Policy Transparency in the Public Sector: the Case of Social Benefits in Tanzania
Outline

• The right to social security in Tanzania
• The Productive Social Safety Net (PSSN)
• Eligibility criteria for PSSN cash transfers
• Problems with the eligibility criteria for the PSSN
• Simulating the PSSN cash transfers in TAZMOD
• Recommendations
The right to social security in Tanzania

• Universal Declaration of Human Rights (UN, 1948)
• Tanzanian Constitution (URT, 1977)
• National Social Security Policy (Ministry of Labour, Youth Development and Sports, 2003)
• Charter of Fundamental Social Rights in SADC (SADC, 2003)
• Code on Social Security in the SADC (SADC, 2007)
• Sustainable Development Goals: Goal 1
The Productive Social Safety Net (PSSN)

• Main social benefit in Tanzania
• Implemented by Tanzania Social Action Fund (TASAF)
• Established as part of National Strategy for Growth and Reduction of Poverty (NSGRP/MKUKUTA)
• Funded by URT and Development Partners
The Productive Social Safety Net (PSSN)

- Fixed basic cash transfer
- Variable conditional cash transfer
- Public works programme strand
- Livelihoods programme strand
- Infrastructure strand
## The Productive Social Safety Net (PSSN)

<table>
<thead>
<tr>
<th>PSSN component</th>
<th>Transfer type</th>
<th>Transfer name</th>
<th>Co-responsibility</th>
<th>Benefit (TZS)</th>
<th>Monthly cap (TZS)</th>
<th>Annual max (TZS)</th>
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<tbody>
<tr>
<td>CCT</td>
<td>Fixed</td>
<td>Basic transfer</td>
<td>Extreme poverty</td>
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<td>Fixed</td>
<td>Household child benefit</td>
<td>HH with children under 18</td>
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<td>48,000</td>
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<td>Variable</td>
<td>Infant benefit</td>
<td>Infants 0-5 health compliance</td>
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<td>48,000</td>
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<td></td>
<td>Variable</td>
<td>Individual primary benefit</td>
<td>Child in primary education compliance</td>
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<td>8,000</td>
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<tr>
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<td>Variable</td>
<td>Individual lower secondary benefit</td>
<td>Child in lower secondary education compliance</td>
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<td>Variable</td>
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<td>Child in upper secondary education compliance</td>
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</table>

Source: World Bank et al., 2016: 16
Eligibility Criteria:
This
Eligibility criteria

- Area selection (c/o Project Area Authority and community level poverty index)
- Quota calculation per village
- Village Assembly authorisation and adjustment to predetermined criteria (below the food poverty line of 26,085.5 TZS per adult equivalent per month)
- Formation of Community Cash Transfer Management Team
- Selection of potentially eligible households by Community representatives
- Rank households and trim to reach 120% of quota
- Collect household data and add to Unified Registry of Beneficiaries
- Apply Proxy Means Test
- Community Validation (drop/add households)
Implications of multiple opaque eligibility criteria

• No citizen of Tanzania would be able to ascertain whether they were eligible or not to take part in the PSSN programme.

• Potential for confusion and even social disharmony.

• Structurally reinforces the treatment of beneficiaries as passive recipients (Sen, 1995).

• Technically impossible for a household to confidently challenge a decision to exclude it from the programme, even though grievance processes do formally exist - the first port of call for complainants is the Village Council and there is a complaints hotline.
TAZMOD

• TAZMOD is a static tax-benefit microsimulation for Tanzania

• Developed as part of the SOUTHMOD programme – collaboration between University of Dar es Salaam, UNU-WIDER, SASPRI and University of Essex.

• Underpinned by HBS 2011/12 - a representative sample of 46,593 people living in 10,186 households in Tanzania (mainland)

• Weights from the HBS 2011/12 are used to calculate national figures from the simulations

• Baseline is 2012, but monetary values were also inflated to 2015 using CPI to enable simulations to be run for a 2015 tax-benefit system.
TAZMOD policies

Social assistance and social insurance
- PSSN: fixed basic cash transfer
- PSSN: variable conditional cash transfer
- PSSN: public works (eligibility flag only)
- National Health Insurance Fund (employer and employee contributions)

Direct and indirect taxes
- Income tax (PAYE - for those in receipt of income from salaries and wages)
- Presumptive income tax (payable if turnover from self-employment is less than Tzs 20 million pa)
- PIT for account cases (payable if self-employment income exceeds the presumptive tax threshold)
- Excise duty (alcoholic drinks, tobacco products, and vehicle fuel which includes fuel levy)
- Value Added Tax
Simulating PSSN in TAZMOD

• Eligibility for basic cash transfer determined using food poverty line (dependent variable for the PMT model): 712,000 eligible households, average household size of 6.75 people (national average is 5 people)

• Eligibility for variable cash transfer determined using eligibility for basic cash transfer plus presence of child in household: 672,00 eligible households

• BCT and VCT were simulated separately then added together and the cap applied of TZS 38,000 per household
Recommendation 1

Simplify eligibility rules

• Remove the PMT (and the community screening process, addressed in the next slide) and replace these with categorical targeting.

• Local examples
  – Zanzibar Universal Pension Scheme, rolled out to all adults aged 70+ in April 2016, fully funded by the government.
  – (ii) Pilot universal pension scheme has been run by a not-for-profit Kwa Wazee, in two villages in Muleba District in Tanzania for adults aged 70+ since November 2016.

• The removal of the PMT is particularly appealing given the size of the PMT-related inclusion and exclusion errors reported for Tanzania (Brown et al., 2016).

• This would help to ensure that the policy is clearly understood across all stakeholders and communities.
Recommendation 2
Convert community role from gatekeeping to oversight

• The role of the community should be converted so that communities can participate in the design of the simplified criteria and monitor local implementation

• This eliminates problematic roles of selecting, scrutinising and potentially vetoing participants in the programme.
Recommendation 3
Remove the conditionalities in VCT

• *Remove* the conditionalities associated with the VCT

• *Retain* the goal of ensuring that children can access health- and education-related services

• *Promote* inter-sectoral collaborations and supply-side challenges

• *Shift* the emphasis away from scrutinising the behaviour of recipients of cash benefits and towards promoting access to education/health services.
Recommendation 4
Promote public awareness

• The simplified eligibility criteria should be promoted in public awareness campaigns

• Encourage transparency and take-up

• This would be in line with the National Social Protection Framework which recognises that public information is a key element of community empowerment (United Republic of Tanzania, 2008: 17).
Thank you
Selected references


SOUTHMOD available for:

- Ecuador
- Ethiopia
- Ghana
- Mozambique
- Tanzania
- Viet Nam
- Zambia