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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



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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



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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



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The Productive Social Safety Net (PSSN)

- Fixed basic cash transfer
- Variable conditional cash transfer
- Public works programme strand
- Livelihoods programme strand
- Infrastructure strand



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The Productive Social Safety Net (PSSN)

PSSN component	Transfer type	Transfer name	Co-responsibility	Benefit (TZS)	Monthly cap (TZS)	Annual max (TZS)
CCT	Fixed	Basic transfer	Extreme poverty	10,000	10,000	120,000
	Fixed	Household child benefit	HH with children under 18	4,000	4,000	48,000
	Variable	Infant benefit	Infants 0-5 health compliance	4,000	4,000	48,000
	Variable	Individual primary benefit	Child in primary education compliance	2,000	8,000	96,000
	Variable	Individual lower secondary benefit	Child in lower secondary education compliance	4,000	12,000	144,000
	Variable	Individual upper secondary benefit	Child in upper secondary education compliance	6,000		

Source: World Bank et al., 2016: 16



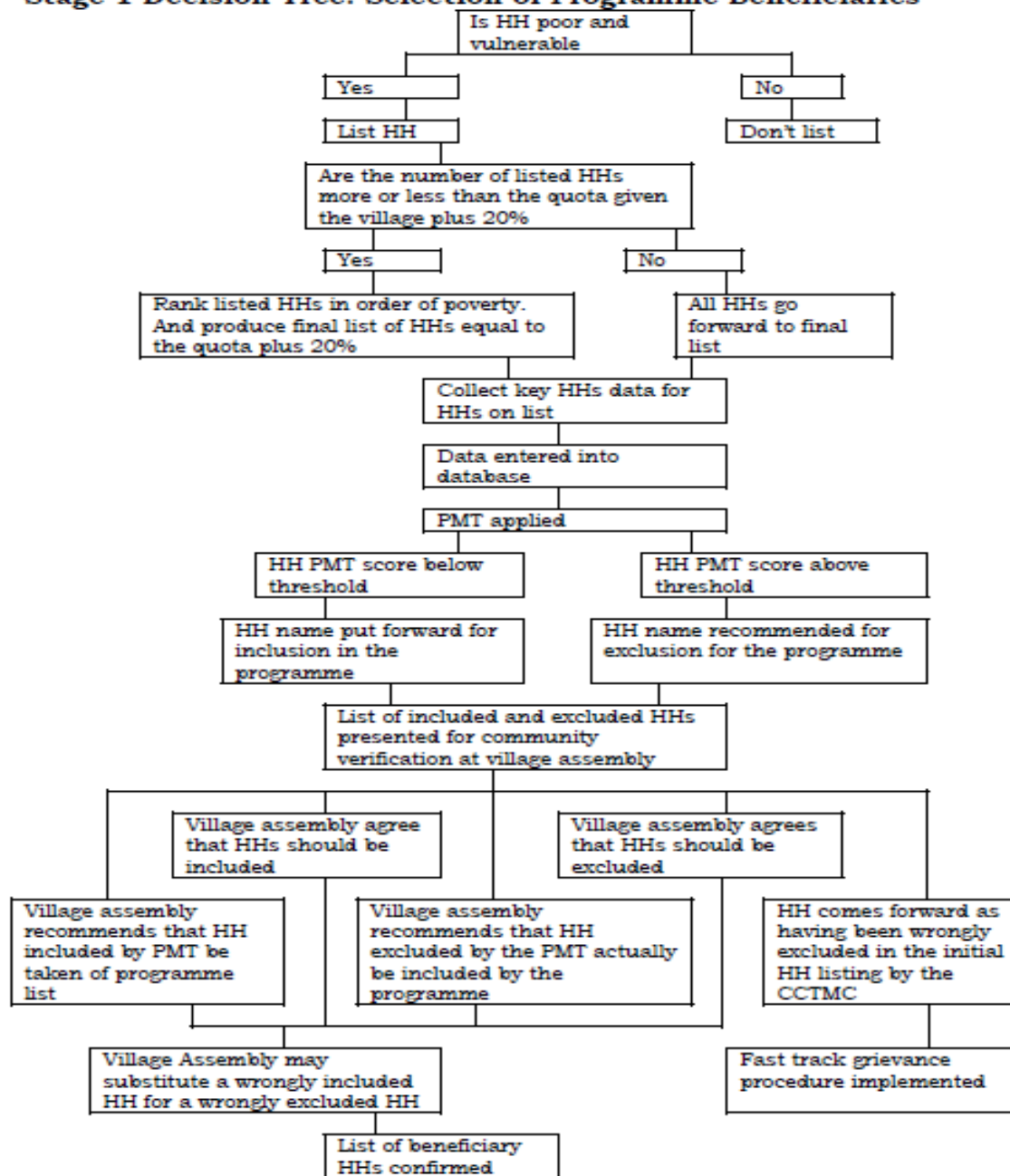
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Eligibility Criteria: This

Stage 1 Decision Tree: Selection of Programme Beneficiaries



Eligibility criteria

- Area selection (c/o Project Area Authority and community level poverty index)
 - Quota calculation per village
 - Village Assembly authorisation and adjustment to pre-determined 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)
-



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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.



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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.



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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



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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



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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.



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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.



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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.



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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).



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Thank you



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SOUTHMOD available for:



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Tanzania



Ethiopia



Viet Nam



Ghana



Zambia



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