

Social security in Zimbabwe

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ABSTRACT

This study of social security in Zimbabwe aimed to identify existing formal and non-formal social security systems and assess their viability and their potential for strengthening. Two non-formal social security schemes were selected for in-depth analysis in Phase II: these were the chief's granary (Zunde raMambo) and burial societies. Most people are covered by non-formal arrangements and the family and community still play a critical role in social protection even though poverty has impacted negatively on their ability to do this effectively. Churches are another source of social security. Semi-formal arrangements include burial societies, savings and credit clubs. Their viability is compromised by high levels of poverty in all areas but they could be strengthened through employment creation and the funding of specific community income-generation projects.

Phase I: Overview

Introduction

ZIMBABWE HAS A FRAGMENTED social security system offering social insurance and social assistance as its mainstream schemes. These schemes provide rudimentary protection to a relatively small number of people in formal employment. Existing alongside the formal social security systems are non-formal systems consisting of traditional

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security provision and semi-formal arrangements which attempt to compensate for the inaccessibility and inadequacy of formal ones.

Social security in pre-Independence Zimbabwe

In Zimbabwe, as is the case in most of Africa, collective responsibility, historically rooted in the extended family system, has always met the social security needs of individual members. However, with the advent of the colonial State and the introduction of a cash economy, traditional social support systems gradually weakened. The migration of able-bodied men from rural to urban areas in search of waged employment necessitated new arrangements for meeting social security needs. The exodus to urban areas depleted the countryside of much-needed labour and weakened a social security arrangement which was anchored on the land and the institution of the family. This exacerbated the underdevelopment of rural Zimbabwe and compromised the capacity of peasants, consisting mainly of women, children and older persons, to meet their social security needs.

Formal social security in the early colonial era

During the colonial era formal social security protection for the indigenous people was almost non-existent. This legacy still prevails. A major landmark in providing formal social security during the colonial era was the Old Age Pensions Act of 1936. This scheme provided old age pensions to non-Africans over 60 years only who had been resident in the country for 15 years or more Clarke (1977).

Social assistance, also known as public assistance in Zimbabwe, was also mainly the preserve of white settlers. An insignificant number of urbanized blacks benefited from this scheme, in the form of bus warrants for repatriation to their rural homes. Ironically, the objective of the public assistance scheme at the time was "to relieve distress and to rehabilitate those permanently or temporarily disadvantaged" (Riddell 1981:172). Private occupational pensions were also a feature of social security in colonial Rhodesia and catered exclusively for white workers. According to the Whitsun Foundation study (1979), less than half the Africans in formal employment in 1976 were participants

in these programmes. Blacks were viewed as temporary migrants in urban areas who would relocate to their rural homes at the end of their working life.

Thus during the colonial era the only meaningful social security schemes, that is, the Old Age Pensions Scheme, public assistance and occupational pensions, were designed and implemented to serve the interests of the white settlers. Though a pensions scheme for agricultural workers was introduced by the Rhodesian National Farmers Union in October 1975 it had few beneficiaries. The pensionable age was set at 60 when life expectancy at the time was about 50. Not many indigenous workers, therefore, reached retirement age (Clarke 1977). The white settler government was motivated by the desire to attract and retain white immigrants by providing conditions and services comparable to those obtainable in Britain. But indigenous blacks were expected to take their own initiative or use traditional social support systems. This was in an environment where exposure to western institutions through industrialization and urbanization had undermined the capacity of the extended family to provide support to its members. Indigenous people were thus condemned to destitution.

During this era there was therefore heavy reliance on non-formal social security systems. Indigenous people depended on the peasant economy, the extended family and community support for social protection.

Social security systems after Independence

At Independence the government of Zimbabwe endeavoured to address the discriminatory nature of existing formal social security programmes. Radical changes were effected in administering and implementing social insurance and public assistance. The administration of public assistance was decentralized to district level and offices were established in each of the 57 districts in the country. Public assistance provisions were extended to most people, including those in rural areas. However, this public assistance scheme is seriously underfunded and most needy people fail to access benefits from it (Kaseke et al., 1998).

Government also introduced a Pensions and Other Benefits Scheme in October 1994. This is a social insurance scheme which is universal for formally-employed workers in the private sector. It was introduced owing to the realization that industrial workers were retiring to destitution. Coexisting with the Pensions and Other Benefits Scheme is the Workers' Compensation and Accident prevention scheme and private occupational pensions schemes. The government also runs a pension system for civil servants and politicians.

Formal social security protection in Zimbabwe is inadequate and exclusive in coverage. It is still the preserve of those in formal employment. Most of the schemes are contributory and therefore most people lack the capacity to participate in them. Because of all this, non-formal systems have also become major institutions in providing social security. Such institutions include, to a limited extent, the extended family, mutual aid groups like burial societies, savings clubs and church groups. There are also community arrangements such as the chief's granary (the *Zunde*). Non-formal social security has become the only sources of security for most people in Southern Africa (von Benda-Beckmann and Kirsh 1999).

Literature review

One of the earliest studies on social security in Zimbabwe was by the Whitsun Foundation in 1979 which found that less than half the indigenous Africans in formal employment were catered for. A study in 1993 found that communal farmers in Mudzi and Mutoko districts in Zimbabwe lacked formal social security protection and relied on non-formal systems (Kaseke 1993).

Most Zimbabweans, that is, the unemployed, communal farmers, domestic workers and informal sector operators do not have formal social security because they cannot afford contributory schemes. This is not merely a matter of economics. A number of countries in the developing world, including Jamaica, Egypt, the Philippines and Barbados, have extended limited protection to some sectors of the self-employed population. In the Philippines, for example, coverage was extended to farmers and fisherman (Schultz 1992). The irregularity of

the incomes of the self-employed and the difficulties in enforcing compliance in the payment of premiums are the major obstacles to extending protection to this sector.

In 1994 the Zimbabwe Farmers Union (ZFU) and ZIMNAT Insurance Company launched a contributory pensions fund for ZFU members Makora (1999). Makora found, however, that participation in the scheme by the smallholder farmers was very low. He attributes this low take-up rate to low and irregular incomes and problems in gaining access to ZFU offices where premiums are paid.

With respect to non-formal systems, Hall (1987) carried out a study of burial societies in Harare. He found that there were 134 societies in Harare and observed that burial societies had started to develop in rural areas where previously, the extended family provided protection. There are now many religious denominations which have women's sections aimed at providing spiritual, economic and social support to those experiencing socioeconomic problems (Gumbo 1998). Benefits range from assistance to cover the costs of funerals and weddings, to visiting the sick, praying and counselling.

Rotating savings and credit schemes are the two common forms of savings clubs among rural women but they have also become popular among men (Madembo 1998). In a study of club members in Nyamemi in Marondera it was found that savings clubs are increasingly being viewed as a strategy for enhancing the socioeconomic status of urban and rural women (Chinake 2000). In addition the Friedrich Ebert Foundation, the ILO and German Technical Assistance to Zimbabwe are among the organizations trying to promote non-formal social security arrangements in Zimbabwe. The Employers Confederation of Zimbabwe, an umbrella organization for employers and employer organizations in Zimbabwe, is working on a research project on extending social security protection to the growing informal sector.

Problem statement

There is no consensus on what constitutes social security. However, the ILO definition that focuses on the protection and welfare of industrial workers is widely used. Consequently, social security studies

have tended to focus on formal social security schemes which cater for only a minority of the population. In poor countries such as Zimbabwe, those in formal employment are in a minority. The majority, who are involved in the informal sector, communal farming or domestic work rely on non-formal social security arrangements. Unfortunately, not much is known about either formal or non-formal schemes in terms of their viability, how they can be strengthened, the extend of coverage and the contingencies catered for.

Justification for this study

There is increasing social insecurity in the country as a result of inadequate social security protection. HIV/AIDS makes it difficult for the extended family to support its members and Zimbabwe's poor economic performance compounds the problem. The formal sector is shrinking and retrenchments and unemployment are growing.

The studies that have been carried out on social security in Zimbabwe have tended to be fragmented, for example, Hall (1987) and Chinake (2000). They have also tended to focus either on gender, rural or urban areas (Chinake 2000, Gumbo 1998, Kaseke 1993 and Kaseke ed., 1998). There is therefore a need for more comprehensive studies of both formal and non-formal social security systems in Zimbabwe.

A social security study addressing both sectors was therefore considered to be a useful framework for discovering the viability of existing social protection measures (both formal and non-formal) with a view to examining their nature, the contingencies covered and the benefits and coverage of the schemes. This is necessary in order to examine the potential for the strengthening of these schemes.

Methodology

As the purpose of the first phase of the project on social security in Zimbabwe was basically to map out existing social security schemes, the population covered included social security institutions, experts in this area, participants in both rural and urban areas and organizations supporting such schemes. The study was executed by a team of three researchers and a research assistant who was engaged to collect data.

Relevant government ministries and departments and local authorities were contacted before collecting data and they acceded to the request to carry out the study and to facilitate the gathering of data. The study was carried out from September 2000 to the beginning of January 2001.

Study location

Out of the ten provinces in Zimbabwe, four were selected. These were Harare, Mashonaland East and West and Matebeleland North. The areas covered were Harare, Marondera urban and Murewa rural (Mashonaland East), Chinhoyi urban and Zvimba rural (Mashonaland West) and Bulawayo urban and Ntabazinduna rural in Matebeleland North. These areas were selected because they represent a cross-section of the population and the social security institutions in the country. Harare was an obvious choice as this is where most organizations involved in administering or providing financial or other support to social security programmes have their offices.

Study population

Social security organizations, mutual aid groups and participants in such schemes were targeted. The administrators of social security schemes, organizations providing technical or financial support to the same and members of mutual aid groups were interviewed. The study population comprised the following: representatives of organizations dealing with social security issues; organizations supporting mutual aid groups and other social security programmes; members of mutual aid groups such as burial societies, savings clubs and community leaders and experts in the area of social security. Table I shows some of the non-formal systems covered.

Table I Mutual aid groups covered

	Savings clubs	Burial societies	Chief's granary
Chinhoyi	5 urban 4 rural	—	1 rural
Harare	4 urban	4 urban	—
Bulawayo	4 urban 2 rural	4 urban	—
Marondera	3 urban 3 rural	—	1 rural

Methods of data collection

Multiple data gathering methods were utilized in order to obtain both quantitative and qualitative information. The researchers reviewed country-based literature and documentation on both formal and non-formal social security systems.

Structured interviews with an interview schedule were used to obtain information from members of burial societies, church groups, savings clubs, community leaders (chiefs, councillors and headmen). Interview guides were used for representatives from NSSA, the Department of State Pensions, non-governmental organizations and donor agencies as well as for members of the community through focus group discussions (FGDs) and social security experts. Information on mutual aid groups was obtained from community services officers (municipalities), the Self-Help Development Foundation and through the snowballing technique.

Limitations of the methodology

It was not possible to get used disaggregated data from the National Social Security Authority and the Department of Pensions as these organizations were still in the process of computerising their systems. It was also not possible to cover more than three provinces because of financial and time constraints. The researchers, however, obtained valid and useful information which was used to select two non-formal schemes for in-depth analysis.

Formal social security schemes

This section briefly outlines various formal social security schemes in the country.

Schemes provided by Department of State Pensions

State Service Pensions (non-contributory)

This scheme is provided under the State Service Disability Benefits Act (Chapter 16:05). Compensation as a result of the death or the injury of persons employed by the State arising in the course of official duties is paid in accordance with this Act. Those who die or are injured while assisting the Defence Forces, the Police Force or the Prison Service are also covered. The scheme is non-contributory and its funds are wholly

provided by Government. In 1999 there were a total of 3927 such pensioners and the number was increasing. A total of \$33,570,548 was distributed to pensioners under this scheme in 1998.

War Pensions Scheme (non-contributory)

This provides social security in accordance with the War Pensions Act (Chapter 11:14) for those who fought during the Second World War. Those injured while providing military service during the Second World War (1939–1954) are paid pensions, allowances and other benefits. In 1999 there were 167 pensioners who were benefiting from the scheme at a total cost of Z\$1,038,025 per year.

War Veterans Pensions Scheme (non-contributory)

War veterans who took part in the liberation war from 1962–1980 receive pensions in accordance with the War Veterans Act (Chapter 11:15). Dependents of deceased war veterans also receive pension benefits. In 1998 54,485 pensioners received a total of Z\$1,320 million per year. The scheme is entirely funded by government.

War Victims Compensations Pension Scheme (non-contributory)

Persons who sustained injuries as a result of the liberation war fought between 1962 and 1980 receive pensions allowances and other benefits. Dependants of those who died as a result of the war also receive pension, allowances and other benefits in accordance with the War Victims Compensation Act (Chapter 11:16). The pension scheme benefits both ex-combatants and civilians. The benefits are calculated using the degree of disablement in relation to income earnings received prior to sustaining the disability. As at the end of 1998, 16,983 pensioners benefited at a total cost of \$170,679,119.

Old Age Pensions (non-contributory)

The Old Age Pension Act of 1979 provided payment of pensions to whites, Coloureds and those of Asiatic origin. Only those in the low income bracket who were not in receipt of any other income were eligible. To qualify for this pension one had to be aged 60 years and above. The Act was repealed at Independence but those who were already receiving it continued to do so. At the end of 1998 there were 335 pensioners for which a total of \$1,577,892 was distributed. The

number of beneficiaries is decreasing, due mainly to the death of recipients as a result of old age.

***Presidential Pensions and Retirement Benefits
(non-contributory)***

Those who serve as Presidents or Vice Presidents are covered by this scheme, which operates in accordance with the Presidential Pensions and Retirement Benefits Act. The entitlement involves an annual salary payable to the beneficiary on the day he vacates office. In the case of a beneficiary who has died the surviving spouse gets an annual pension which is equal to one half of the annual pension of the deceased.

State Service Pensions Scheme (contributory)

Pensions, gratuities and other benefits are paid to those who are employed by the State but retire, die or terminate their service on medical grounds. Their dependents also get benefits except where the member employed by the State resigns before pensionable age or has been discharged. The State Services (Pensions) Act: Chapter 16:06 compels those who are employed by the State to contribute 7.5% of pensionable emoluments towards the Public Service Pension Scheme. The employer contributes 15%. The employer contribution, when paid, is deposited into the government Consolidated Revenue Fund. The money paid is not invested as it is used to pay pension benefits to those who retire from service.

Parliamentary Pensions Scheme (contributory)

Senior ministers, ministers, deputy ministers and members of parliament are provided with pensions under the Parliamentary Pensions Act (Chapter 2:02). Those who qualify for this scheme pay contributions equal to 5% of their pensionable salaries. Their benefits, however are approximately 66% of their salaries on termination of service. To qualify for this pension, members of parliament must have been in parliament for at least two sittings and also be at least 50 years old.

Judges' salaries, allowances and pensions scheme (contributory)

Pensions and other provisions are paid to judges and their spouses in accordance with the Judges' Salaries, Allowances and Pensions Act (Chapter 7). This scheme was started in June 1993 and from July 1993 judges were required to pay 7.5% of their salaries towards the scheme,

like other civil servants. Their benefits are, however, far superior to those of other civil servants, mainly due to the formula used to calculate the benefits, which considers a final pension as equivalent to a salary. Judges are also entitled to purchasing, at book value, vehicles issued to them during their service. As at end of 1998 only 20 retired judges were receiving pensions under this scheme.

Viability of State Service Pension Schemes

The government, as the employer, does not invest the funds that it collects from its employees. The money paid by current employees is used to pay pensions to those who retire from service by inter-generational transfer. This means that, due to the current downsizing of the civil service, there may be fewer contributors to sustain retirees. Sustaining the programme is therefore uncertain.

Secondly, the employer contribution is not statutorily enforced, so current employees have to meet the shortfall. This shortfall will increase over time as the number of pensioners increase while the number of employees decrease. If the employer (government) paid its stipulated contribution in the ratio 2:1 in favour of the employee, the surplus realized could be invested to meet the cost for paying pensions and proposed reviews.

Thirdly, HIV/AIDS will reduce the civil service workforce due to the death of some of the members who are in the 19 to 49 age groups. This will reduce contributions to the pensions scheme each year. Lastly, civil servants who leave the service before retirement to join other private companies and organizations are unable to have their vested benefits transferred to other pension schemes such as National Social Security Authority (NSSA). This principle inhibits the mobility of workers between government and other employers.

Potential for strengthening

The Department of Pensions (1998) has proposed a number of recommendations in order to strengthen the Public Service Pensions Schemes in the country. These include stipulations that:

- Those who have attained 55 years of age or have served for a maximum of 20 pensionable years will be allowed to retire on a pension

equal to 65% of final pensionable emoluments. Likewise, contributors who have attained 60 years of age and have served for a maximum of 15 pensionable years may retire on a pension equal to 65% of their final salary. In the current situation those who have attained 60 years of age and have served for 30 years retire on a pensions of 54.4%.

- General allowances such as transport and housing allowances be included in the pensionable salary of contributions.
- Retired pensioners be entitled to funeral assistance;
- Pensions reviews be inflation-indexed.
- The employer's contribution to the pensions plan will be enforced as a constitutional and statutory matter and be released in the ratio 2:1 in favour of the employee.
- Surplus contributions from both the employer and the employee be invested to enhance the income of the pensions scheme.
- The employee's pensions contribution will be taxed but the resulting pensions be tax-free.
- Contributions and benefits will be determined at a realistic rate from time to time, but not less than once in 5 years.

Public assistance: (non-contributory)

This is a non-contributory scheme funded from public revenue. Those eligible for assistance are the disabled, the destitute and the elderly. This scheme is inadequately funded and not many destitutes therefore receive assistance.

The National Pensions and Other Benefits Scheme (NPS) and Workers Compensation Scheme (contributory)

The Pensions and Other Benefits Scheme is funded through the contributions of both employers and employees while the Workers Compensation Insurance Fund is funded by the employers. Both schemes are administered by the National Social Security Authority (NSSA). Employer and employee contribute 3% each towards the pension contributions.

The beneficiaries of these social security schemes are all formally-employed workers, excluding employees in the civil service, the army, domestic workers and those in the informal sector. The contingencies covered by the National Pensions Scheme are old age, retirement, invalidity and the death of a member. Workers' compensation caters for employment injury or illness and medical costs. Both these schemes provide periodical pension payment and lump sum pension payments. Medical expenses, including orthopaedic appliances, are paid in the case of the Workers Compensation Insurance Fund.

Viability of national social security authority schemes

The viability of this schemes is compromised by the following weaknesses:

Limited coverage in terms of numbers of members compared with the total population. There is a plan in place to extend the social security scheme to people employed in the informal sector by the year 2005. It was also planned to include the domestic workers into the scheme by December 2001. At April 2001 the scheme covered 1.4 million workers and approximately 30,000 employers. The cumulative total of beneficiaries of retirement pensions, invalidity pensions and survivors pension was 59,880 (Mbanje 2001).

Limited protection in terms of contingencies covered. A maternity benefit scheme was hoped to be in place by December 2001. A National Health Insurance Scheme and protection against other contingencies experienced by workers, including unemployment and retrenchment, are also envisaged.

Low benefit levels. The increasingly high cost of living means the benefits paid are inadequate and cannot maintain beneficiaries at an acceptable standard of living. The increase of benefit levels is subject to actuarial valuation, which has not been done over the years. This has now been done and the legislative process now needs to be completed. It is hoped that after the year 2002, yearly increments will be made. Insurable earnings will also be increased in line with salary scales and inflation so that benefits match the cost of living.

Public image. The compulsory nature of the scheme jeopardized the image of the organization from the start. The organization is now striving to improve its image through good governance and disseminating information to all stakeholders.

Customer care. Staff at NSSA are being trained in customer care techniques and the establishment of a one-stop shop and counselling in social security is being contemplated.

Improvement in processing benefits. The volume of work involving the payment of benefits at NSSA requires an efficient computer system. All avenues are being explored to put in place an appropriate computer system for the timely payment of benefits, as the manual processing of service provision to beneficiaries delays benefits.

Potential for strengthening NSSA schemes

NSSA is considering expanding the coverage of individuals and the range of contingencies protected against. The feasibility of extending coverage to include domestic workers and those in the informal sector as well as covering contingencies such as unemployment and maternity benefits is being examined. Setting pension contribution rate at a low level will not bring undue hardship to either the contributing employer or employee.

ZIMNAT and ZFU Pension Scheme

This scheme is underwritten by ZIMNAT, a private insurance company and it is available to all farmers who are fully paid up members of the Zimbabwe Farmers Union and are under the age of 65 years. A minimum contribution of Z\$150.00 per annum secures all the benefits provided by the scheme. The scheme provides guaranteed financial security and protection to members during their working life and after retirement. It also provides members with the opportunity to save money. The current legislation provides that the pension can be paid on the attainment of the age of 55 years and also on the grounds of ill health.

The benefits payable are as follows:

Withdrawal benefit. On ceasing to be a member, before reaching retirement age there is choice from three options;

A cash refund of all contributions plus 5% per year compound interest; The cash refund can be transferred to another registered pensions scheme;

The withdrawn benefit can be invested in the ZIMNAT Pensions Plan or the Preservation Fund. At any age between 55 and 70 years the member can easily convert the maturity values to a lifetime pension.

Disability benefit. This is a lump sum payment which depends on the annual premium paid by the member.

Death benefit. This operates in the same manner as the disability benefit.

Retirement benefit. This is a payment of lump sum, tax-free commutation up to a maximum of one third of the gross pension, plus a residual pension based on the member's accumulated pension contributions as at the date of retirement.

Viability of the ZIMNAT/ZFU Scheme

The scheme is not considered to be very viable in view of the following limitations:

- Participation in the scheme is very low due to a low take-up rate.
- There is a lack of effective coordination among the ZIMNAT, ZFU and its members. Members pay their contributions to ZFU offices for onward transmission to ZIMNAT. There are administrative problems as these payments to ZIMNAT are not regular. Communication between ZIMNAT and ZFU is also neither efficient nor effective.
- The collection of premiums from members is erratic as many members do not pay their \$150.00 annual contribution.

Potential for strengthening

There is a great need to educate the membership on making timely payments of contributions if the scheme is to be strengthened. The co-ordination efforts between those who administer the scheme, that is, ZIMNAT and ZFU, need to be strengthened.

Non-formal social security systems

There are various types of non-formal social security arrangements operating at community level. These constitute the different socio-economic measures that individuals, groups or communities in a given

geographical area put together, either to meet a specific contingency or to ensure the general well-being of community members. Some arrangements (such as burial societies) are targeted at a specific contingency such as death or famine, while others, such as savings and credit clubs, cover a wide range of contingencies. The contingencies that most concerned people in all the provinces visited were death, famine, chronic poverty, infirmity and disability.

A variety of non-formal institutions ensure the general well-being of their members. Each level, starting with the individual and building up through the nuclear family, the extended family, kinship groups and the community (at village level) has a specific role to play, in addition to mutual aid societies such as burial societies, savings and credit societies.

The individual

Adults are expected to satisfy their basic needs by engaging in some form of productive activity which will ensure that they get an income. Most respondents, however, pointed out that their incomes were insufficient to meet even their ordinary day to day needs and they were therefore unable to save for the future. Many respondents interviewed in all areas were informal sector operators involved in petty trading or communal farmers. Consequently when they fall ill they become destitute unless family members bail them out.

The nuclear family

The nuclear family is viewed as the most important provider of social security in all areas. Family members are expected to assist each other in times of need. If there is illness or a death it is the responsibility of family members to help and outsiders come in to fill in any gaps or to provide emotional and moral support.

The extended family

Most people still maintain ties with their extended family, especially in times of need. Due to the economic hardships that many people are currently experiencing, however, assistance, especially financial assistance, from the extended family is becoming erratic and unreliable, as virtually everyone is struggling to meet their basic needs.

Viability

The viability of social security arrangements at the individual, family and community levels is being compromised by the generally high levels of poverty which are exacerbated by structural adjustment programmes and the HIV/AIDS epidemic. The 1995 Poverty Assessment study showed that about 62% of the people in Zimbabwe were poor and, given the two factors identified above, the situation is now likely to be much worse. Poverty is characterized by high unemployment levels and a high cost of living, coupled with low incomes in both town and country.

Potential for strengthening

Social security can be enhanced through broad poverty alleviation programmes such as land redistribution and employment creation, to give people an income that will enable them to experience an acceptable standard of living.

The community

The participation of the community in the provision of social security is strongest in the rural areas where a variety of arrangements are in place to cover contingencies which need a community approach. In some instances, the community is approached because individuals are incapable of meeting their own needs but in certain situations, such as sickness, disability and death, community help is required regardless of individual and family capacity. In such cases the village head mobilizes support and ensures that those in need are helped.

One specific social security arrangement which is organized at the community level is the "Chief's Granary" (*Zunde raMambo*). This is considered in detail in Phase II of the study below.

Churches

Most people in Zimbabwe belong to church groups which all have a variety of social security arrangements, some at church level and others specifically by women's and men's groups within the church. Members have to be deemed in need and to be unable to help themselves. Many

of these are the disabled, the chronically ill, the elderly, the ill and orphans and widows and widowers.

Funding comes from church moneys and church members are also sometimes asked to contribute in cash or kind. Members experience the following benefits: they are visited when in need and given material benefits such as money, food, firewood and clothes. They are given moral support during illness and bereavement and food for funerals. The church also provides a shroud when a member dies.

Viability

Social security by church groups was seen as a very viable option by all community members. This explains why almost everyone belongs to some such group. Church groups not only contribute economically but also spiritually to individual's total well-being.

Potential for strengthening

The potential for strengthening these groups lies in improving the economic status of the people as a whole through income-generating projects.

Burial societies

The study found that burial societies, which were established in order to cater for deaths and death-related needs, exist in virtually all areas in Zimbabwe. They are considered in detail in Phase II of the study below.

Savings clubs

Savings clubs enable individuals to save money on a regular basis. Two types of savings clubs were identified during the study. The first is where club members are assisted by organizations such as the Self Help Development Foundation, operating in all provinces in Zimbabwe and the Zimbabwe Project Trust, operating in Matebeleland North and South only. The second is where members come together informally and make contributions which they share out after a period stipulated in their constitution, which is either written or agreed upon verbally. Informal savings clubs exist in all the areas under study and almost all had women members. Unfortunately, the number of these groups is not

known because they are not registered. The contingencies covered by savings clubs are many and non-specific and both immediate and long-term such as goods, clothes, school fees, death, illness and buying assets.

These groups contain more women members than men, because of the pro-women thrust of these organizations. For example, more than 90% of members of the Self Help Foundation are women. There are also more informal savings groups for women than men in all the communities visited. Members pay a joining fee. Each member decides how much they want to save per week and the money is banked by the chairperson in one account. Only members benefit from the operations of these societies. None of the societies receive funds from any organization.

Members decide when they want to share out the money, including the interest. Most groups studied share their money at the end of every year. However, if a member has a pressing need before that time, she can borrow money at an agreed interest rate. This practice is not encouraged by many groups because it is seen as defeating the purpose of savings.

Viability

The study established that savings clubs were quite viable. Respondents pointed out that many groups were being formed because people had realized the importance of belonging to a group. They identified the following as the advantages of being a member:

- You can save small sums of money;
- The group acts as a control measure and instils discipline in its members;
- The interest realized is larger than it would be for an individual saving on her own. Most members state that they have been able to improve their lives through the savings clubs.

Potential for strengthening

These groups can be strengthened, especially those that are not being assisted by any organization. Interviews with beneficiaries and heads of both government and non-governmental organizations pointed out that groups could be strengthened in skills training so that they could

generate more income and basic education, to improve literacy levels among the beneficiaries, which are generally low.

Credit schemes

Non-formal credit schemes are common in all the areas covered during the study. There are two basic types of such schemes. One is supported by non-governmental organizations such as Dondolo Mudonzvo, which has credit schemes in all provinces and supports about 600 groups, each with approximately ten members. The Self-Help Development Foundation started its credit scheme in 1996 while the savings scheme started in 1964. They operate in only four provinces out of ten. Zimbabwe Projects Trust has credit groups in Matebeleland North and South only. There are also informal groups which are not registered but which are thriving at community level.

Credit facilities are made available to cover any contingency and thus, like savings, are meant to be multi-purpose. The majority of the respondents pointed out that usually people draw on these schemes to meet immediate and unexpected needs such as illness and death. At times they borrow to meet day to day needs. Membership is open to any one who wishes to apply. The person wishing to borrow must have assets that can be attached if she is unable to pay back the loan. A close member of the family can stand surety. Most group members are women in both types of credit scheme.

Any individual who meets the above criteria can benefit from the schemes. Those who have a record of defaulting are not allowed to join. There are a number of organizations which fund these groups although the exact number could not be established.

According to the organizations covered in the study, the funds given to the individuals are small. For example, the Self-Help Foundation gives a maximum of \$25,000.00 with an interest rate of 40% per annum. Dondolo Mudonzvo gives a maximum of \$20,000, but is looking into the possibility of increasing the loan.

Viability

Credit schemes are viable as they reach the majority of the poor. The officials of the organizations who offer micro-finance note that the

default rates stood at between 25–30%, which they consider low. This is because they employ loan officers who follow up on defaulters.

Potential for strengthening

Credit schemes have the potential to be strengthened as people are already mobilized into groups. They can be trained so as to strengthen their capacity to produce and manage their projects so that they are able to repay their loans.

Conclusion

This study identified the main formal schemes as social insurance and social assistance. The schemes administered by the State are the State Service Pensions, War Veterans Pensions, War Victims Compensation, Old Age Pensions, Presidential Pensions and Retirement benefits, Parliamentary Pension, Judges Salaries, Allowances and Pensions and Public Assistance.

The National Social Security Authority administers the National Pensions and Other Benefits Schemes and the Workers Compensation Schemes and protects those in the private sector. Other private sector initiatives in social protection include the ZIMNAT and the Zimbabwe Farmers Union pension scheme for smallholder farmers. A number of other private occupational pensions schemes are provided by insurance companies: this study did not, however, cover such schemes. What is clear is that most Zimbabweans obtain whatever social protection they have through non-formal social security systems and only a minority are catered for by formal schemes.

On the basis of the findings of this study the researchers selected burial societies and the Chief's granary for in-depth study in the second phase because they have a great deal of potential for strengthening and provide inclusive social security coverage.