



# Social Protection in the Informal Economy Study

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## List of Abbreviations

CZI	Confederation of Zimbabwe Industries
ESAP	Economic Structural Adjustment Programme
ILO	International Labour Organization
LFS	Labour Force Survey
PICES	Poverty Income Consumption and Expenditure Survey
PASS II	Second Poverty Assessment Study Survey

# Social Protection in the Informal Economy Study

## 1. Introduction

The share of informal economy employment in the labour force was less than 10% in 1982. This was due to three major reasons: (a) the existence and role of the informal economy was largely carved out by the dual and enclave nature of the inherited economy where a highly protected and favoured formal economy co-existed with a largely ignored informal economy; (b) the migration policies and regulations restricted blacks from migrating to the urban areas from the rural areas, unless they had secured formal employment; and, (c) there was manipulation of statistics by the then government to show that there were labour shortages in the nation. The Rhodesian Government denied the existence of the informal economy and refused to recognize the phenomenon of unemployment.

Since the mid-1990s, the economy has undergone adverse structural changes. Zimbabwe experienced persistent de-industrialization, heightened informalization of the economy as well as increasing dependence on natural resources. The share of the manufacturing sector in GDP stood at 10% in 2016 (the peak was 26.9% in 1992). The weighted average capacity utilization in the sector, which had peaked at 58% in 2011 during the GNU period, declined from 39.6% in 2013 to 34.3% in 2015,<sup>1</sup> prompting the Confederation of Zimbabwe Industries (CZI) in its State of the Manufacturing Survey to observe that: "Industries in Zimbabwe are under serious threat. Deindustrialization has reached catastrophic levels, with dire consequences to the state of the economy."<sup>2</sup>

Zimbabwe also witnessed a growth in informal employment over that past decade. Informal employment, which stood at 80% in 2004 rose to 84.2% in 2011, and dramatically to 94.5% in 2014. The FinScope MSME Survey of 2012 found 5.7m people working in the sector. 2.8m of whom were business owners and 2.9 million were employees. Of the 3.4m businesses, 71% had individual entrepreneurs with no employees, 24% had 1-5 employees (micro), 4% had 6-30/40 employees (small), and 1% had 30/40-75 employees (medium). In total, 85% of all the MSMEs were not registered / licensed, and the estimated total turnover for the 65% of MSME owners who reported on this was US\$7.4bn in 2012, 63.5% of nominal GDP.

<sup>1</sup> At its peak in 1996, capacity utilization in industry was above 75%.

<sup>2</sup> See CZI State of Manufacturing Report 2014: 6.

As of 2014, only 285,068 people, which represents 2.1% of the population, were receiving a monthly pension or some social security funds, most of whom were in the older age groups. Occupational pensions were a major component of this. In terms of medical aid cover, about 9.4% (644,803 persons) of the population were members of a medical aid scheme (9.3% for males and 9.4% for females). This represents an acute deficit in decent work in the country.

While the informal sector in Africa is increasing both in terms of employment and in terms of contribution to GDP, little attention has been paid to it with regards to social protection. This paper looks at the extent to which workers in the informal economy in Zimbabwe are covered by existing social protection systems, both formal and informal, what we can learn from these arrangements and how social protection arrangements can reach informal sector workers.

## 2. The Informal Economy in Zimbabwe

At the dawn of independence in 1980, Zimbabwe inherited a relatively small informal economy, accounting for less than 10% of the labour force. This is due to the fact that, historically, it was always part of settler mythology that there were “labour shortages” in Zimbabwe. This mythology permeated official thinking so much so that even as late as 1974 the Minister of Labour unequivocally claimed that, “there is no unemployment in Rhodesia” (Mkandawire, 1985: 18). In cases where evidence had become so overwhelming as to compel the government to recognize the widespread unemployment, official recognition of the issue remained “relatively muted while in terms of practical policy little was done to alter conditions of unemployment”.

With the formal economy not growing as fast as the urban population and the exhaustion of the import substitution industrialization (ISI) strategy, there was limited absorptive capacity of the formal economy. This resulted in very few jobs being created in the formal economy during the period and the lateral expansion of the urban informal economy. Job-seekers found themselves settling for jobs in the informal economy.

The 1990s witnessed a massive change in the Zimbabwean economy with the introduction of Economic Structural Adjustment Programme (ESAP) in 1991. ESAP entailed a dramatic shift in the economy, from a highly interventionist approach to a more market-driven economic system. As ESAP failed to shift the economy on to a superior and sustainable growth path, unemployment and retrenchment became the story of the day and the informal economy expanded. Statutory Instrument 216 of 1994 was introduced and allowed for the development of non-residential activities in residential areas. Many activities such as hairdressing, tailoring, book-binding, and wood or stone carving were deregulated. Similarly, small and medium enterprises employing 5-10 people in such areas as welding, carpentry, shoe repair and small-scale car repair were accorded special consent.

The Second Poverty Assessment Study Survey (PASS II-2003) indicated that the informal economy accounted for 30% of those employed, up from 23% in 1995. Sixty-three per cent of the people employed in the informal economy were in the urban areas. The shrinking economy pushed people to explore employment opportunities in the informal economy. PASS II-2003 showed that the informal economy was a hub of poverty especially for the urban areas and particularly for females in those areas. A large proportion of the structurally unemployed people, estimated at over 50% of the labour force, were making a living from the generally insecure and poverty stricken informal sector. The majority of these were women trying to make ends meet for their families.

In 2011, of the 5.4m employed persons 15 years and above in 2011, 4.6m (84.2%) were considered to be in informal employment, up from 80.7% in 2004. The 2014 Labour Force Survey showed an increase in informal employment from 84.2% in 2011 to 94% in 2014.

Working conditions in the informal economy in Zimbabwe present the following characteristics:

- **Incomes and Wages:** Zimbabwe does not have a stipulated national minimum wage. There is no minimum wage for the workers in the informal economy. Low incomes and harsh working conditions are the reality of the informal economy. Contrary to the media’s impression that the informal economy is the domain for “excess profiteering”, the incomes of informal workers are extremely low.
- **Employment Relations:** There are no such contracts in the informal economy. Most contracts are verbal, making monitoring and enforcement difficult. In some cases, the worker is taken on as a “member” of a family and the work they undertake is their contribution to sustaining the family unit. In other words, they become a contributing family worker.
- **Hours of Work:** With no hours of work prescribed by the Labour Act, those in the informal economy work for long hours. Workers in the informal economy noted that due to the fact that they had no employment contract, their employers subjected them to unclear and unregulated working schedules.
- **Occupational Safety, Health and Environment:** The informal economy in Zimbabwe is characterized by poor working environmental conditions. In spite of the health and safety risks that abound in the informal economy, the study found that labour inspectors hardly ever visit these premises, due to a lack of resources.

### 3. Social Protection in Zimbabwe

The National Social Protection Strategy Framework (2015) defines social protection as: "...a set of interventions whose objective is to reduce social and economic risk and vulnerability and alleviate poverty and deprivation". Such interventions are designed to form a coherent system that promotes equity, resilience, and opportunities for the poor and vulnerable.

#### 3.1 International Instruments on Social Protection

Social security is a human right and all people, regardless of where they live, should be guaranteed at least a floor of basic social protection; social protection is a basic economic necessity to combat poverty, and is covered by the following international instruments:

- Universal Declaration of Human Rights, 1948. Articles 22 and 25 recognize the right to social security;
- UN International Covenant on Economic, Social and Cultural Rights, 1966. Article 9 commits governments to ensure social protection for all workers in the informal economy;
- Sustainable Development Goals, 2015. Goal 1 sets a target for implementing nationally appropriate social protection systems and measures for all. Goal 3 sets a target for achieving universal health coverage. Goal 10 requires adopting fiscal, wage and social protection policies to progressively achieve greater equality;
- ILO Convention 102, Social Security (Minimum Standards), 1952. Sets minimum standards for social security for medical care and benefits for sickness, unemployment, old age, employment injury, maternity, invalidity and survivors;
- ILO Recommendation 198, Employment Relationship, 2006. Calls on governments to guarantee effective protection to workers in all kinds of employment relationship;
- ILO Recommendation 202, Social Protection Floors, 2012. Calls on governments to ensure that over their life cycle, all in need have access to essential health care and to basic income security;
- ILO Recommendation 204, Transition from the Informal to the Formal Economy, 2015. Calls on governments to facilitate the transition of workers and economic units from the informal to the formal economy;
- African Union, Social Protection Plan for the Informal Economy and Rural Workers 2011–2015 (SPIREWORK), 2011. Calls on governments to make social protection for the informal economy and rural workers the backbone of any strategy towards the formalization of the informal economy; and,
- SADC Code on Social Security. Calls on governments to adopt strategic direction and guidelines in the development and improvement of social security schemes in order to enhance the welfare of the people of the Southern African Development Community.

#### 3.2 National Legal Provisions on Social Protection

The Constitution of Zimbabwe provides for, amongst other things, the provision of social protection to selected population groups:

- **Section 21** - Elderly persons
  - (1) The State and all institutions and agencies of government at every level must take reasonable measures, including legislative measures, to secure respect, support and protection for elderly persons and to enable them to participate in the life of their communities.
  - (2) The State and all institutions and agencies of government at every level must endeavour, within the limits of the resources available to them—
    - to encourage elderly persons to participate fully in the affairs of society;
    - to provide facilities, food and social care for elderly persons who are in need;
    - to develop programmes to give elderly persons the opportunity to engage in productive activity suited to their abilities and consistent with their vocations and desires; and
    - to foster social organizations aimed at improving the quality of life of elderly persons.
- **Section 30** - Social welfare  
The State must take all practical measures, within the limits of the resources available to it, to provide social security and social care to those who are in need.
- **Section 82** - Rights of the elderly  
People over the age of seventy years have the right—
  - to receive reasonable care and assistance from their families and the State;
  - to receive health care and medical assistance from the State; and,
  - to receive financial support by way of social security and welfare; and the State must take reasonable legislative and other measures, within the limits of the resources available to it, to achieve the progressive realization of this right.

#### 3.3 Provision of Social Security for Workers in Zimbabwe

In Zimbabwe the National Social Security Authority (NSSA), constituted and established in terms of the NSSA Act of 1989, Chapter 17: 04, is the statutory corporate body tasked by the government to provide social security. NSSA defines the provision of social security as instituting public policy

measures intended to protect an individual in life situations or conditions in which his/her livelihood and wellbeing may be threatened, such as those engendered by sickness, workplace injuries, unemployment, invalidity, old age, retirement and death.

It is based on the principle of social solidarity and the pooling of resources and risks, involving drawing savings from periods of employment, earnings and good health to provide for periods of unemployment, old age, invalidity and death. NSSA administers two schemes: Pension and Other Benefits Scheme and Accident Prevention and Workers' Compensation Scheme.<sup>3</sup> The Act empowers the Minister of Labour and Social Services to establish a social security scheme for the provision of benefits to or in respect of all employees as may be specified in the notice and may in the like manner amend or abolish any such scheme.

- **Pension and Other Benefits Scheme (POBS).** This is a long-term, mandatory social security scheme based on contributions from both the employer and the employee calculated at 3% of the employee's earnings, with a ceiling. It caters for every employee between the ages of 16 and 65 in permanent, seasonal, contract and temporary employment, in line with Statutory Instrument 393 of 1993. The normal retirement age is 60 years, but workers in arduous employment (e.g. forestry, quarrying, mining and agriculture) can elect to retire at 55 with at least 10 years of contributions. POBS pays old-age pensions, disability pensions, survivor's benefits, and funeral assistance. These are paid either as a one-off payment, or on a monthly basis. Domestic employees and those in the informal sector are currently not covered by the scheme.
- **The Accident Prevention and Workers' Compensation Insurance Fund (WCIF).** This is the full responsibility of the employer, and caters for work-related injuries. The main objective of the scheme is to remove from the employer the burden of looking after an injured worker, both in terms of medical expenses and wages during periods of temporary lay-off. Contribution premiums are based on industry risk assessed rates, and are levied on the total wage bill, up to a ceiling. Workers in government and private domestic employment are not covered by the fund.

### 3.4 Social Protection Schemes for the Vulnerable Groups in Zimbabwe

There are various social assistance programmes catering for vulnerable groups; they are shown in the Table below.

<sup>3</sup> <https://www.nssa.org.zw/about-nssa/>

**Table 1: Social assistance programmes in Zimbabwe by service provider**

Sector	Social assistance programme	Provider
Education	<ul style="list-style-type: none"> <li>• The Basic Education Assistance Module (BEAM)</li> <li>• Support to children in difficult circumstances</li> <li>• Block grants and resource Exchange</li> <li>• School Feeding Programmes</li> <li>• School Fees Bursaries</li> </ul>	Government Government NGOs NGOs Private sector
Health	<ul style="list-style-type: none"> <li>• Assisted Medical Treatment Order</li> <li>• Home-based care for HIV and AIDS affected people</li> <li>• AIDS Levy</li> <li>• Medical Aid Societies</li> </ul>	Government, though limited NGOs and Community  Government Private Sector
Food	<ul style="list-style-type: none"> <li>• Public works programme / drought relief</li> <li>• Food for assets</li> <li>• Monthly food distributions</li> <li>• WFP PRRO Family Child Health Nutrition Support</li> </ul>	Government  NGOs NGOs NGOs
Livelihoods	<ul style="list-style-type: none"> <li>• Children in Especially Difficult Circumstances</li> <li>• Institutional Grants</li> <li>• Support to families in distress</li> <li>• Maintenance for disabled persons</li> <li>• Care for the elderly</li> <li>• Transfers to Heroes' dependants</li> <li>• Unconditional cash transfers</li> <li>• Small Livestock Programme</li> <li>• Vulnerable Group Feeding</li> </ul>	Government Government Government Government Government NGOs NGOs NGOs
Informal	<ul style="list-style-type: none"> <li>• Zunde raMambo/Insimu yeNkosi</li> <li>• Remittances</li> <li>• Burial Societies and Savings Clubs</li> </ul>	Community Community Community

Source: Gandure, 2009



#### 4. The State of Social Protection in Zimbabwe

Since Zimbabwe gained independence in 1980, social protection has been included in development policies and in all national poverty reduction strategies. Indeed, Zimbabwe had a tradition of social safety nets even in colonial times, when the English Poor Laws influenced support for social welfare, particularly targeting the urban poor, which was the visible face of poverty. Since 1980, several national development plans have embraced social protection as a key to poverty reduction, which led to greater recognition and prioritization of the sector.

During the 1990s, the government introduced non-contributory social safety nets under the Enhanced Social Protection Programme (ESPP), focused largely on the formal sector. In trying to cushion the vulnerable groups, especially women and children, from the anticipated “transitional hardships” of adjustment arising from price increases, retrenchments, cost recovery in education and health and the removal of subsidies, the government introduced the Social Dimension of Adjustment (SDA) Programme, which had the following components:

- An employment and training programme, including support for informal small-scale enterprises and public works;
- Targeted food subsidies;
- Provision for exemption from cost recovery measures for vulnerable groups; and
- Monitoring and evaluation of developments.

Although the annual budget allocation for social protection increased in this period, the funds could not cope with the increasing volume of vulnerable persons who required social assistance. The SDA programme proved ineffective, as it was incorporated under ESAP as an afterthought and a coordinator was only appointed in March 1993, when the hardships were already biting (Kanyenze, 2008).

In an attempt to redress the weaknesses of the SDF, the government replaced it with a far more ambitious Poverty Alleviation Action Plan (PAAP) in 1995. As was the case with the SDF programme, the PAAP failed to mitigate poverty for reasons including poor macroeconomic policies, uncoordinated, incoherent and sectoralization of social protection, poor targeting, minimum community participation in decision-making, and weak management and organizational structures.

In January 2000, the government introduced the ESPP, a new element of the PAAP.<sup>4</sup> The major components of the ESPP were:

- Basic Education Assistance Module (BEAM), which aims to reduce the number of people failing to attend school because of hardships, and providing school fees waivers to reduce the rate of dropouts;
- Children in Especially Difficult Circumstances (CEDC), which aims to identify and assist children in difficult circumstances through community support and the implementation of programmes;
- Public Works Component (PWC), which seeks to put in place labour-intensive public works that offer employment to the poor;
- Emergency Drugs and Medical Supplies; and
- Social Protection Strategy (SPS), which includes studies, analyses, consultations and technical assistance aimed at improving strategic planning, monitoring and implementing programmes in the Ministry.

Under BEAM, during the period 2012-16, a cumulative 3,097,317 students were supported with tuition fees at a total cost of US\$72.6m -with gender parity-this meant that each student got US\$23.44. Students receiving assistance declined from 460,239 in 2012 to a mere 10,817 in 2015, consistent with the decline in the resources.

As of 2014, only 285,068 people (2.1% of the population) were receiving a monthly pension or some social security funds, most of whom were in the older age groups. In terms of medical aid cover, about 9.4% (644,803 persons) of the population were members of a medical aid scheme, representing an acute deficit in decent work in the country.

Today, Zimbabwe's social protection system supports an array of fragmented, poorly targeted, and donor dependent programmes, achieving varying degrees of performance. During and after the economic crisis, the country's financial resources and human capacity eroded, and many social protection programmes were no longer operational without development partner support. The implementation of parallel programmes raises administrative costs, with considerable duplication in core processes. Also, the programmes do not sufficiently target the poor and needy, rather they benefit civil service retirees and the spouses of deceased military personnel. Benefits are solely for people who have worked in the formal sector. Programmes targeting the poor and vulnerable are heavily dependent on donor support, and are typically hampered by the lack of unified targeting criteria and high administrative costs.

<sup>4</sup> The Enhanced Social Protection Programme remains central to the building of a National Social Protection Strategy Framework (see Ministry of Public Service, Labour & Social Welfare, 2002).

The National Social Security Authority (NSSA) has commenced work on the inclusion of informal economy workers into the national social security schemes as these were previously excluded.

## 5. Social Protection in the Informal Economy

The table below illustrates the types of risks, response and existence in the Zimbabwean informal economy.

**Table 2: Types of risks, response and existence in the Zimbabwean informal economy**

Types of risks	Response	Existence in the Zimbabwean informal economy
Illness (medical expenses, loss of income)	Health insurance	No
Maternity	Maternity coverage	No
Family responsibilities	Family allowance, childcare	No
Disability	Disability insurance, programmes for disabled	Limited coverage by government
Old age	Pensions	No
Occupational injury and illness	Work injury insurance	No
Death	Life insurance, survivor's pension	No
Extreme poverty	Social safety nets, guaranteed employment, cash and in-kind transfers	Limited
Unemployment	Unemployment benefit, skills training	No
Climate, natural disasters, war and long-term fragility	Emergency relief	Limited, donor-funded

Source: Author

Workers in the informal economy were excluded from most social protection schemes in the country and were traditionally covered by self-initiated, community based schemes. These include:

- **Burial Societies:** Burial Societies are a form of informal social protection scheme that targets those in the informal economy. They involve pooling resources together to provide financial assistance to members in the event of death or illness. They are generally seen to offer a measure of financial security in the event of bereavement and also cater for some of the other social needs of members. Burial societies provide the following services: advising members when a death occurs, meeting the cost of burial (coffin, food and transport for mourners), assisting the bereaved family financially, visiting members taken ill, paying hospital fees, assisting the unemployed, and organizing social gatherings for members.
- **Co-operatives:** Under these, a group of people come together and contribute a

certain amount of money every month and each one of them in turn accesses this money, or sometimes goods. While this arrangement exists mainly amongst those in the informal sector, those who are formally employed can also participate.

### 5.1 New Social Security Schemes in the Informal Economy

- **Funeral policies:** Workers in the informal economy noted that they have joined private funeral policy schemes. The service providers include Nyaradzo, Moonlight, Doves and Ecocash. Some of these schemes tend to be erratic and unpredictable; if one misses a month's contribution, it is necessary to restart, even after two years of contribution.
- **Weekly support programme for people living with HIV and AIDS:** In some areas workers in the informal economy are pooling resources and assisting each other with funds to buy supplementary foods and medication.
- **School fees support programme:** To ensure that all members of their groups are able to send their children to school, members have pooled funds and assisted each other with soft loans. This results in no child of a member being sent away from school for non-payment of fees.
- **Loan schemes:** There are microfinance schemes in the informal economy that provide a cashback of up to \$150.00 when one is hospitalized. One needs to borrow from the microfinance institute for a minimum of three months in order to be eligible for the cashback plan when hospitalized and the food hamper in the case of death. Unfortunately, the programme tends to capture workers in a debt-trap, as they have to pay back the loan every day and continue to borrow in order to benefit.

## 6. Challenges in extending Social Protection to the Informal Economy

The following are the problems faced by workers in the informal economy in accessing social protection:

- **Difficulties in registering and contributing:** Bureaucratic structures and procedures can make it hard for informal workers and enterprises to enrol in – and stay enrolled in – social protection schemes. Many informal workers lack the identity cards and job contracts required. In contributory schemes, the participant should be responsible for registering and paying monthly premiums. This takes time, knowhow and wherewithal.
- **Contribution levels:** The level of contributions is commonly set with reference to

what a formal worker on a regular wage can afford. But that may not be appropriate for many informal workers. As a result, they are priced out of the scheme. Some people are unable to contribute at all, either because their income is too low or irregular, or because they have no income at all.

- **Irregular contributions:** Social security schemes generally rely on the client and employer making regular, fixed payments into a fund. But informal workers often have low, unpredictable and irregular incomes, making it hard for them to pay in a set amount each week or month. They may have seasonal jobs – working on their farms in the growing season and in informal jobs in the city for the rest of the year.
- **Poor customer service:** The organizations managing the schemes do not try to reach out to the informal economy; they have limited budgets and staff, and inflexible procedures. Their few offices are in inconvenient places and are open at inconvenient times for informal workers. Queues may be long and the procedures lengthy and complicated. Service providers do not communicate well with their clients. Rules are written in bureaucratese, and the benefits are unclear. Applications and complaints are left unaddressed.
- **Inappropriate benefits:** Most social security schemes are designed to provide long-term benefits, such as a pension, and require workers to make regular payments over years to qualify. But many informal workers need benefits to cover short-term, immediate needs, such as illness, accident or theft. They find the benefits of existing schemes unattractive and unsuited to their needs. Non-contributory social protection programmes are often aimed at people outside the labour force: the unemployed, the elderly, people with disabilities, refugees, etc. Informal workers are not considered vulnerable, so do not qualify for such assistance.
- **Transparency and accountability:** The rules for contributions and benefits in social protection schemes are frequently hard to understand, and the reasons for decisions that affect clients are often poorly explained. It is difficult to get errors corrected; clients find it difficult or impossible to appeal decisions.
- **Difficulties in receiving benefits:** Difficulties in obtaining benefits may discourage people from collecting them, or from registering in the first place. Problems may include remote offices with inconvenient opening times, complicated paperwork, the need for repeated visits, long queues, and unfriendly staff (RNSF, 2017).

Like many other countries, Zimbabwe faces challenges in providing universal access to social security for its citizens, especially those in the informal sector. The following are the challenges it faces in extending social protection coverage to the informal economy:

- The country does not have the financial capacity to provide social protection to those in the informal economy. Social security schemes are contributory, therefore only those who contribute (less than 10% of the population) are covered;
- Zimbabwe does not have the capacity or structures in place to collect contributions

from those employed in the informal sector. In addition to this, given the low level of earnings in the informal economy coupled with such problems as the absence of any visible employers for a significant share of workers (e.g. self-employed and casual), the contributory schemes are often difficult to enforce;

- Voluntary schemes, although ideal, generally have low levels of coverage;
- The mobility of those in the informal economy makes it difficult to collect contributions; and,
- The unstable nature of those in the informal economy results in a high default rate (Chikova, 2017).

## 7. Conclusion

Zimbabwe has fragmented social security schemes which offer basic forms of social protection; these schemes include social insurance, social assistance and private measures. However, they suffer from narrow coverage, limited resources, the erosion of benefits by inflation, high administrative costs, the dispersion of target populations over large geographical areas, and the HIV/AIDS pandemic.

The informal economy, domestic workers and migrant workers are excluded from the national security schemes. Workers in the informal economy rely on schemes which are self-initiated or operated by private sector players, and some of these tend to exploit the workers in the informal economy. There is therefore a need to extend the existing social security schemes to the informal economy.

## 8. Recommendations

Approaches to ensure social protection in the informal economy include:

- Contributory social insurance, such as health, pensions, unemployment, and long-term care;
- Non-contributory social assistance, such as conditional or unconditional cash-transfers, social pensions, stipends and in-kind transfers. Whenever these cash transfer programmes are initiated, the government should be mindful of their sustainability;
- Labour market measures, such as skills promotion and labour-intensive public works (food- or cash-for-work), and technical vocational education and skills training; and,
- Traditional safety nets provided by families and communities, such as care for relatives

and neighbours. The public and private sectors play a key role in defining different social protection approaches and legal frameworks. While there is a tendency towards achieving universal social security in developing economies, the role of the public sector and the extent of the coverage (universal vs. targeted) are at the centre of an intense debate.

Allowing the population to contribute voluntarily may help to extend coverage to the informal sector. There are elements of voluntary contribution in Ghana, Mozambique, Mauritius and Tanzania. The voluntary contributors can be integrated into the social security system at a later stage when the value of the benefits has been demonstrated and when it is economically sustainable to do so.

While social insurance schemes have been set initially for formal wage employment, legislators need to extend their coverage in a number of cases. Efforts to extend the coverage of social insurance have been successful when they included the adaptation of benefits, contributions and operations to the characteristics of some categories of informal economy workers. These may include:

- Giving beneficiaries a choice whether to affiliate to all branches, according to their needs and contributory capacity;
- More flexible contribution payments to take into account income fluctuations or seasonal revenues (for workers in agriculture for example);
- Introducing specific mechanisms to determine contribution levels for employees and self-employed workers where real incomes are difficult to assess (capitation or lump-sum payment based on size of economic activity, on area cultivated, etc.); and,
- Reducing the costs of registration; and offering small-scale contributors “simplified schemes” in terms of both registration and compliance with tax obligations.

The World Bank (2016) noted that, “Zimbabwe faces a complex reform agenda, especially given the tight fiscal space that social protection programs now operate within. There are four priority areas where attention should be devoted:

- Consolidation of disparate safety net interventions around a core set of programs, based on clear guiding principles;
- A stronger focus on equity, identifying and building on strategies that are pro-poor and meet both chronic and transitory needs;
- Simplifying institutional capacities to improve the delivery of social protection including less program fragmentation and harmonized administrative processes; and,
- Reform of the pension system, aligned to the public administration reform strategy for the overall civil sector wage bill.”

What is therefore required is a well-designed social protection system can play a vital role in

providing security to the working population in Zimbabwe. For efficient and effective results to be obtained social protection schemes and programmes should address the following:

- Enhancing the capacity of the population to contribute to social protection. This means enabling more people to participate in gainful employment and activities that will improve their capacity to contribute towards social security programmes, and invest in income security programmes, thereby reducing their dependency on coping mechanisms. In so doing, many people will be able contribute towards their own social protection, leaving the government to take care of a smaller proportion of people;
- Using social dialogue to deliver and strengthen social protection. Social protection policies can be deliberated at the TNF level through social dialogue, which will ensure that the needs of all people, especially the vulnerable groups which include women, children, youths and the disabled are taken on board. In this regard, it is critical to strengthen the capacity of the social partners to play their roles fully;
- Restructuring existing social security systems in terms of breadth and coverage. Currently, NSSA schemes only cover workers in the formal economy, and thereby fail to meet the needs of the vulnerable groups found in the informal economy and sectors such as agriculture where there are massive social protection deficits;
- Setting priorities according to local resources. A higher priority can be focused on adequate health and insurance against risks of incapacity and death;
- Reintegrating the marginalized groups in society into the labour market through public works or food for work programmes;
- Mainstreaming gender equality in social protection schemes;
- Including more short-term benefits, for instance for maternity, unemployment and sickness, in NSSA schemes. Presently, NSSA schemes only cover long term contingencies such as retirement, invalidity and survivors’ pensions; and,
- Resource mobilization. The government cannot mobilize public funding for social protection on its own; in the short term it needs to seek external support from donor organizations to finance social protection programmes.

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