania, by examining their social and economic condition. The second part highlights the main contributions made by old people as senior citizen in Tanzania and challenges they face. This part is aimed at creating a basis within which social pension should be provided. The third part of the paper discusses what social pension is and its relevance in promoting the livelihood of the old people. The last part of the paper is a concluding remark.

### **The Social and Economic Condition of Older People in Tanzania**

Tanzania is characterized by a general poverty situation whereby a large part of the population is generally poor or is at risk of falling into poverty (URT 2003). According to Lindeboom and Leach (2010), households with elderly and children only are by far the poorest in both rural and urban areas. 45 percent of these households are below poverty line compared with 33 percent of households with at least one adult of working age. Most of these older people are female headed households constituting 62 percent. It is within this context that, old people appears to be amongst the age groups which also live in poverty situation mostly in the rural areas. Scholars such as Mboghoima & Osberg (2010), Devereux (2011) and Muzzin & Lindeboom (2008) assert that, the lives of older people in developing countries like Tanzania have been dramatically influenced by the ongoing social and economic changes which have undermined the traditional extended family relations which provided care for the elderly. It is further interesting to note that, the ongoing changes are also observed in the predominant value system in our societies. It is for example increasingly becoming clear that there is a diminishing importance of the traditional role of the elderly within their communities. In the recent past the elderly were responsible for advising the younger generation, however of late the elderly are accorded low status and disrespect in many societies (Mwami, 1997).

The status of old people is further threatened by increasing rate of urbanization, migration of youth, growing rate individualism tendency and the desire for independence and autonomy among the young adults who strive to sustain their own lives (Munro, 2002). In the era of rapid globalization coupled with the intensification process of universalization of capitalist relations associated with neo liberalism as its ideological discourse, the poor and socially excluded groups such the older people are increasingly finding it difficult to escape the chronic poverty trap (Mwami op.cit). Such a situation puts a large number of old people who live above the poverty line at risk of sliding into poverty, hence increasing vulnerability to changes in global market and a greater concentration of social and economic difficulties on less powerful classes of people.

According to a study done by ILO and Help Age International the old people live at the bottom of the socio-economic strata (URT 2010). The situation is worse in Tanzania where older people are the primary carers for 40 per cent of Tanzania's 2 million orphans and vulnerable children (HAI, 2006). These children depend on older people to meet their food, health and educational needs. HIV/AIDS epidemic

in sub Saharan Africa has further magnified the problem to the older people to care these children. Those dying from HIV/AIDS are mostly young, energetic and economically active adults. Older women are more vulnerable to the combined effects of social economic changes and HIV epidemic (Nunn et al 1994). By 2015, the number of Orphans and Vulnerable Children (OVC) is set to rise to 4 million. It is in this context that, addressing old age poverty is increasingly becoming a key issue in tackling chronic poverty among the older in Tanzania. Often older persons care for relatives infected with HIV/AIDS, as well as look after their orphaned grandchildren. In recent times it is interesting to note that, older people are increasingly taking on full-time caring roles.

Ageing has also a direct connection with gender which merit out attention. It is generally accepted that women tend to live longer than men resulting to higher number and proportions of older women than men worldwide (Myers 1992; Foster 1995). Women outlive men in nearly all societies and in these additional years of life women often experience poor health and increasing disability (Tout 1989; HAI 2002). While old women tend to have stronger social networks than old men, lack of access to regular income (which enables savings), and increased gender based violence increases their level of vulnerability.

Older women are said to be more vulnerable than older men. It is argued for example by Rwezaura (1989) that, older women, confront difficult conditions much as they usually take care of their children and family, an activity that puts them in a disadvantaged position the older they become. The data provided by the National Household Budget Survey (2007) provides the results of this analysis with poverty indicators disaggregated by sex, age and household type, along the line proposed by Gassmann and Behrendt (2006). Apart from difficult conditions faced by women, it is worth mentioning that in many societies being widowed or single either through divorce or never having married profoundly changes a women's status in society. Such situation is further compounded by low level educational attainment and low social status attached to women in developing countries. Lower educational attainment and lower social status limits the capacity of old women to access services and legal protection and to participate in their communities.

The HIV/AIDS epidemic in Tanzania magnifies the problems even further. Those dying from HIV/AIDS are mostly young people, economically active; women specifically older women are more vulnerable to the combined effects of socio economic changes and HIV/AIDS pandemic. Care giving for the sick and the children is traditionally women's task (Du Guerny 1997; Mbwete 2014). What does this mean? It means HIV/AIDS has put an additional burden on the elderly who no longer have a reliable social security support system. In contemporary societies where everything has been commoditized Mbwete (ibid), the older people become more vulnerable as they cannot afford to meet the most basic needs.

The majority of old people in Tanzania live in rural areas where they live by cultivating land, and engaging themselves in informal activities. Within this framework most of the old people who were formerly engaged in agricultural (mainly subsistent) and other informal activities do not have any defined formal

pension system. It is only those old people formerly employed in the formal sector who enjoy the pension facility though the pension they receive is not enough to make both ends meet. Historically the provision of formal social security was largely based on the capitalist mode of social security system which was developed during the 19<sup>th</sup> century and later adopted in developing countries through the process of colonization. Monton (1976) clearly shows that social security in African countries introduced by the British and French were relatively homogenous. The model of social security was aimed at maintaining labor productivity, reinforcing work performance and hence realization of profit (Kasseke, 1950).

### **Contributions of Older People in Social and Economic Development**

Although the older people in Tanzania constitute a relatively small proportion of the population, they continue to play a key role in Tanzania's economic and social development at household, community and national levels as evidenced below.

#### **(a) Participation in the national economy**

Older people had and continue to contribute to the national economy both directly and indirectly throughout their lives. Older people in developing countries have worked throughout their life in different sectors of the economy. This kind of work is often irregular and poorly paid, and therefore few have been able to save for old age. According to ILO (2006, 2008), 96% of old people in Tanzania do not have a secure income and because of that they have to work throughout old age. The majority of these continue to contribute to general tax revenue through consumption taxes on goods and services. In a country where the economy largely depends on agriculture and whereas the old people have been throughout their life the main contributors, they deserve a special consideration in the national social protection agenda. Unfortunately, in most African countries fewer than one in ten older people receive a pension.

#### **(b) Caring role**

As the informal networks of support has and continue to change, older people are increasingly becoming the primary carers for pre-school age children. In recent times older people are increasingly taking on full-time caring roles. There is also considerable evidence which reveal that older people often voluntarily direct household resources in favor of children rather than maximizing their own welfare. Hence apart from caring for themselves, they have also take care thousands for orphans and vulnerable children by providing them with the necessary basic needs. According to the study conducted by Lindeboom (2010), over 11% older people lived with children only and 1.7% of Tanzanian children resided in households with old people.

#### **(c) Promoting Social Cohesion**

Older peoples' contribution is felt most at the community level, through a range of unpaid and often unseen services at family and community level and play a role in shaping the capabilities of younger generations. Accounts from village councilors and committee members described how older people play a vital role in maintaining moral standards amongst younger generations. They are also considered the custodians of culture and history and play a significant role in promoting social

cohesion through conflict resolution. In other words, older people, have vast experience of mediating inter-household tensions. Their memories of debts and repayments as well as complex kinship relationships are vital for the social fabric of the community, which relies on a level of social reciprocity. In addition it can be said that they too are vital in maintaining social fabric particularly during the ongoing social, economic and cultural change.

### **Challenges of ageing**

Old age tends to have devastating impacts and challenges not only on the older people themselves but also to their families. Some of these challenges include unreliable income to maintain their livelihood and unstable health conditions as explained below.

#### **(a) Income Security**

One of the challenges facing population ageing includes getting a regular income at old age. Income security refers to the level of income (absolute and relative to needs), assurance of receipt, expectation of adequate income in the future, both during a person's working life and in old age (Friedan, 1994). Whereas income security seems to be a concern for all age groups, it becomes even more critical for older people, because it has a significant impact on the welfare and wellbeing of older people and their families. In Tanzania for example, households, which have older, people over 60 years and children experience high poverty level (URT 2003). In countries that are worst affected by HIV and AIDS, older people's income and their role as carers are a vital part of the household economy. As many younger adults migrate to urban areas seeking employment, older people stay at home to care for children, while expecting to receive income from their children in urban areas. The income in most cases has not been consistent, hence making older people to support their adult children and grandchildren. A study in Indonesia found that older people with savings or pensions financed their children when they were unemployed or ill, and did not necessarily receive reciprocal support.

#### **(b) Maintaining Good Healthcare**

Maintenance of good healthcare among the old people as they grow is another challenge. Old people are at risk not only from infectious diseases, but also the exponential rise of non-communicable diseases such as cancer, heart diseases, diabetes and dementia, which disproportionately affects older people, which requires a concerted response from health service providers (Chambers 1995). In the face of chronic physical frailty and psychological support needed at older age (Cohen and Manken op.cit), it is critical to address the health care and psychological needs of the old people in both rural and urban areas. Ironically despite the existence of provisions of free medical services to old people in both Health and National Ageing Policy in Tanzania, older people do not obtain free medical services due to bureaucratic procedures. According to Help age Tanzania (2010) there have been frequent complaints on the lack of prescribed medicines in various dispensaries and health centers. For sure the expenditure on long term care is certain to increase with the ageing. This is a challenge because older people have no income to prevent and incur cost for medical treatments. Older people who do not

receive the necessary support become more reliant on their families, relatives and friends. Older people who have no one to depend upon suffer most hence making older people living dangerously and at more risk.

### **What is a Social Pension?**

Social pensions are regular cash transfers paid to old people by their government. Unlike contributory<sup>3</sup> pension schemes<sup>4</sup>, social pensions do not require any previous contributions from the recipients (Willmore 2007). As already highlighted above, the mere existence of a social pension assumes that old people have paid some form of tax and made other contributions to national social and economic development (Armando 2003). Social pensions provide a basic minimum income which is critical to ensuring that older people do not fall into poverty. Experiences of countries like Zambia, Kenya and Uganda reveals that, where social pensions is provided, older persons share their benefits with the members of their household, buying food, supplies, and providing clothes and school materials for their grandchildren.<sup>5</sup>

### **The need for social pension**

Governments in developing countries have recognized the impact of social pensions on reducing old age and intergeneration poverty. Governments of countries like Nepal, Lesotho, Bolivia and South Africa are among 80 countries which have set up social pension to older people (HAI, 2005). Forty seven (47) of these countries are low and middle income countries. Tanzania as one of the low/middle income countries is not an exception.<sup>6</sup> She experiences more or less similar social and economic conditions and therefore the need for adopting a similar strategy of addressing old age poverty. The need for social pension in Tanzania further revolves around the following factors:

#### **(a) The need to maintain a minimum standard of living**

The general purpose of a pension plan is to provide individuals a security for the remaining period of their lives. It aims at providing the member with a reasonable living standard after they retire and avoid the need to fall back below the poverty line. The existence of enormous gap in the area of old age income security serves to undermine the effectiveness of other social protection policy measures (URT 2010). For example, while exemption from healthcare user fees has been granted,

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3 Contributory pension schemes include schemes like national social security fund (NSSF), Local Authority Pensions Fund (LAPF), Public Service Pensions Fund (PSPF), Government Employees Provident Fund (GEPF), Parastatal Pensions Fund (PPF), National Health Insurance Fund (NHIF), and Zanzibar Social Security Fund (ZSSF)

4 The pension is known to be paid employed in the formal sector where the employer contributes money to the pension plan while you are working. A formula determines how much money the pension will provide to you once you are retired. However in some societies the pension is provided to some widows and disabled people. There are many different types of pensions, including defined benefit plans, defined contribution plans, as well as several others.

5 The provision of social pensions has proved extremely successful elsewhere in Africa. Recent examples of several poor countries that have implemented a social pension system show that they are neither complicated nor very costly. In fact, financial projections show that social pensions take less than 3% of a national budget. Zambia, Kenya and Uganda are cases in point where the schemes have been implemented. Evidence from these schemes has shown that social pensions not only reduce old age poverty but also make wider contributions towards achieving national social and economic development objectives. Whereas in some countries they have attempted to provide social pension through means testing (e.g. targeting the poorest old people), we are arguing that, the provision of universal social pensions is simplest and has a range of important advantages

6 Evidence shows that not only do social pensions reduce old age poverty but they also reduce intergenerational poverty. For example, pension income is spent on children in the household leading to significant improvement in their education and health

implementation remains patchy and access to healthcare for poor older people and their dependents continues to be limited by a range of private costs.

**(b) Lack of mechanism to support the ageing population**

In the past, social security for the old age was provided through a range of social protection mechanisms based on the family support, extended family and community structures. However, due to the rapid social and economic change taking place in Tanzania, these traditional mechanisms are increasingly becoming unable to provide the needed protection. The devastating impact of poverty, migration and HIV and AIDS means that older women and men cannot rely on support from their adult children.

**(c) The Right to Social Security**

The provision of a universal social pension is recognized as the most effective way to provide dignity to older persons. Under International Human Rights law, governments are legally obligated to establish social protection systems. This duty flows directly from the *right to social security*, which is articulated in Article 22 of the *Universal Declaration of Human Rights* and in Article 9 of the *International Covenant on Economic, Social and Cultural Rights (ICESCR)*. Social protection systems should protect individual women, men and children against the risks of impoverishment in situations of sickness, disability, maternity, employment injury, unemployment, old age, death of a family member, high health care or child care costs, and general poverty and social exclusion.

Human rights treaties apply to all members of society and as such older persons are clearly entitled to the full range of rights established by them. The Universal Declaration of Human Rights mentions the particular vulnerability of older persons in article 25, which stipulates that:

*“everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including ... medical care and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control”.*

Apart from the above provision several other treaties contain specific references to old age. The Convention on Elimination of All Forms of Discrimination against Women stipulates the right to social security, particularly in cases of retirement, unemployment, sickness, invalidity and old age and other incapacity to work (Art. 11). It is also understood that the prohibition of discrimination included in major human rights treaties is understood as non-exhaustive; therefore, even if age is not mentioned specifically as a prohibitive ground for discrimination, it should still be accepted under other status.

**Initiatives to provide Social Pension in Tanzania**

The debate on the provision of social pension in Tanzania has been an area of concern among the older people themselves, politicians, activists and the general public at large. Whereas the government continues planning to provide a social pension, the older people continue to live desperately with no prospects for a better

future. It should however be noted that, social pension alone is not a panacea to old-age poverty. What we are simply saying is that, to be effective in the promotion of an adequate standard of living, social pensions should be one component of a comprehensive social protection strategy that addresses the impact of extreme poverty throughout one person's life cycle and includes measures to ensure older people access to adequate social services including access to health care.

Tanzania has partially complied with international conventions (i.e. Universal Declaration of Human Rights and the International Covenant on Economic, Social and Cultural Rights) by putting a provision in its constitution of 1977 Article 11 (1) which provides 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 2003 the government formulated the National Social Security Policy which dealt mostly with people employed in the formal setting. Because of that, the policy did not cover people who were engaged in agricultural, business and informal sector. It is MKUKUTA which later came to promote access to social security for all Tanzanians. It is through Cluster 2, Goal 4, and Cluster Strategy A3 of MKUKUTA (2005) which specifies the requirement of the government to explore a means of providing social protection through monthly pensions to meet basic needs. However it is interesting to note that, despite the provisions made in the 1977 constitution, the existence of the national social security policy of 2003 and now MKUKUTA program, the provision of a social pension has and continues to remain a non-starter. Perhaps Tugaraza (2007) has a point to make when he argues that the reason this right has not been provided is because of scarcity of financial resources. But one can be tempted to argue the other way round that, finances are there the only problem is our priorities. Over 100 countries around the world some of which are developing countries like Tanzania have some kind of social pension, but the design and coverage varies significantly from one country to another. There is universal age pensions<sup>7</sup> which include eligibility based solely on the age of the individual and history of a citizen. Examples of countries practicing this type of social pension include, Bolivia, Botswana, Cooks Island, Guyana, Kiribati, Kosovo, Mauritius, Namibia and Samoa (HAI, 2005). From these examples, it may not be true that in Tanzania we are lacking funds. It is for this reason; I am tempted to argue that, one of our problems is not only lack of accountability to our electorates, but also inadequacies in the enforcement of rights provided in the constitution. Lack of a mechanism to enforce these rights and lack of awareness on the part of the society at large to demand their rights continue to be a contributing factor to non-realizations of human rights.

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<sup>7</sup> The other one is a means-tested pension (targeting approach) which is provided by eligibility criteria based on a test of the income and/or assets of an individual. Examples countries practicing this type include Argentina, Australia, Austria, Bangladesh, Belgium, Belize, Brazil, Cape verde, Chile, Columbia and Costa Rika.

## CONCLUSION

Extreme poverty amongst older persons is a reality in every region including Tanzania, lack of access to work and regular income, increased need for health care and dependency within the household are some of the factors that expose older persons to poverty. Unless action is taken, the situation will deteriorate. The traditional reliance of many governments on contributory pension systems as the main source of social security in old age has left a significant portion of older persons unprotected. This problem is particularly serious for women as most are not covered by contributory pension schemes although they tend to live longer. Investing in noncontributory pensions can play an important role in empowering older people and contribute to the realization of their human rights, in particular their economic, social and cultural rights.

## RECOMMENDATIONS

In view of the above the paper recommends that:

- (a) There is a dire need for the Department of Social Welfare in collaboration with Ministry of Labor and Employment to assess the existing policies aimed at protecting older persons with a view of identifying the gaps in the policies. This should include developing reliable data in connection to the coverage of old people and taking social pension to fit into the wider social security system.
- (b) The government through the Ministry of Labor and Employment, Ministry of Health and Social Welfare, the Prime Minister's Office and other stakeholders must recognize social security as a human right issue and establish appropriate legal frameworks and design social pension schemes progressively to ensure access to social security for all.
- (c) Social protection programs should be viewed by policy makers at all levels as one essential part of a broader development strategy which adopts a comprehensive and holistic approach to poverty reduction aimed at the realization of all economic, social, cultural, civil and political rights.
- (d) The Ministry of Labor and Employment should expedite the process of introducing social pension to older people. Meanwhile, it should start setting up administrative measures to ensure easy access to social pensions by older people who are most vulnerable. The involvement of older people themselves, local government leaders, NGO dealing with older people could ease the documentation and administrative processes.

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