



NATIONAL SOCIAL SECURITY AUTHORITY



**BUSINESS
FOCUS**
Magazine



Zimbabwe's Safety Net

Zimbabwe's statutory body the National Social Security Authority is doing vital work for the country's citizens.

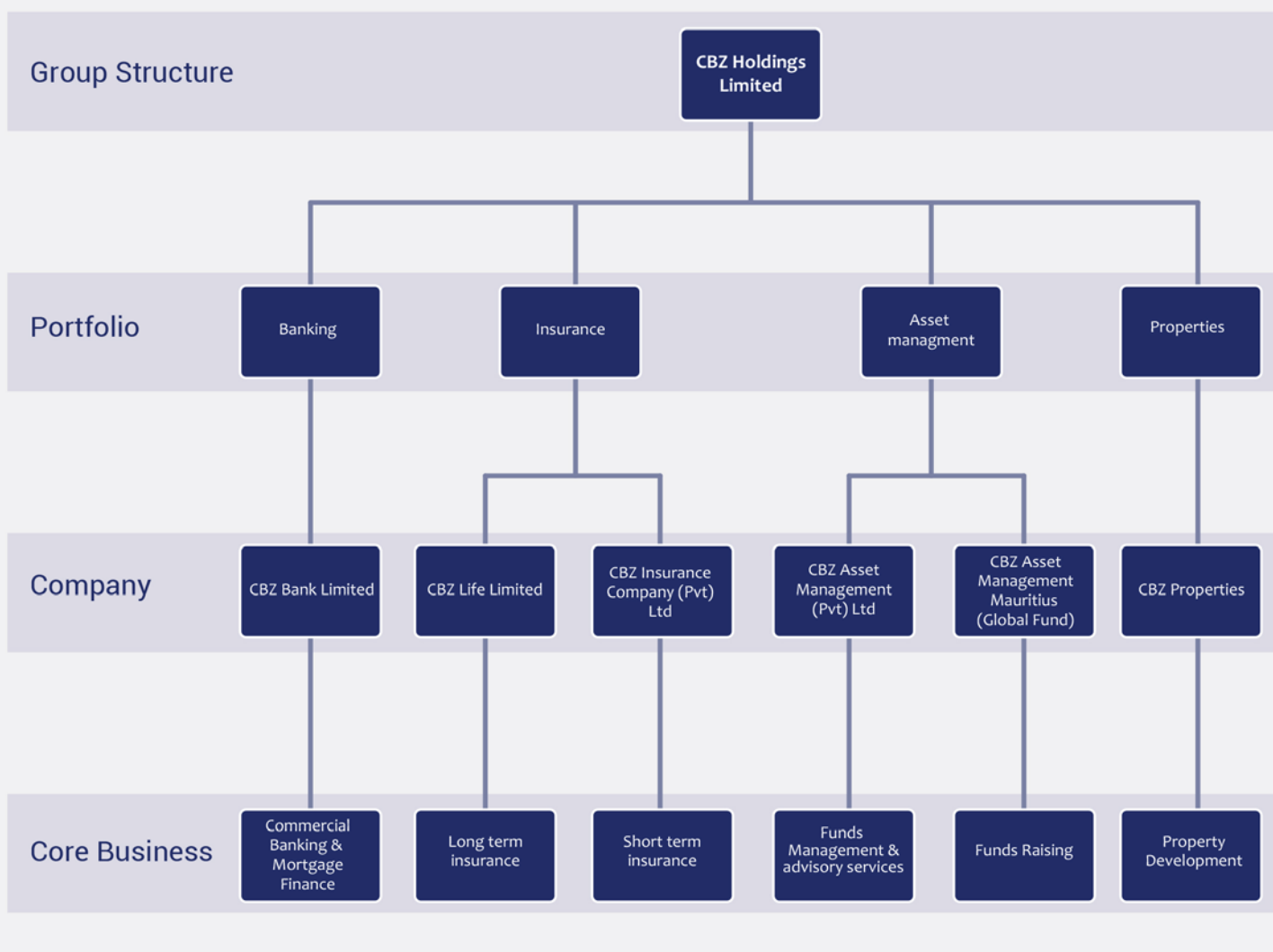




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Partners For Success



WHILE MOST PEOPLE, GIVEN A CHOICE WOULD WANT TO SUPPORT THEMSELVES POST THEIR WORKING LIFE, RETIREMENT, INJURY AND ILLNESS, AMONG OTHER THINGS, CAN MEAN THIS ISN'T POSSIBLE. That's when the National Social Security Authority comes into play.

"The National Social Security Authority as a quasi-government institution has a mandate to manage existing social security programmes and where necessary it introduces new ones," explains the organisation's Chief Executive Officer James Matiza. "We're manned by a competent team who have had training in the researching and designing of social security programmes. Although the Minister of Public Service, Labour and Social Welfare, has the prerogative to introduce new schemes on behalf of government, the Minister works through this authority to introduce those programmes. Each scheme is designed to provide for the employed people and their dependents, and is funded through contributions from employees and their employers."

Today NSSA's work involves the management of these two significant schemes that are making a huge difference to people's lives.

"At the moment we've two social security schemes. One is an old age pension scheme for people when they retire. This scheme is paid into by employers and employees alike, to provide a pension for all contributors" Matiza says.

"The second scheme is the Workers' Compensation Insurance, which is for people who are taken out of work by an accident or illness," Matiza explains. "This fund in particular is drawn from employers only. So if any employee is injured at work it is this fund that pays for their compensation, covering medical bills, plus a compensation for permanent injuries, where a percentage is assigned by a qualified medical practitioner, guaranteeing them a monthly pay out, if level of injury is beyond a certain percentage."

INVESTING THE POT

However, not all the money that goes into the pot for these benefits is immediately needed by the contributors. After meeting all its obligations, NSSA's Reserve funds from these contributions are invested in accordance with an approved investment policy. "The institution does not use all the contributions it collects," Matiza points out.

"A proportion is surplus that is invested into the economy. Our laws don't permit externalising that surplus, but we can participate in the economy. We put money into banks to lend and earn interest. We acquire properties and real estate which we can lease out to gain rent. We can build houses and offices or shopping malls and hotels as part of investing these funds. We have quite a number of similar investments.

NSSA G.M.-Mr James Matiza with the Minister of State for Manicaland, Honourable Mandy Chimene.



As I speak now we're in the process of building another shopping mall in a town called Chipinge which is south east of Mutare."

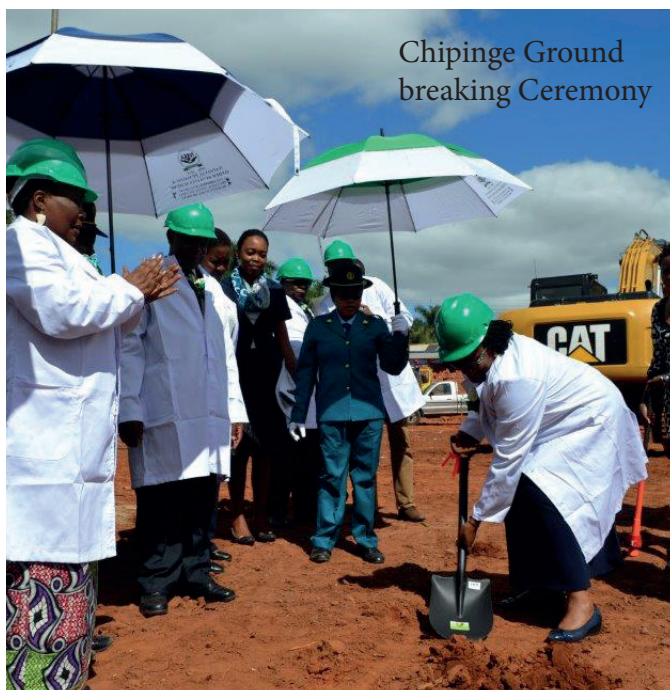
Of course, the purpose of these investments remains the same, as Matiza says, "The return from these investments is used to fund all those who retire at sixty or get injured at work in the form of a monthly pension. That is still the main business of the authority."

CHALLENGES

NSSA exists as a safety net to help Zimbabwe's citizens through troubled times, but that doesn't mean the organisation doesn't occasionally feel the bite of those troubled times itself. Fluctuations in the economy have hit the National Social Security Authority as much as anyone else in Zimbabwe. "At the moment the biggest challenge for us is that the economy is not performing in the way citizens expect," Matiza admits.

"Counter-measures are being put in place to make conditions attractive for external investors, but when conditions aren't good this affects us because we survive on employees paying money into the system. If companies are not doing well, employers and employees won't be able to pay in", he says.

The economy's performance has also had a knock-on effect on the authority's other investments.





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Reclon Consultants are proud to have provided these services to National Social Security Authority (N.S.S.A) on their various projects in Zimbabwe.

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“If you have a project like a hotel, and people’s disposable income is not sufficient for them to buy daily necessities they won’t be using a hotel,” Matiza says. “It reduces hotel occupation, meaning they fail to pay the rent to us and affect the levels of our cash flow.”

However, even in the face of issues like this, Matiza is confident NSSA will be able to deliver on what it promises, and the fight for economic revival has already begun.

“The politicians are working together with business to try and revive the economy and create more disposable income so people can pay rent, go to hotels, and contribute to the social security safety net.”

THE KNOWLEDGE TO PROTECT

Of course, providing that safety net is an enormous task, and to execute it competently and efficiently, NSSA has to rely on its team having the right knowledge, skills and experience to make the system work. Finding people with that knowledge, or training people to acquire it, is an important part of their operation.

“There are several places in Africa that teach the skills and knowledge that we look for,” Matiza explains. “There’s a university in Mauritius that provides masters degrees in social protection financing, and more are emerging. These institutions are offering formal degree programmes.

Meanwhile, abroad, the International Labour Organisation’s training arm, the International Training Centre in Turin, provides two and three week courses in benefit processing, occupational safety and health and other programmes that are being provided. So we send our new recruits there for global training, then when they come back they will have a better understanding of how to manage social security as a business in this country.”

The staff that are trained in these disciplines are viewed as valuable resources by the organisation, and are deployed accordingly.

Matiza explains, “We now have six managers that have master’s degrees in social protection financing. Now these are placed in strategic positions within the organisation because of that knowledge and they help craft policy, present new policies to the board and make decisions about the investment of social security funds.”

SUPPORT FOR ALL

However, despite the knowledge and leverage the organisation has been able to put into action to support retirees and those who are injured or fall ill, Matiza is not yet satisfied with the level of social protection NSSA is currently providing.

“What we hope is that this institution will function in every way as it was originally intended, with the social protection we provide extended to all citizens of this country,” he says. “At the moment social security is limited to fewer people than we initially intended.”

The reason for this is a simple and predictable one as Matiza points out, “What’s holding us back is the lack of money. Some of the money is supposed to come from government to cover those who cannot pay contributions for themselves. We believe our government is able to provide the resources to extend that coverage to all citizens of Zimbabwe. What we call universal social security coverage.”

The NSSA won’t rest until it’s able to provide that kind of comprehensive safety net to everyone in Zimbabwe.

“That is our aim,” Matiza says. “We need to set up safety nets for people who right now have no means of basic survival. We must provide something for those who cannot fend for themselves, even if it’s a small amount, coming in regularly it can make a big difference.” ◀



NSSA in the Community-Food Handover at an Old People's Home in Harare.

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