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#### **Master's Thesis of Public Administration**

## Assessment of Stakeholders' Engagement in Public Sector Reforms Processes:

A Study of Pension System Reform in Tanzania

August 2020

Graduate School of Public Administration Seoul National University Global Public Administration Major

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A Study of Pension System Reform in Tanzania

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Submitting a master's thesis of Public Administration

**April 2020** 

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#### **Abstract**

# Assessment of Stakeholders' engagement in Public Sector Reforms Processes:

The Study of Pension System Reform in Tanzania

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This research attempts to assess stakeholders' engagement in Tanzania public sector reform to examine how they are engaged in the reform processes and to what extent.

The main argument towards stakeholders' engagement is that stakeholders are the key part in reforming process, and failure of this can result in unstable reform implementation. Most of the public sector reforms in Tanzania claim to incorporate stakeholders in the reform process, but during execution and implementation of reform, some of the reforms fail to

be well implemented and face number of limitations and criticism from

different stakeholders of such particular sector of reform.

By studying the recent reform process that took place in pension

system in Tanzania, the study assessed the engagement of stakeholders

during the reform process of the pension system. The approach of a

qualitative and descriptive study was used to answer the research questions.

A sample of 144 respondents consists of workers' association

union (83 respondents), top managers from pension funds (40 respondents)

and members of parliaments (21 respondents) participated in the survey.

The method used for conducting survey was online survey questionnaire,

which produced also the required results for data manipulation and graphs

layouts.

Research study findings have shown that the recent pension system

reform in Tanzania was passed and reached the implementation stage

without the proper stakeholders' engagement. Moreover, not only it was

passed without the consent of majority stakeholders, but also the content of

reform was not clear to stakeholders. Responses from the members of

parliament have also shown that the reform's bill was passed without their

consent, and they claimed that there was some external pressure (out of the

parliament) to pass the reform's bill.

Key words: Public Sector Reform, Stakeholders Engagement, Pension

System, Tanzania.

Student ID: 2018-29205

ii

## **Table of Contents**

Abstract	
Table of Contents	iii
List of Tables	v
List of Figures	vii
List of Abbreviations	ix
Chapter One: Introduction	1
1.1. Background of the Study:	1
1.2.Statement of the Problem	2
1.3.Research objective:	3
1.4.Significance of the study	3
1.5.Research questions	4
1.6.Research hypothesis	4
Chapter Two: Literature Review	
2.1.Scope and boundaries of the public sector	
2.2. View of Tanzania's public sector	7
2.3. Theoretical perspective of public sector reform and change	8
2.4.Conceptual underpinning of reforms in public sector	9
2.5.Reform implementation impediments and challenges	12
2.6.Public sector reform from the late 1980s	14
Chapter Three: Research Methodology	18
3.1.Research design	18
3.2.Population and study area	18
3.3.Sample	18
3.4.Data type	19
3.5.Data collection instruments	19
3.6.Data analysis method and presentation	20
Chapter Four: Results Analysis	21
4.1.Demographics of respondents	
4.2. Stakeholders' identification and prioritization	
4.2.1. Responses on whether stakeholders were well informed	27
4.2.2 Results on recognition and coverage range of key	
stakeholders	30
4.2.3 Responses to measure communication between government	
and stakeholders	

4.2.4 Responses to see if stakeholders were given sufficient time	e to
participate	35
4.3 Inclusiveness of stakeholders in the debate of reform	
processes	37
4.3.1 Responses to measure acceptance of stakeholders' comme	nts
on reform	38
4.3.2 Responses on stakeholders' consent on reform	
implementation	40
4.3.3 Responses on occasional meetings between government ar	nd
stakeholders	43
4.4 Understanding the content of reform	45
4.4.1 Responses to see if the content and objectives were clear	45
4.4.2 Responses on elaboration of complex terms in reform	48
4.4.3 Responses on reforms' objective towards improving the	
pension system	50
4.5 Engagement of members of parliament in passing the reform	ı
bill	
4.5.1 Passing the bill under the consent of majority in the	
parliament	53
4.5.2 Responses on presence of external pressure when passing	the
bill	
4.5.3 Responses to see if pension system needed to be reformed	56
4.5.4 Responses on time provided to discuss the reform bill	57
Chapter Five: Conclusion and Recomendations	58
5.1. Summary of activities	
5.2. Conclusion	58
5.3. Implications	59
5.4. Dissemination and Implementation	60
5.5. Recommendation for further studies	60
Bibliography	62
Abstract in Korean	65
Acknowledgement	67

### **List of Tables**

Table 1. Information of sampling   19
Table 2. Demographic characteristics of respondents from workers
associations
<b>Table 3.</b> Demographic characteristics of respondents from pension funds
funds
parliament
Table 5. Percentage details of pension funds' respondents on being
informed28
Table 6. Percentage details of workers unions' respondents on being
informed29
<b>Table 7.</b> Percentage details of pension funds' respondents on
stakeholders' coverage31
<b>Table 8.</b> Percentage details of workers unions' respondents on
stakeholders' coverage32
Table 9. Percentage details of pension funds' respondents on
communication33
Table 10 Deposits as details of evenless surious, user and outs on
<b>Table 10.</b> Percentage details of workers unions' respondents on
communication34
Table 11. Percentage Details of Pension Funds' Respondents on Time
Given36
<b>Table 12.</b> Percentage details of workers unions' respondents on time
given
Table 13. Percentage details of pension funds' respondents on comments
acceptance39
Table 14. Percentage details of workers unions' respondents on comments
acceptance
<b>Table 15.</b> Percentage details of pension funds' respondents on their
consent41
<b>Table 16.</b> Percentage details of workers unions' respondents on their
consent

Table 17. Percentage details of pension funds' respondents on meeting.    44
Table 18. Percentage details of workers unions' respondents on meeting    44
Table 19. Percentage Details of Pension Funds' Respondents on Reform's      Content
Table 20. Percentage details of workers union's respondents on reform's content.    47
Table 21. Percentage details of pension funds' respondents on reform's complex term elaboration.
Table 22. Percentage details of workers unions' respondents on reform's complex term elaboration.    50
Table 23. Percentage details of pension funds' respondents on reform's objectives.    51
Table 24. Percentage details of workers unions' respondents on reform's objectives.    52
Table 25. Percentage details of members of parliament's consent on passing reform.    54
Table 26. Percentage details of members of parliament's on external pressure      presence
Table 27. Percentage details of members of parliament's on reform's      necessities
Table 28. Percentage details of members of parliament's on time given to discuss reform

## **List of Figures**

<b>Figure 1.</b> Pension funds' responses on being informed to participate in
reform
Figure 2. Workers unions' responses on being informed to participate in
reform
Figure 3. Pension funds' responses on coverage range of key
stakeholders30
Figure 4. Workers unions' responses on coverage range of key
stakeholders31
Figure 5. Pension funds' responses on regular communication with
government33
Figure 6. Workers unions' responses on regular communication with
government34
Figure 7. Pension funds' responses on time given to discuss the
reform35
Figure 8. Workers unions' responses on time given to discuss the
reform36
Figure 9. Pension funds' responses on acceptance of their
comments
Figure 10. Workers unions' responses on acceptance of their
comments39
Figure 11. Pension funds' respondents on their consent to reform41
Figure 12. Workers unions' respondents on their consent to
reform
Figure 13. Pension funds' respondents on regular meeting with
government43
Figure 14. Workers unions' respondents on regular meeting with
government44
<b>Figure 15.</b> Pension funds' respondents on clearness of reform's
content46
Figure 16. Workers unions' responses on clearness of reform's
content47
<b>Figure 17.</b> Pension funds' responses on elaboration of reform's
content48
<b>Figure 18.</b> Workers unions' responses on elaboration of reform's
content59
Figure 19. Pension funds' responses on objectives of pension
reform51
Figure 20. Workers unions' responses on objectives of pension
reform52

<b>Figure 21.</b> Members of parliament's responses consent on passing	
reform	54
Figure 22. Members of parliament's responses on external pressure	
presence	55
Figure 23. Members of parliament's responses on the need of doing	
reform	56
Figure 24. Members of parliament's responses on time given to discus	S
reform	57

#### List of Abbreviations

PSPF Public Service Pension Funds

NSSF National Social Security Fund

LAPF Local Authority Pension Fund

GEPF Government Employees Provident Fund

PPF Parastatal Pensions Fund

SSRA Social Security Regulatory Authority

TUGHE Tanzania Union of Government and Health Employees

TUCTA Trade Union Congress of Tanzania

TTU Tanzania's Teachers Union

TALGWU Tanzania Local Government Workers Union

TUICO Tanzania Union of Industrial and Commercial Workers

TAMICO Tanzania Mines and Construction Workers Union

TRAWU Tanzania Railway Workers Union

TPAWU Tanzania Plantation Agricultural Workers Union

TASU Tanzania Seafarers Union

TEWUTA Telecommunication Services Workers' Union of Tanzania

COTWUT Communication and Transport Workers' Union

CHODAWU Conservation, Hotel, Domestic and Allied Workers Union

CCM Chama Cha Mapinduzi

TLP Tanzania Labor Party

CUF Civic United Front

CHADEMA Chama Cha Demokrasia na Maendeleo

#### **Chapter One: Introduction**

#### 1.1. Background of the Study:

Organization are rarely established and formed as ends in themselves. They are formed and created to do specific tasks and, since they are regarded as living entities, they are expected to respond and adopt to changing environments to meet internal and external needs and demand. From that perspective, organizations both in public and private should be dynamic and keep learning for better improvement in their performances.

Organizations, specifically in public sector domain, by virtue of their responsibilities, characteristics and complexities, are influenced by various number of political and socio-economic environments in which they operate. The factors that influencing, range from scientific and technological innovation, and stakeholders demands and needs to the interests agenda of the government which is in power.

This is the reason why public organizations should not closed system and not characterized by 'positive entropy'. Organizations in public sector should not have run down or deteriorating tendency. Always they should attempt to sustain themselves by 'importing energy' try to offset 'positive entropy' hence they should be characterized by negative entropy (Morgan 1995). In this perspective, reforming organizations in the public sector organizations should be dynamic and adaptive to the environment, and should have a tendency that makes them continuous learning organizations. Thus, public sector reforms is phenomenal and therefore, indispensable. Reforms in public sector continues to be an integral part of governments' efforts to modernize their functions and operations, making them more citizen-centric and responsive.

#### 1.2. Statement of the Problem

Any government in the world has various and different institutions / organizations which are designed and established for the purpose of meeting the needs of citizens. However, these institutions need to be dynamic and have to change for the purpose of becoming stable and be able to meet the needs of the citizens. These changes are termed as 'Reforms' and are deliberately done for the purpose of making them to run better.

In Tanzania, for the past twenty five years the government had seven cross cutting public sector reforms for the purpose of improving service delivery as well realization of objectives of developmental planning. These reforms were; (i) Public Service Reform Program which aimed at improving public service delivery, (ii) Public Finance Management Program aimed at increase intensity in measuring general revenue and controlling expenditure, (iii) Local Government Reform Program aimed at building local government capacity through decentralization by devolution among other, (iv) Legal Sector Reform Program which focused on enhancing rule of law, bring justice to all and facilitate timely access of legal services, (v) Business Environment Reform Program focused on removing policy, institution and legal barrier to business operation to strengthening business operation, (vi) National Anti- Corruption Strategy and Action Plan with the objectives of combating corruption in Tanzania, and lastly (vii) The Second General Financial Sector Reform Program aimed at reforming the financial Sector by addressing structural, organization, policy, procedural and operational constraints in the economy.

Pension system which is under Financial Sector also undergo some reforms, Pension reforms can be grouped into at least four different categories: parametric reforms, which involve changes in the parameters of current pension systems; systemic reforms, which involve introducing a new type of pension system to replace or complement the existing system; regulatory reforms, which involve changes in the investment regulations on funds having assets that can be invested;

and administrative reforms. Recently the Pension system in Tanzania went through a combination of fiscal, structural and administrative reforms at one point.

Many studies which were conducted in the field of public sector reforms in Tanzania, were not mostly focused the stakeholders' engagement in the reform process. This study will assess stakeholders' engagement in the public sector reforms by looking the recent and current pension system reform in Tanzania.

#### 1.3. Research objective:

The main objective of this study was to assess stakeholders' engagement in public sector reform by studying the current pension system reform in Tanzania by:

- Identifying stakeholders in pension system reform that were engaged in reform process
- ii. Determining whether engagement in the reform process was inclusive to all important stakeholders to ensure effective reform.
- iii. Assessing and analyzing whether the dialogue in engagement was effective and the content was clear and well understood.
- iv. Assessing how stakeholders perceive public sector reform process
- v. Assessing the process of passing reform bill in Parliament through

  Members of Parliament

#### 1.4. Significance of the study

The study will be very important to the overall future public sector reform processes and policy making on the other hand as it will provide awareness and understanding the importance and the need of effective engagement of stakeholders in reform process. The study will provide awareness also to policy makers in various areas in any public sector institution in Tanzania as to why they should consider the importance of engaging stakeholders in reform process.

#### 1.5. Research questions

Question 1. To what degree are stakeholders groups in pension system reform are identified and prioritized?

Question 2. To what extent are stakeholders' engagement discussion and consultation process is inclusive?

Question 3. To what extent does the content of reform is well clear and understood by stakeholders?

Question 4. To what extent the parliament members engaged and agreed to pass the reform bill?

#### 1.6. Research hypothesis

- i. The engagement of stakeholders in public sector reforms is not inclusive for better debatable reform discussion.
- ii. Amount of information on reform's content is not well clear to be understood by stakeholders.
- iii. Passing of the reform's bill is affected and influenced by external factor or pressure.

#### **Chapter Two: Literature Review**

#### 2.1. Scope and boundaries of the public sector

The concept of public sector in the mainstream public administration literature is somewhat elusive, ambiguous and context-sensitive. It is invariably used to donate a plethora of institutions ranging from government to non-profit organizations to government —aided entities. As such, the composition of the public sector tends to vary by country, hence there is no universally accepted definition of the concept. The term public sector is broader than simply that of core government and may overlap with the private sector or not-for-profit.

However there is a consensus on the meaning of the term public sector at least jurisdictions with the Anglophone public administration heritage and traditions, particularly the Commonwealth countries. The definition by Dube and Danescu (2011) they show the public sector consists of an expanding ring of organizations with the core government at the center, followed by agencies and public enterprises. Furthermore, they show that around this ring is a gray zone consisting of public funded contactors and public owned business which may be, but for most part are not part of public sector.

According to the World Bank (2012) the public sector comprises upstream core ministries and central agencies, downstream bodies including sector ministries, and non-executive state institutions. Upstream bodies include core ministries and agencies at the center of government, such as Ministry of Finance and the offices that support the head of government, which have functions that cut across sectors. Downstream bodies include both sector ministries and agencies, including education and health providers which deliver and fund service under the policy direction of government. They also include diverse group of more autonomous bodies such as regulators and state owned

enterprises and corporate bodies which, in many countries, still provide the majority of infrastructure service despite extensive privatization.

From the foregoing, it seems plausible to point out that the public sector organization may predominantly exist at international level, consisting of multistate entities or partnership; at national level, including an independent state, regional state or province level within a nation and local government administrative level. At any of these levels, the public sector generally consists of at least three types of organizations.

First, central government, consisting of governing body with a defined territorial authority. The central government includes ministries and independent departments or branches of government that are integral parts of the structure, are accountable and report directly to the central authority such as legislature, council, cabinet or executive head.

Second, agencies which consist of public organizations are the part of government and deliver public programs, goods and services. These exist as semi-autonomous organizations with a legal personality and operate with partial degree of operational independence. They often, but not necessarily, headed by a board of directors, commission or other appointed body.

Third, public enterprises which are entities that deliver public programs, goods and services, but operate independent of government, and often generate their own revenue in addition to occasional and conditional public funding. They also may compete in private markets and make profits. However, in most cases the government is major shareholder.

Public sector organizations are largely set up as corporate bodies and part of the government apparatus for an entrepreneurial-like objective, (Ibid. Laleye. 2011). In additional, Dube and Danescu (2011) correctly point out that outside the mainstream public sector area is a 'gray or boundary zone' with two types of

organizations that might or might not be part of the public sector, namely state business and public contractors. The former are government owned and controlled business that sell goods or services for profits in the market. They do not deliver what would be considered public programs. The public contractors are legally independent entities outside government that receive public funding, which they spend under contract or agreement to deliver public programs, goods and service as their primary business. All in all, the public sector, consist of statutory bodies and parastatals, is understood to be the crucial apparatus for the execution of the functions of the state and its institutions.

#### 2.2. View of Tanzania's public sector.

In the Tanzanian context the public sector comprises the public service entities, parastatals, public enterprises, regulatory, executive agencies at the center of government, and independent department. Unfortunately, some writers on Tanzania public administration tend to misconstrue public sector reforms with public service reforms, claiming that the two are synonymous. This is a misleading interpretation and narrow view of the public sector reforms. Public service reforms are but a distinctive component of public sector reforms. The two should not be confused; they donate different meaning in scope and magnitude. Public sector reform efforts in Tanzania have a long chequered history.

The British colonial regime initiated and implemented some reform particularly in the administrative machinery of government. Most of colonial public sector reforms were largely geared at strengthening the administrative machinery of the pre-independent government for optimal control and exploitation of the country. Some of the reforms that were introduced during the British colonial administrative include the direct rule system, native authorities and legislative council and ministerial form of government. The colonial-inspired reforms were not pro-people; they were much are for controlling the native rather than the developing them.

# 2.3. Theoretical perspective of public sector reform and change

Change and reform are not new terms or phenomena in public institutions, since many of changes or reforms have main attempt to bring positive changes. However, in theoretical perspective of public sector reforms, it is important to distinguish between reform and change in public institutions. The term reform means deliberate and active attempts by administrative and political leaders to change cultural or structural features of institution; Change is the actual results of the features. In organization, changes takes gradual process and it takes place in the process or course of daily and routine activities. It can be in small increments of abrupt and strong upheaval.

Change and reform can take place simultaneously, but yet be slightly decoupled from each other, in the fact that reform may focus and base on the top initiatives, whereas change can take place continuously at organization's lower level. From a negotiation-based perspective instrument, deficiencies in accomplishing reforms can stem from refusal to leaders' target for change from inside or outside actors in the institution.

Leaders are precisely attempting to bring change when they agree and decide to do reforms in an organization, and the outcome to cultural or structural is on the six categories of reform in public organizations; the organization structural form design, leadership, human resource management, work process, cultural and work environment and control of finance.

There is a connection between the way the whole reform process is organized and the outcome, organizing leads to capacity for action an analysis. In addition, the main idea for organizational structural existence is to assist in determining how problems and solution are determined. From the view and perspective of negotiation-based instrument, the current and existing organizational structure and the way the reform process is being organized may

be result of the previous compromise and bargaining. Just as crucial, will be that current structure of organization and the way reform is being organized to provide proper directives for the process and results (outcome) of reform process, the reason is that, structural features has vested interests.

Therefore, there might be reform conflicts due to revival of old pattern of conflicts. From the view of cultural perspective, it is important to make clear how the process and outcome of reform changes will be attributed by cultural features that have been established. Values and norms should be relatively stable and they assist in determining the method of reform. (i.e. how to organize the change process, like which players/actor to be involved in the process) and, to some point, the solutions in organization (i.e. what are the content of changes) considered as best.

#### 2.4. Conceptual underpinning of reforms in public sector

The concept of reform in management and organization behavior theories denotes several meanings. Some definitions emphasis on the outcomes impact of reforms interventions in organizations, whereas other tend to focus on the process leading to both the anticipated and unanticipated outcomes. The World Bank (2012) has coined the term 'public sector management reform' which it defines as 'the art and science of making the public sector machinery work'. However, the definition does not explicate the art and science dimensions of the reform.

Moreover, public sector management reforms are often thought of as changes to the formal (*de jure*) institutional and managerial arrangement in the center of government and in sector agencies, such as new a new civil service laws or budgetary procedures, revised funding arrangement for health care, atc. Changes to formal arrangement are often critical, but ultimately public sector management reform is about changing the informal *de facto* behavior of agents within the sector. Changing these actual behaviors does not necessary commence

with legal or other reforms-changes in how downstream agencies and department functions day-to-day can provide the springboard for more formal changes in the laws and procedures. (Ibid.p3). The World Bank's interpretive criteria in respect of the concept of reform is, by and large, comprehensive.

In terms of scope and purpose, Mark and Turner (1997, p.107) equate public sector reforms to administrative reforms. They see reforms to be about deliberate planned changes to public sector organization's practices for the purpose of improving efficiency and reforms are means for transforming public organizations. In this regard reforms are means for transforming public organizations and society. There is more convergence in the understanding reform than divergence. Reform denotes innovation geared at enhancing the capacity and capabilities of the public sector institutions. Reforming is a change process with a series of logical steps, hence it must be planned and the anticipated outcomes and impact on performance should be clearly articulated and spelt out planned and implemented in vacuums. They attract the demands, needs and interest from heterogeneous stakeholders. In this regard, conflicts, compromises and challenges in designing and implementing reforms and phenomenal, hence politics permeates reforms in the public sector domain.

With the exception of Caiden (1969), most writers on reforms have tended to lose sight on the politics surrounding public sector reform process. Reforms, like many organizational process, are influenced directly and indirectly by the internal and external socio-economic and political dynamics.

Notwithstanding the fact that reforms are one of the major characteristic features of organizations, comprehensive reforms in the public sector have been implemented in developed and developing countries around the world in order to respond to changing global economic and political imperatives.

Most of the public reforms are, by large, derivatives of the global New Public Management (NPM) movement. As Ayeni (2002) aptly observed, the

major thrust of the public sector reforms include the transfer of private sector management ethos and approaches to the public institutions, introduction of market forces and principle in the public sector and establishment or globalizing the liberal democratic values. Globally, public sector reforms are intended to achieve sustainable growth, with equity and improvement in the public organizations' results chain.

Barber (2007) identifies three dominant paradigm of public sector reforms, each suitable for addressing specific needs and demands in different circumstances, and points out that regardless of each paradigm select, the political center plays a crucial role. The three paradigms are the command and control, devolution and transparency and quasi-market. Barber argues that the command and control mode is often the first choice of government that the command and control mode is often the first choice of government that want immediate and visible change urgently, and want to be seen implementing reform measures. It involves the top-down management approach. In respect of the devolution and transparency prototype, government can devolve responsibilities to the frontline units delivering the service and the use transparency means in making public the results, in a way that allows comparison in order to steer performance. Successful units are rewarded and expanded whilst the underperforming entities could undergo intervention or be shut down. The 'quasi-market' archetype involves full scale privatization, including divesture, which in most cases is used by government for reforms in the telecommunication and utilities sector. There is hesitation in applying this model in areas such as education or policing for reason of social equity, feasibility and politics.

Reforming public sector organization, including government, is a continuous process. It is prompted by development in local and international socio-economic, political and technological dynamics as well as demands by citizens. Many government have respond to these situations by adopting two sets of reform measures.

On the one hand, the reform place efforts on building and strengthening the infrastructure in the form of hard reforms-roads, hospitals, school etc. for provision of public service. On the other hand, they focus on addressing institutional bottlenecks-also soft reforms (system, tools, and process) in the machinery of government that may otherwise constrain the efficient and effective provision of public services. However, many public sector reforms do not achieve their intended results to the satisfaction of different stakeholders

#### 2.5. Reform implementation impediments and challenges

The implementation of public sector reforms is not an easy task in the understanding of both practitioners and academics. Studies identify a number of problems and challenges that undermine successful implementation of reforms. These must be addressed if public sector reforms intervention have deliver the intended results. The World Bank (2012), for instance, delineates several challenges plaguing the public sector management reforms, main one being;

- i. Relatively little explicit evidence about what matters most in improving public sector performance, hence practitioners rely on a strong body of tacit or 'craft' knowledge to develop practical reform strategies.
- Significant uncertainty about the institutional forms that are suited for improving public sector performance in a given context.
- iii. Challenges and difficulties in changing the actual behavior of public sector stakeholders and agents.
- iv. Public sector management reforms may not necessary attain the intended difference for development outcomes; and
- v. Powerful public sector reforms actor may block reforms to ensure that the public sector serves their supporters' interest, rather than the public good, thus, political economy factors may not be fully evident until the reform process plays out.

The challenges and constraints that thwart the implementation of public sector reforms are many. Other reform champions and expert including Mutahaba (2013) observe that public sector reforms fail to deliver their intended result due to serve capacity and capability gaps, including weak markets, in that reforms seems be replacing a sick and ailing public sector with a weaker and a more inefficient public sector. Second, lack of political will and commitment to reforms on the part of government in power. Third, the weakness of the institutional arrangements for effective public sector reforms. Forth, the non-government of the concerned stakeholders in the designing and implementation of the reforms, consequently raising a legitimate question on the ownership of the reforms. Mukandala (2000) has attributed the failure of public sector reforms to accomplish their intended objectives, particularly in African countries, to a number of reasons, the major ones being the crisis of institutions, continued domination of the colonial logic of public administration, poor or noimplementation of legislated policies, persistence and endemic corruption, as well as the structural adjustment program and civil service reform.

Moreover, there are claim that some of the reforms in the public sector are imposed on government, particularly in developing countries, by development partners and donors, particularly the Bretton Woods Institutions- The World Bank and International Monetary Fund (IMF). These financial institutions have tended to require fund recipient countries to undertake reforms as a condition for accessing development grants or loans. Such reforms are usually misguided because they lack local context and do not necessary address the felt needs of the people. The architect of the reforms rest on a rational instrumental mode in terms of implementation design based upon the principles of the classical management theorist, employing a 'one size fits all' or 'the best way' approach to transform the public sector. Reforms that are not anchored upon the socio-political and cultural circumstances of a given country are prone to failure.

#### 2.6. Public sector reform from the late 1980s

Tanzania like many other developing countries, decided to adopt reform strategies focusing on measures geared at (i) strengthening system and process with a view to enhancing efficiency, effectiveness, accountability and transparency in Government; (ii) developing and strengthening infrastructure to improve access to service delivery in specific sector; and (iii) promoting democracy and good governance. With regard to measure focusing on strengthening system and process, four cross-cutting reform programs were initially developed and implemented. They were;

- (i) Public Service Reform Program (PSRP)
- (ii) Public Finance Management Reform Program (PFMRP)
- (iii) Local Government Reform Program (LGRP); and
- (iv) Legal Sector Reform Program (LSRP)
   In addition, other reform programs with cross-cutting dimension also were developed. These were;
  - (a) Business Environment Strengthening (BEST);
  - (b) National Anti-Corruption and Action Plan (NACSAP), and
  - (c) Second Generation Financial Sector Reform Program (SGFSRP)

    The reform programs that were focusing on strengthening infrastructure in specific sector were numerous and diverse. The major ones were;
  - (i) Health Sector Reform Program (HSRP);
- (ii) Education Sector Development Program (ESDP);

- (iii) Agriculture Sector Development Program (ASDP);
- (iv) Roads Sector Development Program (RSDP); and
- (v) Water Sector Development Program (WSDP);

Measures that were intended to promote democracy and good governance included:

- (i) Re-establishment of a multiparty political system;
- (ii) Establishment of democracy protection institution;
- (iii) Establishment of regulatory bodies;
- (iv) Putting in place legal and institutional framework for the involvement of non-state actors in governance.

Having implemented the two sets of reforms for more than two decades, a comprehensive assessment was undertaken with a view to establishing the extent to which the reforms have contributed to improve public service delivery. However, some of these reforms did not produce desired and expected results during and after implementation, number of reasons have been highlighted and they mostly based on technical and financial reasons. On the other hand, the issue of stakeholders engagement was not seem to be the important topic during reform process, however is ought to be one of the major reason in the failure of sector reform in Tanzania.

#### 2.7. Reform and change in Tanzania pension system.

Pension system in Tanzania has been through a major reforms for the past one year, the system had five pension funds operating separately with different benefits package to members and formulas to calculate benefits were also different. The only similar aspect in all funds was that, after retiring, retirees were paid the whole lamp sum amount of gratuity. After reform of the pension system, four pension funds were merged to form one pension fund serving public sector and one pension fund remains to serve private and informal sector. There was adoption of new formula and changes in payment process from receiving the whole lump sum of gratuity to apportioned payment (reform agreed retirees to be paid 25% and the remaining 75% to be apportioned to their monthly pension payment).

However, during the implementation process stage, there were different number of complaints from pension system stakeholders and members of the funds regarding the new system of pension, particularly the mentioned payment process of apportioning the gratuity. Increase of complaints brought so many unanswered question on how reform process is taking place in Tanzania public sector in relation to stakeholders' engagement.

After intensive increase of complaints, December 2018, current President of Tanzania (John Pombe Magufuli) decided to denounce the new formula of paying the gratuity after its implementation in four months after being signed by the President himself. Now all retirees are paid 100% of their gratuity by following the old formula of their previous funds that each one was a member before the reform process.

This had brought so many unanswered questions as to whether stakeholders were fully engaged during reform process before implementation, and if they were engaged, to what extent they were engaged in debating the reform, including the awareness of the whole contents of reforms areas. This has been the

main reason for this study to be conducted as many previous study in reforming public sector in Tanzania did not study in deep the engagement of stakeholders in reforming public sector.

#### **Chapter Three: Research Methodology**

This part explains and describes the methodology that was basically used in the study. It includes research design, population and study area, sampling design and technique, data collection method (instruments) and data analysis methods.

#### 3.1. Research design

Because the goal of this research was to inquire in-depth information for interpretation, the proposed research design used for answering research questions was a qualitative research design. On the other hand, the research used descriptive nature approach aimed to explore and explain while providing additional description on the research tittle.

#### 3.2. Population and study area

The applicable target population for the study was all relevant key stakeholders who seemed to have interest or impact on pension system and its reform in general. These stakeholders were Workers' Associations (Trade Unions) which has different thirteen trade unions in total, Members of Parliament (as part of law making) and Pension funds Management Team (Top Managers).

#### 3.3. Sample

In this research study, the methods of sampling used is indicated below which shows also data collection methods, sample size that was used and sampling technique.

**Table 1: Information of sampling** 

Purpose	Method of	Technique of	Size of
	collecting data	sampling	sample
To assess stakeholders'	Online survey	Purposive/	144
engagement in pension	questionnaires	judgmental	
system reform.			

Sample was non-probability, judgmental/ purposive sampling as it required individuals who have experience and they counted as key persons to provide genuine responses. It was a sample for conducting an online survey from the targeted population group. The sample size used was 144 which was divided as follows;

Trade Union-83, Member of Parliament-21, Pension funds managers-40.

#### 3.4. Data type

The research study has used primary data as the main source of data collection through online survey questionnaire formulation.

#### 3.5. Data collection instruments

Online survey questionnaires was applied as a tool of collecting data, composed mainly with closed ended questions. The online questionnaire was then sent to respondents through electronic mail for them to fill and submit online.

#### 3.6. Data analysis method and presentation

Since the process of data collection was done through online survey, the output results was transported into Google documents spreadsheet for manipulation and graphs layout.

#### **Chapter Four: Results Analysis**

This chapter explains and presents the research findings, including characteristics of respondents who were engaged in the survey. Respondents were crucial stakeholders divided into three categories which included staffs of four pension funds who were managers before reform process, staffs of workers union association (who were engaged in reform) and members of parliament who were engaged in passing the pension reform bill in the parliament. Analysis of the findings was done towards the research objectives. The findings are presented by using graphs and tables in terms of percentages of responses.

#### 4.1. Demographics of respondents

The respondents of this study were selected by using a purposive/judgmental sampling which is under non-probability sampling and the main purpose was to enable the researcher to be able to collect the required information from the selected sample. In technical nature point of this research, the basis of this criteria was used to selected respondents who have the required knowledge of the study.

The data was collected from three different categories namely: Association of Tanzania Workers Union (83), Top managerial staffs of pension funds (40) and Members of Parliament (21). The questionnaire targeted 250, however only 144 responded which represents 72% of target. The below table depicts the physiognomy of the demographic from the respondents.

Table 2: Demographic characteristics of respondents from workers association

Variable	Classification	Frequency	Percentage (%)		
Gender	Male	46	55.4		
Gender	Female	37	44.6		
	Below 25	0	0		
	26-30	0	0		
A go	31-35	12	14		
Age	36-40	21	25		
	46-50	45	54		
	51-Above	5	6		
	Below Bachelors	0	0		
Education Level	Bachelors	36	43.4		
Education Level	Masters	47	56.6		
	Others	0	0		
	CHODAWU	4	4.8		
	RAAWU	2	2.4		
	TAMICO	8	9.6		
	TPAWU	3	3.6		
	COTWUT	2	2.4		
	TALGWU	6	7.2		
Place of work	TASU	3	3.6		
	TEWUTA	4	4.8		
	TRAWU	4	4.8		
	TUCTA	15	18		
	TUGHE	11	13.2		
	TUICO	6	7.2		
	TTU	15	18		
	1-5 years	0	0		
Working experience	6-10 years	36	42.7		
working experience	More than 10 years	47	57.3		

Table 2.1 Statistical Age-Gender of workers unions (t-test)

	Male	Female
Mean	7.6666667	6.1666667
Variance	103.06667	53.766667
Observations	6	6
Hypothesized Mean Difference	0	
df	9	
t Stat	0.2933916	
P(T<=t) one-tail	0.3879378	
t Critical one-tail	1.8331129	
P(T<=t) two-tail	0.7758756	
t Critical two-tail	2.2621572	

P value = 0.78

P value from the t test above = 0.78; this shows there is no age difference statistically between male and female respondents from workers unions.

Table 3: Demographic characteristics of respondents from pension funds

Variable	Classification	Frequency	Percentage (%)
G 1	Male	24	60
Gender	Female	16	40
	Below 25	0	0
	26-30	0	0
	31-35	2 (1 Male, 1 Female)	5
Age	36-40	16 (9 Male, 7 Female)	40
	46-50	18 (11 Male, 7 Female)	45
	51-Above	4 (3 Male, 1 Female)	10
<b>Education Level</b>	Below Bachelors	0	0

	Bachelors	5	12.5
	Masters	35	87.5
	Others	0	0
	PSPF	8	20
Place of work before merging	LAPF	12	30
	GEPF	10	25
	PPF	10	25
	1-5 years	0	0
Working	6-10 years	12	30
experience	More than 10 years	28	70

**Table 3.1 Statistical Age- Gender of Pension Funds Respondents (t-test)** 

	Male	Female
Mean	4	2.6666667
Variance	23.2	11.466667
Observations	6	6
Hypothesized Mean Difference	0	
df	9	
t Stat	0.5547002	
P(T<=t) one-tail	0.2963076	
t Critical one-tail	1.8331129	
P(T<=t) two-tail	0.5926152	
t Critical two-tail	2.2621572	

 $P \ value = 0.59$ 

*P* value from the t- test above = 0.59; this shows there is no age difference statistically between male and female respondents from pension funds.

 ${\bf Table~4:~Demographic~characteristics~of~respondents~from~members~of~parliament}$ 

Variable	Classification	Frequency	Percentage (%)				
Gender	Male	15	71.4				
Gender	Female	6	28.6				
	Below 25	0	0				
Age	26-30	1 Female	4				
	31-35	2 (1 Males, 1 Female)	10				
	36-40	4 (3 Males, 1 Female)	18				
	46-50	6 (4 Males, 2 Female)	29				
	51-Above	8 (7 Males, 1 Female)	39				
	Below Bachelors	2	10				
Education	Bachelors	10	47				
Level	Masters	8	38				
	Others	1					
Years in	1-5 years	4	20				
Parliament	More than 5 years	16	80				

**Table 4.1 Statistical Age-Gender of Members of Parliament Respondents** (t-test)

	Male	Female
Mean	2.5	1
Variance	7.5	0.4
Observations	6	6
Hypothesized Mean Difference	0	
df	6	
t Stat	1.307234	
P(T<=t) one-tail	0.1194959	
t Critical one-tail	1.9431803	
P(T<=t) two-tail	0.2389919	
t Critical two-tail	2.4469119	

T-test= 0.24

P value from the t test above = 0.24; this shows there is no age difference statistically between male and female respondents from members of parliament.

From the information above, it is evident that males have occupied greater proportion of the overall respondents. This shows that, in all three different categories of respondents male have dominated. From all three categories of respondents, they are relatively adults with age above 46 years which indicates that they dominated the working force of these three categories of respondents, however there is no Statistical difference of ages between male and female respondents. The demographic tables above also indicate that majority of respondents are Master's degree holder with exception of respondents from Parliament.

In this research, four areas/parts of stakeholders' engagement were used to assess the level of their engagement in the pension system reform. First; stakeholders' identification and prioritization, where the main purpose was to assess whether they were well identified in the pension system reform and if were given priority in the reform processes.

Second; inclusiveness of stakeholders in the debatable discussion of reform processes, where the goal was to assess to what extent the discussion were inclusive in terms of accepting their comments and how frequently the meetings/discussion used to be held.

Third; understanding the content of reform with the purpose of studying if content of reform was well understood by stakeholders for better reform discussion.

Forth; passing the pension system reform bill with the purpose of studying how the reform bill was passed in the parliament by getting the views from members of parliament who participated in the process of passing the reform's bill.

### 4.2. Stakeholders' identification and prioritization

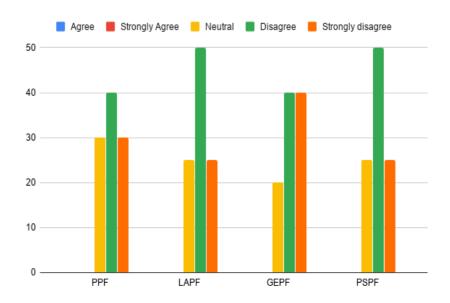
In this part, the survey targeted two categories of stakeholders which were Pension funds top managers as the part of service provision of pension and staffs from workers association who are the front liners in defending workers' rights including pension benefits. The survey had four different questions which were sent to respondents and the feedback from each question is depicted below;

### **4.2.1.** Responses on whether stakeholders were well informed

The question was asked to examine if stakeholders were well informed and invited to participate in debatable discussion of pension system reform. However, responses from both categories of stakeholders' responses, both did not support the fact of being well informed and invited to participate in a debate of

pension system reform. From pension funds respondents, no any respondent agreed to be well informed and invited as depicted in the below figures, 45% of respondents disagree, 30% have strongly disagree while 25% were neutral. Also, respondents from workers union all of the never agreed to be well informed to participate in the debate of pension system reform, 42% disagreed, 36% have strongly disagrees and 20% were neutral.

Figure 1: Responses from pension funds



**Table 5: Tabular details of responses from pension fund (%)** 

	Agree	Strongly Agree	Neutral	Disagree	Strongly Disagree
PPF	0%	0%	30%	40%	30%
LAPF	0%	0%	25%	50%	25%
GEPF	0%	0%	20%	40%	40%
PSPF	0%	0%	25%	50%	25%
Average	0%	0%	25%	45%	30%

Figure 2. Responses from workers union

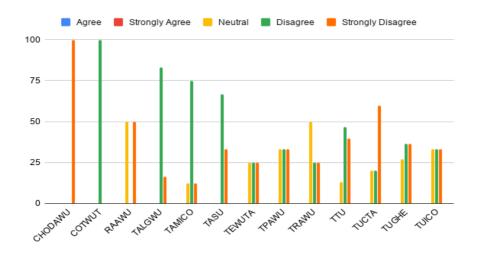


Table 06. Tabular details of responses from workers union (%)

	Agree	Strongly Agree	Neutral	Disagree	Strongly Disagree
CHODAWU	0%	0%	0%	0%	100%
COTWUT	0%	0%	0%	100%	0%
RAAWU	0%	0%	50%	0%	50%
TALGWU	0%	0%	0%	80%	20%
TAMICO	0%	0%	12.50%	75%	12.50%
TASU	0%	0%	0%	70%	30%
TEWUTA	0%	0%	25%	25%	25%
TPAWU	0%	0%	33.33%	33.33%	33.33%
TRAWU	0%	0%	50%	25%	25%
TTU	0%	0%	15%	45%	40%
TUCTA	0%	0%	20%	20%	60%
TUGHE	0%	0%	27%	37%	37%
TUICO	0%	0%	33.33%	33.33%	33.33%
Average	0%	0%	20%	42%	36%

### **4.2.2** Results on recognition and coverage range of key stakeholders

In this part, respondents from both categories, pension funds and workers association did not agree on the recognition and coverage range of stakeholders in the reform process, 66% of respondents from pension funds have strongly disagreed, 28% have disagreed and 6% were neutral. Respondents from workers unions, 47% have strongly disagreed, 45% have disagreed and 8% were neutral. This implies that, the reform process of pension system did not engage many stakeholders which were expected to be engaged and that seems to be the reason for complaints during implementation process.

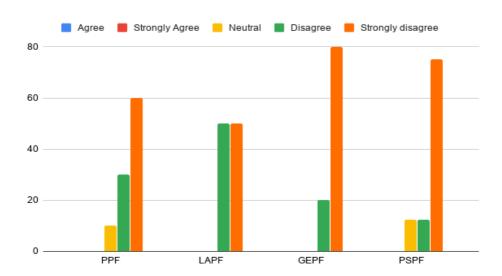


Figure 3. Responses from pension fund

Table 07. Tabular details of responses from pension funds (%)

	Agree	Strongly Agree	Neutral	Disagree	Strongly Disagree
PPF	0%	0%	10%	30%	60%
LAPF	0%	0%	0%	50%	50%
GEPF	0%	0%	0%	20%	80%
PSPF	0%	0%	12.50%	12.50%	75%
Average	0%	0%	6%	28%	66%

Figure 4. Responses from workers association

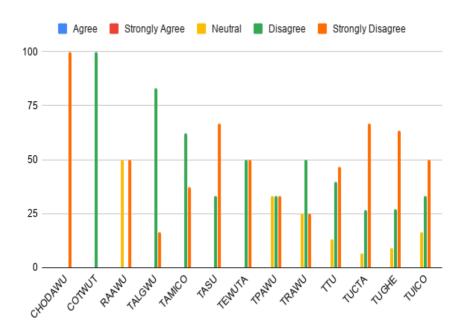


Table 08. Tabular details of responses from workers union (%)

	Agree	Strongly Agree	Neutral	Disagree	Strongly Disagree
CHODAWU	0%	0%	0%	0%	100%
COTWUT	0%	0%	0%	100%	0%
RAAWU	0%	0%	0%	50%	50%
TALGWU	0%	0%	0%	80%	20%
TAMICO	0%	0%	0%	65%	35%
TASU	0%	0%	0%	30%	70%
TEWUTA	0%	0%	0%	50%	50%
TPAWU	0%	0%	33.33%	33.33%	33.33%
TRAWU	0%	0%	25%	50%	25%
TTU	0%	0%	15%	40%	45%
TUCTA	0%	0%	5%	27%	68%
TUGHE	0%	0%	13%	27%	60%
TUICO	0%	0%	15%	35%	50%
Average	0%	0%	8%	45%	47%

## **4.2.3** Responses to measure communication between government and stakeholders

Responses on whether the reform process had maintained regular communications with key stakeholders for effective reform process, among all the responses from both two categories of pension funds and workers union neither supported as it can be seen in below figures. Respondents from pension funds, 61% have strongly disagreed, 18% have disagreed and 21% were neutral. Respondents from workers union, 56% have strongly disagrees, 32% have disagree and 12% were neutral. That means during reform process the

government did not have a tendency of communicating with stakeholders regularly and hence might be the cause of the reform to fail.

Figure 5. Responses from pension fund

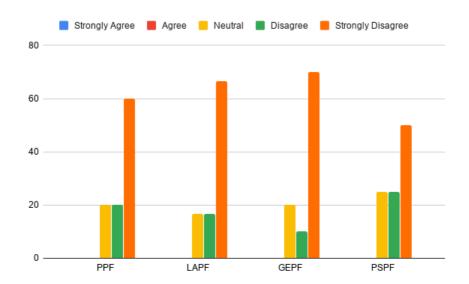


Table 09. Tabular details of responses from pension funds (%)

	Agree	Strongly Agree	Neutral	Disagree	Strongly Disagree
PPF	0%	0%	20%	20%	60%
LAPF	0%	0%	18%	18%	65%
GEPF	0%	0%	20%	10%	70%
PSPF	0%	0%	25%	25%	50%
Average	0%	0%	21%	18%	61%

Figure 6. Responses from workers association

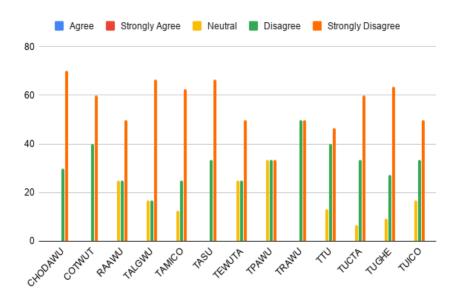


Table 10. Tabular details of responses from workers union (%)

		Strongly			Strongly
	Agree	Agree	Neutral	Disagree	Disagree
CHODAWU	0%	0%	0%	30%	70%
COTWUT	0%	0%	0%	40%	60%
RAAWU	0%	0%	25%	25%	50%
TALGWU	0%	0%	18%	18%	65%
TAMICO	0%	0%	13%	25%	62%
TASU	0%	0%	0%	35%	65%
TEWUTA	0%	0%	25%	25%	50%
TPAWU	0%	0%	33.33%	33.33%	33.33%
TRAWU	0%	0%	0%	50%	50%
TTU	0%	0%	15%	40%	45%
TUCTA	0%	0%	7%	33%	60%
TUGHE	0%	0%	10%	27%	63%
TUICO	0%	0%	15%	35%	50%
Average	0%	0%	12%	32%	56%

## **4.2.4** Responses to see if stakeholders were given sufficient time to participate

From the two figures below, both respondents from pension fund managers and workers union did not agree to be given enough time to participate in reform process, from pension fund respondents, 55% have strongly disagrees, 43% have disagreed and 01% were neutral. From workers association respondents, 52% have strongly disagreed, 38% have disagreed and 10% were neutral. That means during the discussion there were no enough time for a well debatable discussion to allow them to provide their opinions for effective reform.

Figure 7. Responses from pension fund

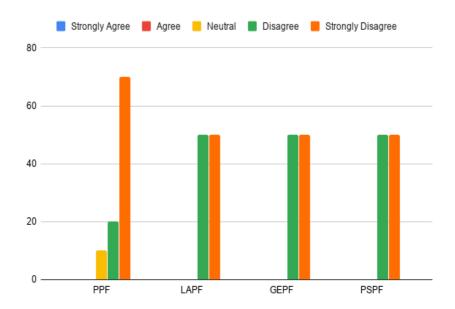


Table 11. Tabular details of responses from pension funds

	Agree	Strongly Agree	Neutral	Disagree	Strongly Disagree
PPF	0%	0%	3%	20%	70%
LAPF	0%	0%	0%	50%	50%
GEPF	0%	0%	0%	50%	50%
PSPF	0%	0%	0%	50%	50%
Average	0%	0%	1%	43%	55%

Figure 8. Responses from workers association

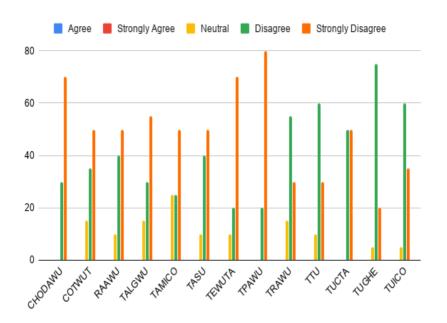


Table 12. Tabular details of responses from workers union

		Strongly			Strongly
	Agree	Agree	Neutral	Disagree	Disagree
CHODAWU	0%	0%	0%	30%	70%
COTWUT	0%	0%	15%	35%	50%
RAAWU	0%	0%	25%	25%	50%
TALGWU	0%	0%	15%	30%	55%
TAMICO	0%	0%	25%	25%	50%
TASU	0%	0%	10%	40%	50%
TEWUTA	0%	0%	10%	20%	70%
TPAWU	0%	0%	0%	20%	80%
TRAWU	0%	0%	15%	55%	30%
TTU	0%	0%	10%	30%	60%
TUCTA	0%	0%	0%	50%	50%
TUGHE	0%	0%	5%	75%	20%
TUICO	0%	0%	5%	60%	35%
Average	0%	0%	10%	38%	52%

### 4.3 Inclusiveness of stakeholders in the debate of reform

### processes

The survey on this part was done for the purpose of analyzing the inclusiveness of stakeholders in the debate of reform process, the survey was also done by sending online questionnaire to different officers who were managers from the four pension funds which were part of the pension system reform.

The survey was conducted by sending the following questions which were well responded from both categories.

## **4.3.1** Responses to measure acceptance of stakeholders' comments on reform

From all two categories in this part, pension funds top managers and workers union staffs did not support the fact their comments and recommendations were positively taken and considered in the pension system reform. Respondents from pension fund 53% have disagreed have 48% have strongly disagreed. From workers association respondents, 52% have strongly disagreed, 34% have disagreed and 12% were neutral.

Since there were no any part which agreed, it means that, they provided their views and opinions but could not be taken into consideration and hence caused huge resistance during implementation phase which led to failure of reform implementation.

Figure 9. Responses from pension fund

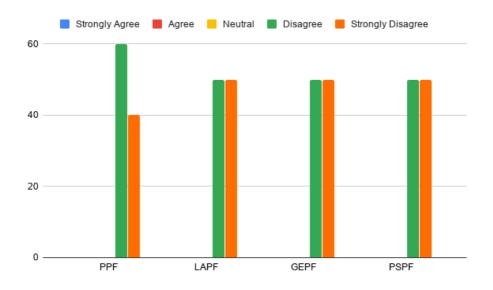


Table 13. Tabular details of responses from pension funds

	Agree	Strongly Agree	Neutral	Disagree	Strongly Disagree
PPF	0%	0%	0%	60%	40%
LAPF	0%	0%	0%	50%	50%
GEPF	0%	0%	0%	50%	50%
PSPF	0%	0%	0%	50%	50%
Average	0%	0%	0%	53%	48%

Figure 10. Responses from workers association

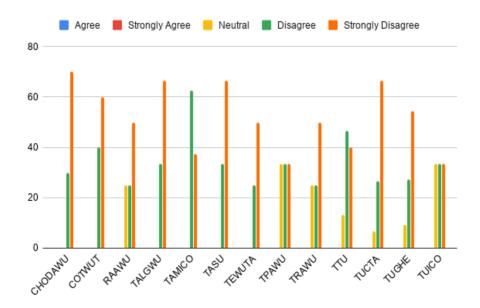


Table 14. Tabular details of responses from workers union

		Strongly			Strongly
	Agree	Agree	Neutral	Disagree	Disagree
CHODAWU	0%	0%	0%	30%	70%
COTWUT	0%	0%	0%	40%	60%
RAAWU	0%	0%	25%	25%	50%
TALGWU	0%	0%	0%	35%	65%
TAMICO	0%	0%	0%	62%	38%
TASU	0%	0%	0%	35%	65%
TEWUTA	0%	0%	0%	25%	50%
TPAWU	0%	0%	33%	33%	33%
TRAWU	0%	0%	25%	25%	50%
TTU	0%	0%	15%	45%	40%
TUCTA	0%	0%	10%	25%	65%
TUGHE	0%	0%	15%	30%	55%
TUICO	0%	0%	33%	33%	33%
Average	0%	0%	12%	34%	52%

## **4.3.2** Responses on stakeholders' consent on reform implementation

Since many stakeholders seemed to complain about the reform system immediately during its implementation stage, this question was designed specifically to see if the reform came into operations with the consent of majority key stakeholders. The results below show that 73% of respondents from pension fund manager have strongly disagreed and 28% have disagreed. Respondents from workers union 74% have also strongly disagreed and 25% have disagreed. If there were proper stakeholder inclusion in a well debatable discussion, both

stakeholders and government would came into better agreement and better review of reform contents and the reform would have consent of stakeholders.

Figure 11. Responses from pension fund

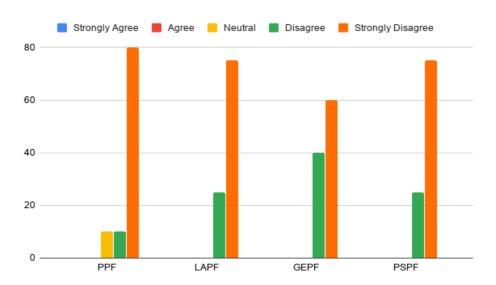


Table 15. Tabular details of responses from pension funds

		Strongly			Strongly
	Agree	Agree	Neutral	Disagree	Disagree
PPF	0%	0%	0%	20%	80%
LAPF	0%	0%	0%	25%	75%
GEPF	0%	0%	0%	40%	60%
PSPF	0%	0%	0%	25%	75%
Average	0%	0%	0%	28%	73%

Figure 12. Responses from workers association



Table 16. Tabular details of responses from workers union

	Agree	Strongly Agree	Neutral	Disagree	Strongly Disagree
CHODAWU	0%	0%	0%	30%	70%
COTWUT	0%	0%	0%	20%	80%
RAAWU	0%	0%	0%	40%	60%
TALGWU	0%	0%	0%	30%	70%
TAMICO	0%	0%	0%	25%	75%
TASU	0%	0%	0%	30%	70%
TEWUTA	0%	0%	0%	10%	90%
TPAWU	0%	0%	0%	20%	80%
TRAWU	0%	0%	0%	20%	80%
TTU	0%	0%	0%	30%	60%
TUCTA	0%	0%	0%	30%	70%
TUGHE	0%	0%	0%	10%	90%
TUICO	0%	0%	0%	30%	70%
Average	0%	0%	0%	25%	74%

## **4.3.3** Responses on occasional meetings between government and stakeholders

As stakeholders of pension system, government was expected to have several meetings with them where necessary for discussing and even to get their opinions on how to improve the pension system as it is among the important sector in the country which needs feedback and comments from the stakeholders and particularly workers union. From the survey and feedback below to see if the government used to hold several meetings, respondents from pension funds managers 79% have said 'NO' and 21% have said 'Maybe'. On the other hand, respondents from workers association 85% have said 'NO' and 9% have said 'Maybe'%.

Figure 13. Responses from pension fund

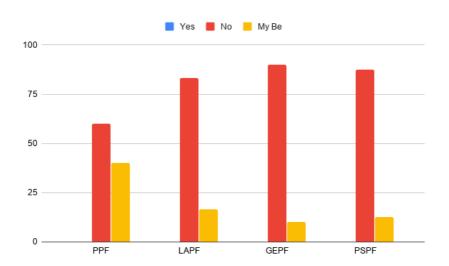


Table 17. Tabular details of responses from pension funds

	Yes	Maybe	No
PPF	0%	40%	60%
LAPF	0%	20%	80%
GEPF	0%	10%	90%
PSPF	0%	15%	85%
Average	0%	21%	79%

Figure 14. Responses from workers associations

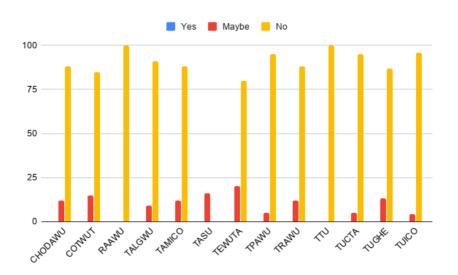


Table 18. Tabular details of responses workers union

	Yes	Maybe	No
CHODAWU	0%	10%	90%
COTWUT	0%	18%	82%
RAAWU	0%	0%	100%
TALGWU	0%	5%	95%
TAMICO	0%	10%	90%
TASU	0%	20%	0%

TEWUTA	0%	20%	80%
TPAWU	0%	5%	95%
TRAWU	0%	10%	90%
TTU	0%	0%	100%
TUCTA	0%	5%	95%
TUGHE	0%	10%	90%
TUICO	0%	10%	95%
Average	0%	9%	85%

### 4.4 Understanding the content of reform

For better engagement of stakeholder in a well debatable discussion, content of reform need to be understood to allow stakeholders to present and convey their views and comments on reform. The survey was done through the following observations and the results was obtained as follows.

## 4.4.1 Responses to see if the content and objectives were clear

The main objective in this part was to see if the targeted objectives derived from the content of the reform were clear to be understood by all stakeholders, the survey results from stakeholders shows that they did not support the fact that content of reform was clear to them, this was evidenced from the new benefit calculation formula of the reform which was complained not to be clear and majority of stakeholders complained not understand the formula. From pension fund responses 46% were strongly disagreed, 40% have disagreed and 15% were neutral. Respondents from workers associations, 47% have strongly disagreed, 42% have disagreed and 12% were neutral.

Figure 15. Responses from pension funds on reform's content to be clear

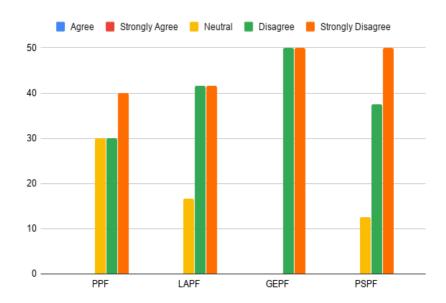


Table 19. Tabular details of responses from pension funds

	Agree	Strongly Agree	Neutral	Disagree	Strongly Disagree
PPF	0%	0%	30%	30%	40%
LAPF	0%	0%	16%	42%	42%
GEPF	0%	0%	0%	50%	50%
PSPF	0%	0%	12%	38%	50%
Average	0%	0%	15%	40%	46%

Figure 16. Responses from workers associations

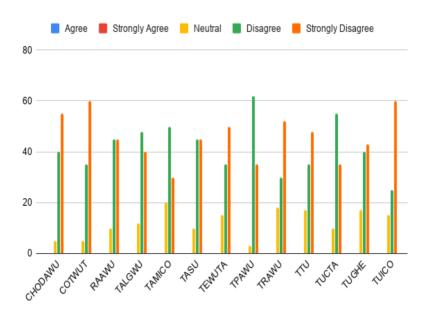
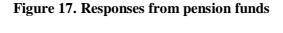


Table 20. Tabular details of responses from workers union

		Strongly			Strongly
	Agree	Agree	Neutral	Disagree	Disagree
CHODAWU	0%	0%	5%	40%	55%
COTWUT	0%	0%	5%	35%	60%
RAAWU	0%	0%	10%	45%	45%
TALGWU	0%	0%	12%	48%	40%
TAMICO	0%	0%	20%	50%	30%
TASU	0%	0%	10%	45%	45%
TEWUTA	0%	0%	15%	35%	50%
TPAWU	0%	0%	3%	62%	35%
TRAWU	0%	0%	15%	30%	55%
TTU	0%	0%	15%	30%	55%
TUCTA	0%	0%	10%	55%	35%
TUGHE	0%	0%	18%	40%	42%
TUICO	0%	0%	15%	25%	60%
Average	0%	0%	12%	42%	47%

### 4.4.2 Responses on elaboration of complex terms in reform

This survey question aimed to check whether some contents of reforms which were complex to be understood by stakeholders were well understood, the recommended reform had some complex terms/parts and most specific the recommended formula for calculating terminal benefit which needed some explanation to stakeholders, but according to their responses they disagreed to be provided explanation. 59% of responses from pension fund managers have strongly disagreed, 36% have disagreed and 5% were neutral. Responses from workers association, 54% have disagreed, 39% have strongly disagreed and 7% were neutral.



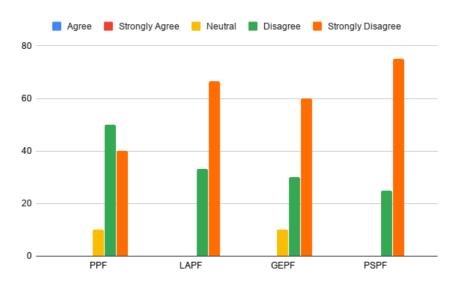


Table 21. Tabular details of responses from pension funds

	Agree	Strongly Agree	Noutral	Disagras	Strongly Disagree
	Agree	Strongly Agree	Neutral	Disagree	Ŭ
PPF	0%	0%	10%	50%	40%
LAPF	0%	0%	0%	35%	65%
<b>GEPF</b>	0%	0%	10%	30%	60%
<b>PSPF</b>	0%	0%	0%	30%	70%
Average	0%	0%	5%	36%	59%

Figure 18. Responses from workers associations

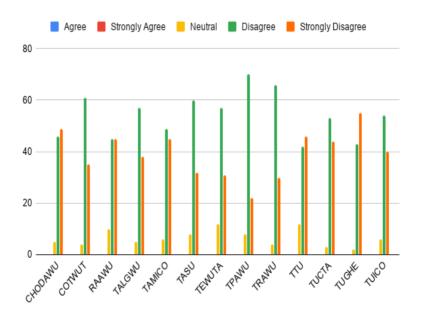


Table 22. Tabular details of responses from workers union

		Strongly			Strongly
	Agree	Agree	Neutral	Disagree	Disagree
CHODAWU	0%	0%	5%	45%	50%
COTWUT	0%	0%	5%	60%	35%
RAAWU	0%	0%	10%	45%	45%
TALGWU	0%	0%	4%	58%	38%
TAMICO	0%	0%	4%	50%	48%
TASU	0%	0%	10%	60%	30%
TEWUTA	0%	0%	12%	58%	30%
TPAWU	0%	0%	8%	70%	22%
TRAWU	0%	0%	5%	65%	30%
TTU	0%	0%	12%	42%	45%
TUCTA	0%	0%	5%	53%	42%
TUGHE	0%	0%	3%	42%	55%
TUICO	0%	0%	7%	53%	40%
Average	0%	0%	7%	54%	39%

## 4.4.3 Responses on reforms' objective towards improving the pension system

This question was a part of survey questions to stakeholders for the purpose of observing and getting their opinions towards the reform to see their trust on the objectives of reform on improving pension system service. After receiving their responses as depicted in the two figures below, they disagree and strongly disagree on the reforms objectives towards improving the pension system sector. Respondents from pension fund managers, 76% have strongly disagreed, 21% have disagreed and 3% were neutral. On the other side,

respondents from workers association, 76% have strongly disagreed and 24% have disagreed.

This means that, in the reform process they were not well engaged and given a chance to share their opinions and this led to resistance during implementation stage not only from the stakeholders but also from members of the pension fund.



Figure 19. Responses from pension funds

Table 23. Tabular details of responses from pension funds

LAPF

PPF

	Agree	Strongly Agree	Neutral	Disagree	Strongly Disagree
PPF	0%	0%	10%	20%	70%
LAPF	0%	0%	0%	25%	75%
GEPF	0%	0%	0%	15%	85%
PSPF	0%	0%	0%	25%	75%
Average	0%	0%	3%	21%	76%

**GEPF** 

**PSPF** 

Figure 20. Responses from workers associations

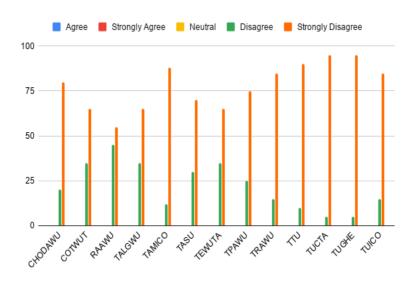


Table 24. Tabular details of responses from workers union

		Strongly			Strongly
	Agree	Agree	Neutral	Disagree	Disagree
CHODAWU	0%	0%	0%	20%	80%
COTWUT	0%	0%	0%	35%	65%
RAAWU	0%	0%	0%	45%	55%
TALGWU	0%	0%	0%	58%	38%
TAMICO	0%	0%	0%	10%	90%
TASU	0%	0%	0%	30%	70%
TEWUTA	0%	0%	0%	35%	65%
TPAWU	0%	0%	0%	25%	75%
TRAWU	0%	0%	0%	15%	85%
TTU	0%	0%	0%	10%	90%
TUCTA	0%	0%	0%	5%	95%
TUGHE	0%	0%	0%	5%	95%
TUICO	0%	0%	0%	15%	85%
Average	0%	0%	0%	24%	76%

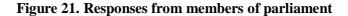
### 4.5 Engagement of members of parliament in passing the reform bill

Parliament as the law making organ of the government is responsible for passing or rejecting the proposed bill. Pension system reform was presented to the parliament for a discussion and it was passed and later be signed by the president. The main purpose for engaging members of parliament was due to the fact that, during implementation stage of the reform some members of parliament also seemed to complain and they did not support the reform while the reform was passed by them in the parliament.

The following question were sent to members of parliament for the purpose of getting their opinions on how the pension system bill was discussed and passed.

## **4.5.1** Passing the bill under the consent of majority in the parliament

From the results below, it shows that respondents from four different political parties do not agree that the reform was passed with their full consent and hence brings some more doubts, even some members of parliament from the ruling party (CCM) also did not seem to support or agree the bill which was passed. 63% of respondents from both parties have disagreed and 37% were neutral.



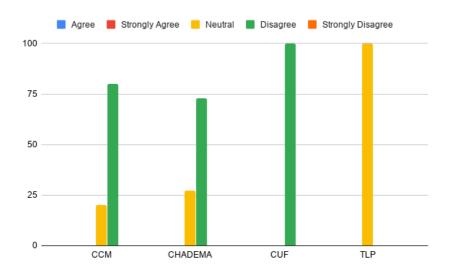


Table 25. Tabular details of responses with average

	Agree	Strongly Agree	Neutral	Disagree	Strongly Disagree
CCM			20%		Ŭ
CCM	0%	0%	20%	80%	0%
CHADEMA	0%	0%	27%	73%	0%
CUF	0%	0%	0%	100%	0%
TLP	0%	0%	100%	0%	0%
Average	0%	0%	37%	63%	0%

# 4.5.2 Responses on presence of external pressure when passing the bill

This question intended to get the opinions from the members of parliament to see whether there were some political pressure out of parliament which acted like a force for them to pass the bill despite its weaknesses in terms of contents and objectives. The result below is the evidence that there were some pressure to

some point for passing the bill as no any response which seem to disagree the surveyed question. From the respondents, 51% have agreed and 49% were neutral.

Figure 22. Responses from members of parliament

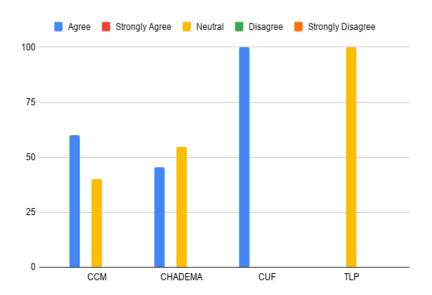


Table 26. Tabular details of responses with average

		Strongly			Strongly
	Agree	Agree	Neutral	Disagree	Disagree
CCM	60%	0%	40%	0%	0%
CHADEMA	45%	0%	55%	0%	0%
CUF	100%	0%	0%	0%	0%
TLP	0%	0%	100%	0%	0%
Average	51%	0%	49%	0%	0%

## **4.5.3** Responses to see if pension system needed to be reformed

This question targeted to get opinions from the members of parliament on the their views to see if the pension system really neaded to undergo some reforms. The result from the figure below shows that all responses from four different political parties only 6% of respondents have agreed, 54% have disagrees and 40% were neutral. This shows that, the reform system was not in a huge demand to undergo a large systemic reform as it was done.

Figure 23. Responses from members of parliament

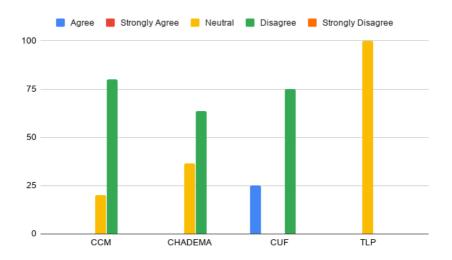


Table 27. Tabular details of responses with average

	Agree	Strongly Agree	Neutral	Disagree	Strongly Disagree
CCM	0%	0%	20%	80%	0%
CHADEM					
A	0%	0%	40%	60%	0%
CUF	25%	0%	0%	75%	0%
TLP	0%	0%	100%	0%	0%
Average	6%	0%	40%	54%	0%

#### 4.5.4 Responses on time provided to discuss the reform bill

Discussing any bill there should be reasonable time for a well debatable discussion in a house of parliament, the question was sent to respondents to get their views on their responses to see if the pension system reform was given enough and reasonable time for a better discussion.

Feedback from the respondents as depicted on the figure below shows that time given for discussing the reform was not sufficient to allow better discussion. 61% of all respondents were disagreed and 51% were neutral.

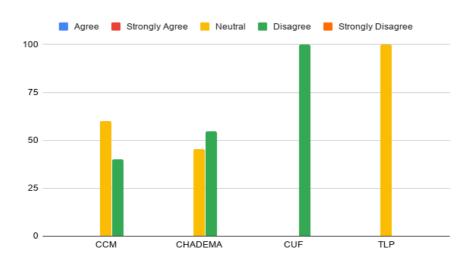


Figure 24. Responses from members of parliament

Table 28. Tabular details of responses with average

	Agree	Strongly Agree	Neutral	Disagree	Strongly Disagree
CCM	0%	0%	60%	40%	0%
CHADEMA	0%	0%	45%	55%	0%
CUF	0%	0%	0%	100%	0%
TLP	0%	0%	100%	0%	0%
Average	0%	0%	51%	49%	0%

### Chapter Five: Conclusions and Recommendations

This chapter focuses on conclusion of the study as well as recommendation towards improving the reform processes in different Tanzania government sectors. Below details are resulted from the findings of this study. Stakeholders' consideration are among the key elements in conducting any policy or when doing reforms. Ignoring them might cause hindrances during implementation stage.

#### **5.1.** Summary of activities

This study was conducted for the purpose of studying the engagement of stakeholders in Tanzania public sector reform process by studying the recent pension system reform which had many complains from stakeholders during the implementation stage while it was believed they were well engaged during the initial stage of reform processes before reaching implementation stage.

The study was conducted by engaging three categories of different crucial stakeholders in Tanzania pension system; Pension Funds, Association of Workers Union and Members of Parliament which were part of law making by passing the reform bill. The reason of engaging Members of Parliament was due to the fact that, during the stage of implementation, some of members of parliament were also part of complaining group of the pension system reform while they are the ones who were engaged in discussing and passed the reform bill in the parliament.

#### **5.2.** Conclusion

Based on the research questions and hypotheses, after conducting this study all the responses from stakeholders have shown that, the pension system reform did not well engage stakeholders during its initial stage and stakeholders were not satisfied with the reform's content and objectives, this resulted into a

huge resistance from the stakeholders to the point that the reform was then interfered and denounced by the President.

By looking at the responses from stakeholders if they were given priority during the reform process, they would not complain on the pension system reform, contrary to that, they all seem to disagree that the reform process provided them desired and needed priority, hypothetically means the reform was already decided and had to be implemented without considering stakeholders' opinions and views.

Few discussions which were held between government and stakeholders in the reform process, stakeholders claimed that, the discussions were not consultative and inclusive as most of their arguments were not accepted and also they claimed some of the complex parts of contents in the reform were not well clear and they were not given a detailed explanations.

On the other hand, members of Parliament were also another part of stakeholders, the reason of including them is due to the fact that, they are the ones who passed reform the bill. They were engaged in the survey to get their opinions on the reform discussion in the house of parliament. Their responses revealed that, the reform was passed with number of shortcomings and their responses have shown that, there were some external pressure out of the parliament to pass the bill immediately. This was seen and evidenced during the implementation stage where some members of parliament also were complaining on the new pension system reform while they were directly involved in the passing the reform.

### 5.3. Implications

The main purpose for conducting this study was to find out if different public reforms processes in Tanzania do engage stakeholders in a way that it is expected. Before this study, previous reforms studies which were conducted in Tanzania by different researchers did not study the engagement and implications of stakeholders in public sector reforms processes, which is the reason for this

study to be conducted to provide the other side of reform processes by studying the engagement of stakeholders.

The study is believed to make differences and be a baseline in different government reform processes by provide awareness and importance of engaging stakeholders in all government reform sectors. The study will even go further to policy makers in the country as policy making processes also need consideration of stakeholders for better policy implementation.

### **5.4.** Dissemination and Implementation

Since this study is expected to be useful in improving Tanzania public sector reform, information from this study needs to reach out to government, policy makers and different stakeholders from different sectors. They all need to be informed and will act as baseline to bring them together when doing reforms in respective government sector.

In order information to reach responsible target group of people, this research needs to be available in different online sites and has to be open for anyone interested to access. It will first be available in the university site where everyone can access. Also since the researcher is a government employee, will use that opportunity to share the research with government especially different policy makers in the country for them to use this study as the baseline for considering stakeholders in different reform processes. Also it will be submitted to a Tanzania Public Service Commission Office for proper dissemination of findings to other respective department.

#### 5.5. Recommendation for further studies

From this study, some observations were clearly seen, from the stakeholders' responses it was discovered that some reforms in the country were/are done without the consent of stakeholders or even without involving them in the reform processes. There are some questions which need to be answered

also as to whether all reforms or policy failure are caused by not having proper stakeholders engagement or there are some other associated reasons for failure other than engagement of stakeholders.

From this research it is clear that the failure of effective and proper stakeholders' engagement is among the reason for the failure of the implementation of reform. Along with this study, there should be other additional research studies on policy and reform areas to see why some policies and reforms in the country seem to fail to be well implemented or they are implemented but results into undesired results, there might other associated factors which cause the failing of reforms/policies.

I recommend other additional research studies to be conducted on reform implementation to be able to understand well the reason for failure of some reforms in Tanzania.

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#### **Abstract in Korean**

### 공공부문 개혁과정에 대한 이해관계자 참여도 평가

탄자니아의 연금제도 개편에 관한 연구

Claud Casmir Karangwa 서울대학교 행정대학원 글로벌행정전공

본 연구는 탄자니아 공공 부문 개혁에 대한 이해관계자들의 참여를 평가하여 그들이 개혁 과정에 어떻게 참여하고 있는지 그리고 어느 정도까지 관여하고 있는지를 검토하였다. 이해관계자들의 참여에 대한 주된 주장은 모든 개혁과정에서 이해관계자들이 핵심 요소라는 것이며, 이것의 실패는 불안정한 개혁 이행으로 이어질 수 있다는 것이다. 탄자니아에서의 대부분의 개혁은 개혁과정에서 이해당사자들을 포함시킬 것을 주장하지만, 개혁의 실행 과정에서 일부 개혁은 제대로 이행되지 못하고 한계와 비판에 직면하게 된다. 본 연구는 탄자니아의 연금제도에서 발생한 최근의 개혁과정을 연구함으로써 연금제도의 개혁 과정 중 이해관계자들의 참여를 평가하였으며, 질적 연구 및 기술적 연구 방식을 본 연구 질문에 답하는데 사용하였다. 144명의 응답자는 근로자 협회(83명), 연기금 최고책임자(40명), 국회의원(21명) 등으로 구성됐다. 설문조사를 실시하기위해 사용된 방법은 데이터 분석과 그래프 분석에 필요한 결과를산출하는 온라인 조사방법을 사용하였다.

그 결과, 최근 탄자니아의 연금제도 개혁안이 통과되었고 적절한 이해관계자의 참여 없이 시행 단계에 이르는 것으로 나타났다. 게다가 다수 이해관계자의 동의 없이 통과되었을 뿐만 아니라, 개혁의 내용도 이해당사자들에게 명확하지 않았다. 의원들의 반응도 개혁안이 동의 없이 통과된 것을 보여주며, 개혁안을 통과시키라는 외압이 있었다고 주장하였다.

주제어: 공공 부문 개혁, 이해관계자 참여, 연금 제도, 탄자니아

학번: 2018-29205

#### Acknowledgement

Without contribution from many individual and institutions, this research could not be well done, to which I feel deeply indebted. I would like to express my heartfelt gratitude to them for their support.

First of all, I would like to express my heartfelt gratitude to God who gave me this opportunity to live. Secondly, Professor Kim, Sangheon, my Thesis advisor, who gave me relevant information, motivation, patience, sincere criticism and guidance to accomplish this work. I would like to express my gratitude to the academic, administrative staffs and classmates whom I met at the Seoul National University, Graduate School of Public Administration for their support and cooperation throughout my stay and throughout my study period.

My parents are deeply grateful, my father Casmir Faustine and my mother Odetha Deougratius who have invested in my education since my childhood. I knowledge them for opening my success. I am also grateful to all who have assisted me in one way or the other but could not be mentioned here. I recognize their moral support which has greatly contributed to the success of this work. I say thanks to all of them.

## Assessment of Stakeholders' Engagement in Public Sector Reforms Processes:

A Study of Pension System Reform in Tanzania

Academic Advisor Kim, Sangheon

Submitting a master's thesis of Public Administration

**April 2020** 

Graduate School of Public Administration Seoul National University Global Public Administration Major)

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Confirming the master's thesis written by Claud Casmir Karangwa

**June 2020** 

Chair

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Vice Chair

Kum, Hyunsub

Examiner

Kim, Sangheon

#### Master's Thesis of Public Administration

## Assessment of Stakeholders' Engagement in Public Sector Reforms Processes:

A Study of Pension System Reform in Tanzania

공공부문 개혁과정에 대한 이해관계자 참여도 평가 탄자니아의 연금제도 개편에 관한 연구

August 2020

Graduate School of Public Administration Seoul National University Global Public Administration Major

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#### **Abstract**

# Assessment of Stakeholders' engagement in Public Sector Reforms Processes:

The Study of Pension System Reform in Tanzania

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This research attempts to assess stakeholders' engagement in Tanzania public sector reform to examine how they are engaged in the reform processes and to what extent.

The main argument towards stakeholders' engagement is that stakeholders are the key part in reforming process, and failure of this can result in unstable reform implementation. Most of the public sector reforms in Tanzania claim to incorporate stakeholders in the reform process, but during execution and implementation of reform, some of the reforms fail to

be well implemented and face number of limitations and criticism from

different stakeholders of such particular sector of reform.

By studying the recent reform process that took place in pension

system in Tanzania, the study assessed the engagement of stakeholders

during the reform process of the pension system. The approach of a

qualitative and descriptive study was used to answer the research questions.

A sample of 144 respondents consists of workers' association

union (83 respondents), top managers from pension funds (40 respondents)

and members of parliaments (21 respondents) participated in the survey.

The method used for conducting survey was online survey questionnaire,

which produced also the required results for data manipulation and graphs

layouts.

Research study findings have shown that the recent pension system

reform in Tanzania was passed and reached the implementation stage

without the proper stakeholders' engagement. Moreover, not only it was

passed without the consent of majority stakeholders, but also the content of

reform was not clear to stakeholders. Responses from the members of

parliament have also shown that the reform's bill was passed without their

consent, and they claimed that there was some external pressure (out of the

parliament) to pass the reform's bill.

Key words: Public Sector Reform, Stakeholders Engagement, Pension

System, Tanzania.

Student ID: 2018-29205

ii

#### **Table of Contents**

Abstract	
Table of Contents	iii
List of Tables	v
List of Figures	vii
List of Abbreviations	ix
Chapter One: Introduction	1
1.1. Background of the Study:	1
1.2.Statement of the Problem	2
1.3.Research objective:	3
1.4.Significance of the study	3
1.5.Research questions	4
1.6.Research hypothesis	4
Chapter Two: Literature Review	
2.1.Scope and boundaries of the public sector	
2.2. View of Tanzania's public sector	7
2.3. Theoretical perspective of public sector reform and change	8
2.4.Conceptual underpinning of reforms in public sector	9
2.5.Reform implementation impediments and challenges	12
2.6.Public sector reform from the late 1980s	14
Chapter Three: Research Methodology	18
3.1.Research design	18
3.2.Population and study area	18
3.3.Sample	18
3.4.Data type	19
3.5.Data collection instruments	19
3.6.Data analysis method and presentation	20
Chapter Four: Results Analysis	21
4.1.Demographics of respondents	
4.2. Stakeholders' identification and prioritization	
4.2.1. Responses on whether stakeholders were well informed	27
4.2.2 Results on recognition and coverage range of key	
stakeholders	30
4.2.3 Responses to measure communication between government	
and stakeholders	

4.2.4 Responses to see if stakeholders were given sufficient time	e to
participate	35
4.3 Inclusiveness of stakeholders in the debate of reform	
processes	37
4.3.1 Responses to measure acceptance of stakeholders' comme	nts
on reform	38
4.3.2 Responses on stakeholders' consent on reform	
implementation	40
4.3.3 Responses on occasional meetings between government ar	nd
stakeholders	43
4.4 Understanding the content of reform	45
4.4.1 Responses to see if the content and objectives were clear	45
4.4.2 Responses on elaboration of complex terms in reform	48
4.4.3 Responses on reforms' objective towards improving the	
pension system	50
4.5 Engagement of members of parliament in passing the reform	ı
bill	
4.5.1 Passing the bill under the consent of majority in the	
parliament	53
4.5.2 Responses on presence of external pressure when passing	the
bill	
4.5.3 Responses to see if pension system needed to be reformed	56
4.5.4 Responses on time provided to discuss the reform bill	57
Chapter Five: Conclusion and Recomendations	58
5.1. Summary of activities	
5.2. Conclusion	58
5.3. Implications	59
5.4. Dissemination and Implementation	60
5.5. Recommendation for further studies	60
Bibliography	62
Abstract in Korean	65
Acknowledgement	67

#### **List of Tables**

Table 1. Information of sampling   19
Table 2. Demographic characteristics of respondents from workers
associations
<b>Table 3.</b> Demographic characteristics of respondents from pension funds
funds
parliament
Table 5. Percentage details of pension funds' respondents on being
informed28
Table 6. Percentage details of workers unions' respondents on being
informed29
<b>Table 7.</b> Percentage details of pension funds' respondents on
stakeholders' coverage31
<b>Table 8.</b> Percentage details of workers unions' respondents on
stakeholders' coverage32
Table 9. Percentage details of pension funds' respondents on
communication33
<b>Table 10.</b> Percentage details of workers unions' respondents on
communication
Table 11. Percentage Details of Pension Funds' Respondents on Time
Given36
<b>Table 12.</b> Percentage details of workers unions' respondents on time
given
Table 13. Percentage details of pension funds' respondents on comments
acceptance39
Table 14. Percentage details of workers unions' respondents on comments
acceptance
<b>Table 15.</b> Percentage details of pension funds' respondents on their
consent41
<b>Table 16.</b> Percentage details of workers unions' respondents on their
consent42

Table 17. Percentage details of pension funds' respondents on meeting.    44
Table 18. Percentage details of workers unions' respondents on meeting    44
Table 19. Percentage Details of Pension Funds' Respondents on Reform's      Content
Table 20. Percentage details of workers union's respondents on reform's content.    47
Table 21. Percentage details of pension funds' respondents on reform's complex term elaboration
Table 22. Percentage details of workers unions' respondents on reform's complex term elaboration
Table 23. Percentage details of pension funds' respondents on reform's objectives.    51
Table 24. Percentage details of workers unions' respondents on reform's objectives.    52
Table 25. Percentage details of members of parliament's consent on passing reform.    54
Table 26. Percentage details of members of parliament's on external pressure      presence
Table 27. Percentage details of members of parliament's on reform's      necessities
Table 28. Percentage details of members of parliament's on time given to discuss reform

#### **List of Figures**

<b>Figure 1.</b> Pension funds' responses on being informed to participate in
reform
Figure 2. Workers unions' responses on being informed to participate in
reform
Figure 3. Pension funds' responses on coverage range of key
stakeholders30
Figure 4. Workers unions' responses on coverage range of key
stakeholders31
Figure 5. Pension funds' responses on regular communication with
government33
Figure 6. Workers unions' responses on regular communication with
government34
Figure 7. Pension funds' responses on time given to discuss the
reform35
Figure 8. Workers unions' responses on time given to discuss the
reform36
Figure 9. Pension funds' responses on acceptance of their
comments
Figure 10. Workers unions' responses on acceptance of their
comments
Figure 11. Pension funds' respondents on their consent to reform41
Figure 12. Workers unions' respondents on their consent to
reform
Figure 13. Pension funds' respondents on regular meeting with
government43
Figure 14. Workers unions' respondents on regular meeting with
government44
<b>Figure 15.</b> Pension funds' respondents on clearness of reform's
content
Figure 16. Workers unions' responses on clearness of reform's
content47
<b>Figure 17.</b> Pension funds' responses on elaboration of reform's
content48
<b>Figure 18.</b> Workers unions' responses on elaboration of reform's
content59
Figure 19. Pension funds' responses on objectives of pension
reform51
Figure 20. Workers unions' responses on objectives of pension
reform52

<b>Figure 21.</b> Members of parliament's responses consent on passing	
reform	54
Figure 22. Members of parliament's responses on external pressure	
presence	55
Figure 23. Members of parliament's responses on the need of doing	
reform	56
Figure 24. Members of parliament's responses on time given to discus	S
reform	57

#### List of Abbreviations

PSPF Public Service Pension Funds

NSSF National Social Security Fund

LAPF Local Authority Pension Fund

GEPF Government Employees Provident Fund

PPF Parastatal Pensions Fund

SSRA Social Security Regulatory Authority

TUGHE Tanzania Union of Government and Health Employees

TUCTA Trade Union Congress of Tanzania

TTU Tanzania's Teachers Union

TALGWU Tanzania Local Government Workers Union

TUICO Tanzania Union of Industrial and Commercial Workers

TAMICO Tanzania Mines and Construction Workers Union

TRAWU Tanzania Railway Workers Union

TPAWU Tanzania Plantation Agricultural Workers Union

TASU Tanzania Seafarers Union

TEWUTA Telecommunication Services Workers' Union of Tanzania

COTWUT Communication and Transport Workers' Union

CHODAWU Conservation, Hotel, Domestic and Allied Workers Union

CCM Chama Cha Mapinduzi

TLP Tanzania Labor Party

CUF Civic United Front

CHADEMA Chama Cha Demokrasia na Maendeleo

#### **Chapter One: Introduction**

#### 1.1. Background of the Study:

Organization are rarely established and formed as ends in themselves. They are formed and created to do specific tasks and, since they are regarded as living entities, they are expected to respond and adopt to changing environments to meet internal and external needs and demand. From that perspective, organizations both in public and private should be dynamic and keep learning for better improvement in their performances.

Organizations, specifically in public sector domain, by virtue of their responsibilities, characteristics and complexities, are influenced by various number of political and socio-economic environments in which they operate. The factors that influencing, range from scientific and technological innovation, and stakeholders demands and needs to the interests agenda of the government which is in power.

This is the reason why public organizations should not closed system and not characterized by 'positive entropy'. Organizations in public sector should not have run down or deteriorating tendency. Always they should attempt to sustain themselves by 'importing energy' try to offset 'positive entropy' hence they should be characterized by negative entropy (Morgan 1995). In this perspective, reforming organizations in the public sector organizations should be dynamic and adaptive to the environment, and should have a tendency that makes them continuous learning organizations. Thus, public sector reforms is phenomenal and therefore, indispensable. Reforms in public sector continues to be an integral part of governments' efforts to modernize their functions and operations, making them more citizen-centric and responsive.

#### 1.2. Statement of the Problem

Any government in the world has various and different institutions / organizations which are designed and established for the purpose of meeting the needs of citizens. However, these institutions need to be dynamic and have to change for the purpose of becoming stable and be able to meet the needs of the citizens. These changes are termed as 'Reforms' and are deliberately done for the purpose of making them to run better.

In Tanzania, for the past twenty five years the government had seven cross cutting public sector reforms for the purpose of improving service delivery as well realization of objectives of developmental planning. These reforms were; (i) Public Service Reform Program which aimed at improving public service delivery, (ii) Public Finance Management Program aimed at increase intensity in measuring general revenue and controlling expenditure, (iii) Local Government Reform Program aimed at building local government capacity through decentralization by devolution among other, (iv) Legal Sector Reform Program which focused on enhancing rule of law, bring justice to all and facilitate timely access of legal services, (v) Business Environment Reform Program focused on removing policy, institution and legal barrier to business operation to strengthening business operation, (vi) National Anti- Corruption Strategy and Action Plan with the objectives of combating corruption in Tanzania, and lastly (vii) The Second General Financial Sector Reform Program aimed at reforming the financial Sector by addressing structural, organization, policy, procedural and operational constraints in the economy.

Pension system which is under Financial Sector also undergo some reforms, Pension reforms can be grouped into at least four different categories: parametric reforms, which involve changes in the parameters of current pension systems; systemic reforms, which involve introducing a new type of pension system to replace or complement the existing system; regulatory reforms, which involve changes in the investment regulations on funds having assets that can be invested;

and administrative reforms. Recently the Pension system in Tanzania went through a combination of fiscal, structural and administrative reforms at one point.

Many studies which were conducted in the field of public sector reforms in Tanzania, were not mostly focused the stakeholders' engagement in the reform process. This study will assess stakeholders' engagement in the public sector reforms by looking the recent and current pension system reform in Tanzania.

#### 1.3. Research objective:

The main objective of this study was to assess stakeholders' engagement in public sector reform by studying the current pension system reform in Tanzania by:

- Identifying stakeholders in pension system reform that were engaged in reform process
- ii. Determining whether engagement in the reform process was inclusive to all important stakeholders to ensure effective reform.
- iii. Assessing and analyzing whether the dialogue in engagement was effective and the content was clear and well understood.
- iv. Assessing how stakeholders perceive public sector reform process
- v. Assessing the process of passing reform bill in Parliament through

  Members of Parliament

#### 1.4. Significance of the study

The study will be very important to the overall future public sector reform processes and policy making on the other hand as it will provide awareness and understanding the importance and the need of effective engagement of stakeholders in reform process. The study will provide awareness also to policy makers in various areas in any public sector institution in Tanzania as to why they should consider the importance of engaging stakeholders in reform process.

#### 1.5. Research questions

Question 1. To what degree are stakeholders groups in pension system reform are identified and prioritized?

Question 2. To what extent are stakeholders' engagement discussion and consultation process is inclusive?

Question 3. To what extent does the content of reform is well clear and understood by stakeholders?

Question 4. To what extent the parliament members engaged and agreed to pass the reform bill?

#### 1.6. Research hypothesis

- i. The engagement of stakeholders in public sector reforms is not inclusive for better debatable reform discussion.
- ii. Amount of information on reform's content is not well clear to be understood by stakeholders.
- iii. Passing of the reform's bill is affected and influenced by external factor or pressure.

#### **Chapter Two: Literature Review**

#### 2.1. Scope and boundaries of the public sector

The concept of public sector in the mainstream public administration literature is somewhat elusive, ambiguous and context-sensitive. It is invariably used to donate a plethora of institutions ranging from government to non-profit organizations to government —aided entities. As such, the composition of the public sector tends to vary by country, hence there is no universally accepted definition of the concept. The term public sector is broader than simply that of core government and may overlap with the private sector or not-for-profit.

However there is a consensus on the meaning of the term public sector at least jurisdictions with the Anglophone public administration heritage and traditions, particularly the Commonwealth countries. The definition by Dube and Danescu (2011) they show the public sector consists of an expanding ring of organizations with the core government at the center, followed by agencies and public enterprises. Furthermore, they show that around this ring is a gray zone consisting of public funded contactors and public owned business which may be, but for most part are not part of public sector.

According to the World Bank (2012) the public sector comprises upstream core ministries and central agencies, downstream bodies including sector ministries, and non-executive state institutions. Upstream bodies include core ministries and agencies at the center of government, such as Ministry of Finance and the offices that support the head of government, which have functions that cut across sectors. Downstream bodies include both sector ministries and agencies, including education and health providers which deliver and fund service under the policy direction of government. They also include diverse group of more autonomous bodies such as regulators and state owned

enterprises and corporate bodies which, in many countries, still provide the majority of infrastructure service despite extensive privatization.

From the foregoing, it seems plausible to point out that the public sector organization may predominantly exist at international level, consisting of multistate entities or partnership; at national level, including an independent state, regional state or province level within a nation and local government administrative level. At any of these levels, the public sector generally consists of at least three types of organizations.

First, central government, consisting of governing body with a defined territorial authority. The central government includes ministries and independent departments or branches of government that are integral parts of the structure, are accountable and report directly to the central authority such as legislature, council, cabinet or executive head.

Second, agencies which consist of public organizations are the part of government and deliver public programs, goods and services. These exist as semi-autonomous organizations with a legal personality and operate with partial degree of operational independence. They often, but not necessarily, headed by a board of directors, commission or other appointed body.

Third, public enterprises which are entities that deliver public programs, goods and services, but operate independent of government, and often generate their own revenue in addition to occasional and conditional public funding. They also may compete in private markets and make profits. However, in most cases the government is major shareholder.

Public sector organizations are largely set up as corporate bodies and part of the government apparatus for an entrepreneurial-like objective, (Ibid. Laleye. 2011). In additional, Dube and Danescu (2011) correctly point out that outside the mainstream public sector area is a 'gray or boundary zone' with two types of

organizations that might or might not be part of the public sector, namely state business and public contractors. The former are government owned and controlled business that sell goods or services for profits in the market. They do not deliver what would be considered public programs. The public contractors are legally independent entities outside government that receive public funding, which they spend under contract or agreement to deliver public programs, goods and service as their primary business. All in all, the public sector, consist of statutory bodies and parastatals, is understood to be the crucial apparatus for the execution of the functions of the state and its institutions.

#### 2.2. View of Tanzania's public sector.

In the Tanzanian context the public sector comprises the public service entities, parastatals, public enterprises, regulatory, executive agencies at the center of government, and independent department. Unfortunately, some writers on Tanzania public administration tend to misconstrue public sector reforms with public service reforms, claiming that the two are synonymous. This is a misleading interpretation and narrow view of the public sector reforms. Public service reforms are but a distinctive component of public sector reforms. The two should not be confused; they donate different meaning in scope and magnitude. Public sector reform efforts in Tanzania have a long chequered history.

The British colonial regime initiated and implemented some reform particularly in the administrative machinery of government. Most of colonial public sector reforms were largely geared at strengthening the administrative machinery of the pre-independent government for optimal control and exploitation of the country. Some of the reforms that were introduced during the British colonial administrative include the direct rule system, native authorities and legislative council and ministerial form of government. The colonial-inspired reforms were not pro-people; they were much are for controlling the native rather than the developing them.

## 2.3. Theoretical perspective of public sector reform and change

Change and reform are not new terms or phenomena in public institutions, since many of changes or reforms have main attempt to bring positive changes. However, in theoretical perspective of public sector reforms, it is important to distinguish between reform and change in public institutions. The term reform means deliberate and active attempts by administrative and political leaders to change cultural or structural features of institution; Change is the actual results of the features. In organization, changes takes gradual process and it takes place in the process or course of daily and routine activities. It can be in small increments of abrupt and strong upheaval.

Change and reform can take place simultaneously, but yet be slightly decoupled from each other, in the fact that reform may focus and base on the top initiatives, whereas change can take place continuously at organization's lower level. From a negotiation-based perspective instrument, deficiencies in accomplishing reforms can stem from refusal to leaders' target for change from inside or outside actors in the institution.

Leaders are precisely attempting to bring change when they agree and decide to do reforms in an organization, and the outcome to cultural or structural is on the six categories of reform in public organizations; the organization structural form design, leadership, human resource management, work process, cultural and work environment and control of finance.

There is a connection between the way the whole reform process is organized and the outcome, organizing leads to capacity for action an analysis. In addition, the main idea for organizational structural existence is to assist in determining how problems and solution are determined. From the view and perspective of negotiation-based instrument, the current and existing organizational structure and the way the reform process is being organized may

be result of the previous compromise and bargaining. Just as crucial, will be that current structure of organization and the way reform is being organized to provide proper directives for the process and results (outcome) of reform process, the reason is that, structural features has vested interests.

Therefore, there might be reform conflicts due to revival of old pattern of conflicts. From the view of cultural perspective, it is important to make clear how the process and outcome of reform changes will be attributed by cultural features that have been established. Values and norms should be relatively stable and they assist in determining the method of reform. (i.e. how to organize the change process, like which players/actor to be involved in the process) and, to some point, the solutions in organization (i.e. what are the content of changes) considered as best.

#### 2.4. Conceptual underpinning of reforms in public sector

The concept of reform in management and organization behavior theories denotes several meanings. Some definitions emphasis on the outcomes impact of reforms interventions in organizations, whereas other tend to focus on the process leading to both the anticipated and unanticipated outcomes. The World Bank (2012) has coined the term 'public sector management reform' which it defines as 'the art and science of making the public sector machinery work'. However, the definition does not explicate the art and science dimensions of the reform.

Moreover, public sector management reforms are often thought of as changes to the formal (*de jure*) institutional and managerial arrangement in the center of government and in sector agencies, such as new a new civil service laws or budgetary procedures, revised funding arrangement for health care, atc. Changes to formal arrangement are often critical, but ultimately public sector management reform is about changing the informal *de facto* behavior of agents within the sector. Changing these actual behaviors does not necessary commence

with legal or other reforms-changes in how downstream agencies and department functions day-to-day can provide the springboard for more formal changes in the laws and procedures. (Ibid.p3). The World Bank's interpretive criteria in respect of the concept of reform is, by and large, comprehensive.

In terms of scope and purpose, Mark and Turner (1997, p.107) equate public sector reforms to administrative reforms. They see reforms to be about deliberate planned changes to public sector organization's practices for the purpose of improving efficiency and reforms are means for transforming public organizations. In this regard reforms are means for transforming public organizations and society. There is more convergence in the understanding reform than divergence. Reform denotes innovation geared at enhancing the capacity and capabilities of the public sector institutions. Reforming is a change process with a series of logical steps, hence it must be planned and the anticipated outcomes and impact on performance should be clearly articulated and spelt out planned and implemented in vacuums. They attract the demands, needs and interest from heterogeneous stakeholders. In this regard, conflicts, compromises and challenges in designing and implementing reforms and phenomenal, hence politics permeates reforms in the public sector domain.

With the exception of Caiden (1969), most writers on reforms have tended to lose sight on the politics surrounding public sector reform process. Reforms, like many organizational process, are influenced directly and indirectly by the internal and external socio-economic and political dynamics.

Notwithstanding the fact that reforms are one of the major characteristic features of organizations, comprehensive reforms in the public sector have been implemented in developed and developing countries around the world in order to respond to changing global economic and political imperatives.

Most of the public reforms are, by large, derivatives of the global New Public Management (NPM) movement. As Ayeni (2002) aptly observed, the

major thrust of the public sector reforms include the transfer of private sector management ethos and approaches to the public institutions, introduction of market forces and principle in the public sector and establishment or globalizing the liberal democratic values. Globally, public sector reforms are intended to achieve sustainable growth, with equity and improvement in the public organizations' results chain.

Barber (2007) identifies three dominant paradigm of public sector reforms, each suitable for addressing specific needs and demands in different circumstances, and points out that regardless of each paradigm select, the political center plays a crucial role. The three paradigms are the command and control, devolution and transparency and quasi-market. Barber argues that the command and control mode is often the first choice of government that the command and control mode is often the first choice of government that want immediate and visible change urgently, and want to be seen implementing reform measures. It involves the top-down management approach. In respect of the devolution and transparency prototype, government can devolve responsibilities to the frontline units delivering the service and the use transparency means in making public the results, in a way that allows comparison in order to steer performance. Successful units are rewarded and expanded whilst the underperforming entities could undergo intervention or be shut down. The 'quasi-market' archetype involves full scale privatization, including divesture, which in most cases is used by government for reforms in the telecommunication and utilities sector. There is hesitation in applying this model in areas such as education or policing for reason of social equity, feasibility and politics.

Reforming public sector organization, including government, is a continuous process. It is prompted by development in local and international socio-economic, political and technological dynamics as well as demands by citizens. Many government have respond to these situations by adopting two sets of reform measures.

On the one hand, the reform place efforts on building and strengthening the infrastructure in the form of hard reforms-roads, hospitals, school etc. for provision of public service. On the other hand, they focus on addressing institutional bottlenecks-also soft reforms (system, tools, and process) in the machinery of government that may otherwise constrain the efficient and effective provision of public services. However, many public sector reforms do not achieve their intended results to the satisfaction of different stakeholders

#### 2.5. Reform implementation impediments and challenges

The implementation of public sector reforms is not an easy task in the understanding of both practitioners and academics. Studies identify a number of problems and challenges that undermine successful implementation of reforms. These must be addressed if public sector reforms intervention have deliver the intended results. The World Bank (2012), for instance, delineates several challenges plaguing the public sector management reforms, main one being;

- i. Relatively little explicit evidence about what matters most in improving public sector performance, hence practitioners rely on a strong body of tacit or 'craft' knowledge to develop practical reform strategies.
- Significant uncertainty about the institutional forms that are suited for improving public sector performance in a given context.
- iii. Challenges and difficulties in changing the actual behavior of public sector stakeholders and agents.
- iv. Public sector management reforms may not necessary attain the intended difference for development outcomes; and
- v. Powerful public sector reforms actor may block reforms to ensure that the public sector serves their supporters' interest, rather than the public good, thus, political economy factors may not be fully evident until the reform process plays out.

The challenges and constraints that thwart the implementation of public sector reforms are many. Other reform champions and expert including Mutahaba (2013) observe that public sector reforms fail to deliver their intended result due to serve capacity and capability gaps, including weak markets, in that reforms seems be replacing a sick and ailing public sector with a weaker and a more inefficient public sector. Second, lack of political will and commitment to reforms on the part of government in power. Third, the weakness of the institutional arrangements for effective public sector reforms. Forth, the non-government of the concerned stakeholders in the designing and implementation of the reforms, consequently raising a legitimate question on the ownership of the reforms. Mukandala (2000) has attributed the failure of public sector reforms to accomplish their intended objectives, particularly in African countries, to a number of reasons, the major ones being the crisis of institutions, continued domination of the colonial logic of public administration, poor or noimplementation of legislated policies, persistence and endemic corruption, as well as the structural adjustment program and civil service reform.

Moreover, there are claim that some of the reforms in the public sector are imposed on government, particularly in developing countries, by development partners and donors, particularly the Bretton Woods Institutions- The World Bank and International Monetary Fund (IMF). These financial institutions have tended to require fund recipient countries to undertake reforms as a condition for accessing development grants or loans. Such reforms are usually misguided because they lack local context and do not necessary address the felt needs of the people. The architect of the reforms rest on a rational instrumental mode in terms of implementation design based upon the principles of the classical management theorist, employing a 'one size fits all' or 'the best way' approach to transform the public sector. Reforms that are not anchored upon the socio-political and cultural circumstances of a given country are prone to failure.

#### 2.6. Public sector reform from the late 1980s

Tanzania like many other developing countries, decided to adopt reform strategies focusing on measures geared at (i) strengthening system and process with a view to enhancing efficiency, effectiveness, accountability and transparency in Government; (ii) developing and strengthening infrastructure to improve access to service delivery in specific sector; and (iii) promoting democracy and good governance. With regard to measure focusing on strengthening system and process, four cross-cutting reform programs were initially developed and implemented. They were;

- (i) Public Service Reform Program (PSRP)
- (ii) Public Finance Management Reform Program (PFMRP)
- (iii) Local Government Reform Program (LGRP); and
- (iv) Legal Sector Reform Program (LSRP)
   In addition, other reform programs with cross-cutting dimension also were developed. These were;
  - (a) Business Environment Strengthening (BEST);
  - (b) National Anti-Corruption and Action Plan (NACSAP), and
  - (c) Second Generation Financial Sector Reform Program (SGFSRP)

    The reform programs that were focusing on strengthening infrastructure in specific sector were numerous and diverse. The major ones were;
  - (i) Health Sector Reform Program (HSRP);
- (ii) Education Sector Development Program (ESDP);

- (iii) Agriculture Sector Development Program (ASDP);
- (iv) Roads Sector Development Program (RSDP); and
- (v) Water Sector Development Program (WSDP);

Measures that were intended to promote democracy and good governance included:

- (i) Re-establishment of a multiparty political system;
- (ii) Establishment of democracy protection institution;
- (iii) Establishment of regulatory bodies;
- (iv) Putting in place legal and institutional framework for the involvement of non-state actors in governance.

Having implemented the two sets of reforms for more than two decades, a comprehensive assessment was undertaken with a view to establishing the extent to which the reforms have contributed to improve public service delivery. However, some of these reforms did not produce desired and expected results during and after implementation, number of reasons have been highlighted and they mostly based on technical and financial reasons. On the other hand, the issue of stakeholders engagement was not seem to be the important topic during reform process, however is ought to be one of the major reason in the failure of sector reform in Tanzania.

#### 2.7. Reform and change in Tanzania pension system.

Pension system in Tanzania has been through a major reforms for the past one year, the system had five pension funds operating separately with different benefits package to members and formulas to calculate benefits were also different. The only similar aspect in all funds was that, after retiring, retirees were paid the whole lamp sum amount of gratuity. After reform of the pension system, four pension funds were merged to form one pension fund serving public sector and one pension fund remains to serve private and informal sector. There was adoption of new formula and changes in payment process from receiving the whole lump sum of gratuity to apportioned payment (reform agreed retirees to be paid 25% and the remaining 75% to be apportioned to their monthly pension payment).

However, during the implementation process stage, there were different number of complaints from pension system stakeholders and members of the funds regarding the new system of pension, particularly the mentioned payment process of apportioning the gratuity. Increase of complaints brought so many unanswered question on how reform process is taking place in Tanzania public sector in relation to stakeholders' engagement.

After intensive increase of complaints, December 2018, current President of Tanzania (John Pombe Magufuli) decided to denounce the new formula of paying the gratuity after its implementation in four months after being signed by the President himself. Now all retirees are paid 100% of their gratuity by following the old formula of their previous funds that each one was a member before the reform process.

This had brought so many unanswered questions as to whether stakeholders were fully engaged during reform process before implementation, and if they were engaged, to what extent they were engaged in debating the reform, including the awareness of the whole contents of reforms areas. This has been the

main reason for this study to be conducted as many previous study in reforming public sector in Tanzania did not study in deep the engagement of stakeholders in reforming public sector.

#### **Chapter Three: Research Methodology**

This part explains and describes the methodology that was basically used in the study. It includes research design, population and study area, sampling design and technique, data collection method (instruments) and data analysis methods.

#### 3.1. Research design

Because the goal of this research was to inquire in-depth information for interpretation, the proposed research design used for answering research questions was a qualitative research design. On the other hand, the research used descriptive nature approach aimed to explore and explain while providing additional description on the research tittle.

#### 3.2. Population and study area

The applicable target population for the study was all relevant key stakeholders who seemed to have interest or impact on pension system and its reform in general. These stakeholders were Workers' Associations (Trade Unions) which has different thirteen trade unions in total, Members of Parliament (as part of law making) and Pension funds Management Team (Top Managers).

#### 3.3. Sample

In this research study, the methods of sampling used is indicated below which shows also data collection methods, sample size that was used and sampling technique.

**Table 1: Information of sampling** 

Purpose	Method of collecting data		Size of sample
		sampling	sample
To assess stakeholders'	Online survey	Purposive/	144
engagement in pension	questionnaires	judgmental	
system reform.			
-			

Sample was non-probability, judgmental/ purposive sampling as it required individuals who have experience and they counted as key persons to provide genuine responses. It was a sample for conducting an online survey from the targeted population group. The sample size used was 144 which was divided as follows;

Trade Union-83, Member of Parliament-21, Pension funds managers-40.

#### 3.4. Data type

The research study has used primary data as the main source of data collection through online survey questionnaire formulation.

#### 3.5. Data collection instruments

Online survey questionnaires was applied as a tool of collecting data, composed mainly with closed ended questions. The online questionnaire was then sent to respondents through electronic mail for them to fill and submit online.

### 3.6. Data analysis method and presentation

Since the process of data collection was done through online survey, the output results was transported into Google documents spreadsheet for manipulation and graphs layout.

### **Chapter Four: Results Analysis**

This chapter explains and presents the research findings, including characteristics of respondents who were engaged in the survey. Respondents were crucial stakeholders divided into three categories which included staffs of four pension funds who were managers before reform process, staffs of workers union association (who were engaged in reform) and members of parliament who were engaged in passing the pension reform bill in the parliament. Analysis of the findings was done towards the research objectives. The findings are presented by using graphs and tables in terms of percentages of responses.

#### 4.1. Demographics of respondents

The respondents of this study were selected by using a purposive/judgmental sampling which is under non-probability sampling and the main purpose was to enable the researcher to be able to collect the required information from the selected sample. In technical nature point of this research, the basis of this criteria was used to selected respondents who have the required knowledge of the study.

The data was collected from three different categories namely: Association of Tanzania Workers Union (83), Top managerial staffs of pension funds (40) and Members of Parliament (21). The questionnaire targeted 250, however only 144 responded which represents 72% of target. The below table depicts the physiognomy of the demographic from the respondents.

Table 2: Demographic characteristics of respondents from workers association

Variable	Classification	Frequency	Percentage (%)
Gender	Male	46	55.4
Gender	Female	37	44.6
	Below 25	0	0
	26-30	0	0
A go	31-35	12	14
Age	36-40	21	25
	46-50	45	54
	51-Above	5	6
	Below Bachelors	0	0
<b>Education Level</b>	Bachelors	36	43.4
	Masters	47	56.6
	Others	0	0
	CHODAWU	4	4.8
	RAAWU	2	2.4
	TAMICO	8	9.6
	TPAWU	3	3.6
	COTWUT	2	2.4
	TALGWU	6	7.2
Place of work	TASU	3	3.6
	TEWUTA	4	4.8
	TRAWU	4	4.8
	TUCTA	15	18
	TUGHE	11	13.2
	TUICO	6	7.2
	TTU	15	18
	1-5 years	0	0
Working experience	6-10 years	36	42.7
working experience	More than 10 years	47	57.3

Table 2.1 Statistical Age-Gender of workers unions (t-test)

	Male	Female
Mean	7.6666667	6.1666667
Variance	103.06667	53.766667
Observations	6	6
Hypothesized Mean Difference	0	
df	9	
t Stat	0.2933916	
P(T<=t) one-tail	0.3879378	
t Critical one-tail	1.8331129	
P(T<=t) two-tail	0.7758756	
t Critical two-tail	2.2621572	

P value = 0.78

P value from the t test above = 0.78; this shows there is no age difference statistically between male and female respondents from workers unions.

Table 3: Demographic characteristics of respondents from pension funds

Variable	Classification	Frequency	Percentage (%)
Gender	Male	24	60
Gender	Female	16	40
	Below 25	0	0
	26-30	0	0
	31-35	2 (1 Male, 1 Female)	5
Age	36-40	16 (9 Male, 7 Female)	40
	46-50	18 (11 Male, 7 Female)	45
	51-Above	4 (3 Male, 1 Female)	10
Education Level Below Bachelors		0	0

	Bachelors	5	12.5
	Masters	35	87.5
	Others	0	0
	PSPF	8	20
Place of work	LAPF	12	30
before merging	GEPF	10	25
	PPF	10	25
	1-5 years	0	0
Working experience	6-10 years	12	30
	More than 10 years	28	70

**Table 3.1 Statistical Age- Gender of Pension Funds Respondents (t-test)** 

	Male	Female
Mean	4	2.6666667
Variance	23.2	11.466667
Observations	6	6
Hypothesized Mean Difference	0	
df	9	
t Stat	0.5547002	
P(T<=t) one-tail	0.2963076	
t Critical one-tail	1.8331129	
P(T<=t) two-tail	0.5926152	
t Critical two-tail	2.2621572	

 $P \ value = 0.59$ 

*P* value from the t- test above = 0.59; this shows there is no age difference statistically between male and female respondents from pension funds.

 ${\bf Table~4:~Demographic~characteristics~of~respondents~from~members~of~parliament}$ 

Variable	Classification	Frequency	Percentage (%)
Gender	Male	15	71.4
Gender	Female	6	28.6
	Below 25	0	0
Age	26-30	1 Female	4
	31-35	2 (1 Males, 1 Female)	10
	36-40	4 (3 Males, 1 Female)	18
	46-50	6 (4 Males, 2 Female)	29
	51-Above	8 (7 Males, 1 Female)	39
	Below Bachelors	2	10
Education	Bachelors	10	47
Level	Masters	8	38
	Others 1		5
Years in	1-5 years	4	20
Parliament	More than 5 years	16	80

**Table 4.1 Statistical Age-Gender of Members of Parliament Respondents** (t-test)

	Male	Female
Mean	2.5	1
Variance	7.5	0.4
Observations	6	6
Hypothesized Mean Difference	0	
df	6	
t Stat	1.307234	
P(T<=t) one-tail	0.1194959	
t Critical one-tail	1.9431803	
P(T<=t) two-tail	0.2389919	
t Critical two-tail	2.4469119	

T-test= 0.24

P value from the t test above = 0.24; this shows there is no age difference statistically between male and female respondents from members of parliament.

From the information above, it is evident that males have occupied greater proportion of the overall respondents. This shows that, in all three different categories of respondents male have dominated. From all three categories of respondents, they are relatively adults with age above 46 years which indicates that they dominated the working force of these three categories of respondents, however there is no Statistical difference of ages between male and female respondents. The demographic tables above also indicate that majority of respondents are Master's degree holder with exception of respondents from Parliament.

In this research, four areas/parts of stakeholders' engagement were used to assess the level of their engagement in the pension system reform. First; stakeholders' identification and prioritization, where the main purpose was to assess whether they were well identified in the pension system reform and if were given priority in the reform processes.

Second; inclusiveness of stakeholders in the debatable discussion of reform processes, where the goal was to assess to what extent the discussion were inclusive in terms of accepting their comments and how frequently the meetings/discussion used to be held.

Third; understanding the content of reform with the purpose of studying if content of reform was well understood by stakeholders for better reform discussion.

Forth; passing the pension system reform bill with the purpose of studying how the reform bill was passed in the parliament by getting the views from members of parliament who participated in the process of passing the reform's bill.

### 4.2. Stakeholders' identification and prioritization

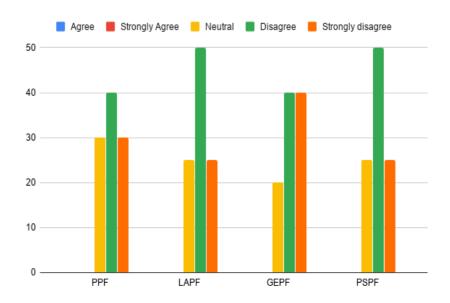
In this part, the survey targeted two categories of stakeholders which were Pension funds top managers as the part of service provision of pension and staffs from workers association who are the front liners in defending workers' rights including pension benefits. The survey had four different questions which were sent to respondents and the feedback from each question is depicted below;

### **4.2.1.** Responses on whether stakeholders were well informed

The question was asked to examine if stakeholders were well informed and invited to participate in debatable discussion of pension system reform. However, responses from both categories of stakeholders' responses, both did not support the fact of being well informed and invited to participate in a debate of

pension system reform. From pension funds respondents, no any respondent agreed to be well informed and invited as depicted in the below figures, 45% of respondents disagree, 30% have strongly disagree while 25% were neutral. Also, respondents from workers union all of the never agreed to be well informed to participate in the debate of pension system reform, 42% disagreed, 36% have strongly disagrees and 20% were neutral.

Figure 1: Responses from pension funds



**Table 5: Tabular details of responses from pension fund (%)** 

	Agree	Strongly Agree	Neutral	Disagree	Strongly Disagree
PPF	0%	0%	30%	40%	30%
LAPF	0%	0%	25%	50%	25%
GEPF	0%	0%	20%	40%	40%
PSPF	0%	0%	25%	50%	25%
Average	0%	0%	25%	45%	30%

Figure 2. Responses from workers union

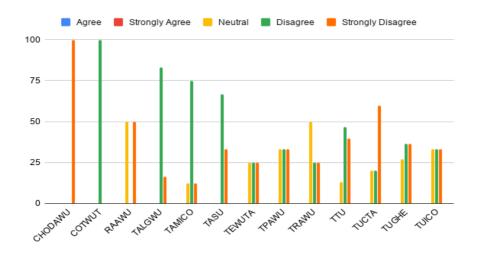


Table 06. Tabular details of responses from workers union (%)

	Agree	Strongly Agree	Neutral	Disagree	Strongly Disagree
CHODAWU	0%	0%	0%	0%	100%
COTWUT	0%	0%	0%	100%	0%
RAAWU	0%	0%	50%	0%	50%
TALGWU	0%	0%	0%	80%	20%
TAMICO	0%	0%	12.50%	75%	12.50%
TASU	0%	0%	0%	70%	30%
TEWUTA	0%	0%	25%	25%	25%
TPAWU	0%	0%	33.33%	33.33%	33.33%
TRAWU	0%	0%	50%	25%	25%
TTU	0%	0%	15%	45%	40%
TUCTA	0%	0%	20%	20%	60%
TUGHE	0%	0%	27%	37%	37%
TUICO	0%	0%	33.33%	33.33%	33.33%
Average	0%	0%	20%	42%	36%

### **4.2.2** Results on recognition and coverage range of key stakeholders

In this part, respondents from both categories, pension funds and workers association did not agree on the recognition and coverage range of stakeholders in the reform process, 66% of respondents from pension funds have strongly disagreed, 28% have disagreed and 6% were neutral. Respondents from workers unions, 47% have strongly disagreed, 45% have disagreed and 8% were neutral. This implies that, the reform process of pension system did not engage many stakeholders which were expected to be engaged and that seems to be the reason for complaints during implementation process.

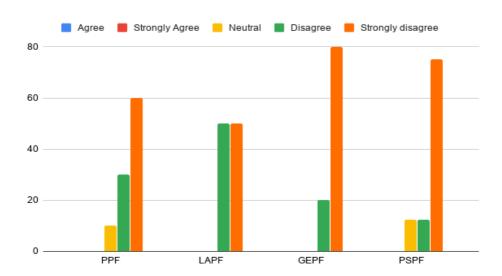


Figure 3. Responses from pension fund

Table 07. Tabular details of responses from pension funds (%)

	Agree	Strongly Agree	Neutral	Disagree	Strongly Disagree
PPF	0%	0%	10%	30%	60%
LAPF	0%	0%	0%	50%	50%
GEPF	0%	0%	0%	20%	80%
PSPF	0%	0%	12.50%	12.50%	75%
Average	0%	0%	6%	28%	66%

Figure 4. Responses from workers association

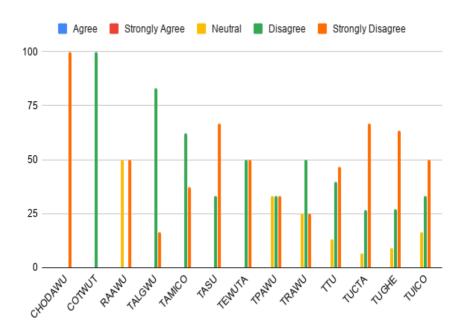


Table 08. Tabular details of responses from workers union (%)

	Agree	Strongly Agree	Neutral	Disagree	Strongly Disagree
CHODAWU	0%	0%	0%	0%	100%
COTWUT	0%	0%	0%	100%	0%
RAAWU	0%	0%	0%	50%	50%
TALGWU	0%	0%	0%	80%	20%
TAMICO	0%	0%	0%	65%	35%
TASU	0%	0%	0%	30%	70%
TEWUTA	0%	0%	0%	50%	50%
TPAWU	0%	0%	33.33%	33.33%	33.33%
TRAWU	0%	0%	25%	50%	25%
TTU	0%	0%	15%	40%	45%
TUCTA	0%	0%	5%	27%	68%
TUGHE	0%	0%	13%	27%	60%
TUICO	0%	0%	15%	35%	50%
Average	0%	0%	8%	45%	47%

## **4.2.3** Responses to measure communication between government and stakeholders

Responses on whether the reform process had maintained regular communications with key stakeholders for effective reform process, among all the responses from both two categories of pension funds and workers union neither supported as it can be seen in below figures. Respondents from pension funds, 61% have strongly disagreed, 18% have disagreed and 21% were neutral. Respondents from workers union, 56% have strongly disagrees, 32% have disagree and 12% were neutral. That means during reform process the

government did not have a tendency of communicating with stakeholders regularly and hence might be the cause of the reform to fail.

Figure 5. Responses from pension fund

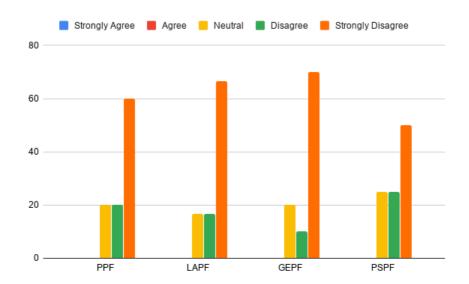


Table 09. Tabular details of responses from pension funds (%)

	Agree	Strongly Agree	Neutral	Disagree	Strongly Disagree
PPF	0%	0%	20%	20%	60%
LAPF	0%	0%	18%	18%	65%
GEPF	0%	0%	20%	10%	70%
PSPF	0%	0%	25%	25%	50%
Average	0%	0%	21%	18%	61%

Figure 6. Responses from workers association

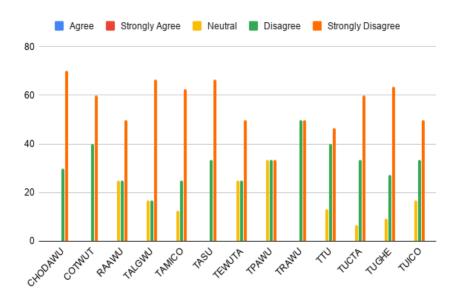


Table 10. Tabular details of responses from workers union (%)

		Strongly			Strongly
	Agree	Agree	Neutral	Disagree	Disagree
CHODAWU	0%	0%	0%	30%	70%
COTWUT	0%	0%	0%	40%	60%
RAAWU	0%	0%	25%	25%	50%
TALGWU	0%	0%	18%	18%	65%
TAMICO	0%	0%	13%	25%	62%
TASU	0%	0%	0%	35%	65%
TEWUTA	0%	0%	25%	25%	50%
TPAWU	0%	0%	33.33%	33.33%	33.33%
TRAWU	0%	0%	0%	50%	50%
TTU	0%	0%	15%	40%	45%
TUCTA	0%	0%	7%	33%	60%
TUGHE	0%	0%	10%	27%	63%
TUICO	0%	0%	15%	35%	50%
Average	0%	0%	12%	32%	56%

# **4.2.4** Responses to see if stakeholders were given sufficient time to participate

From the two figures below, both respondents from pension fund managers and workers union did not agree to be given enough time to participate in reform process, from pension fund respondents, 55% have strongly disagrees, 43% have disagreed and 01% were neutral. From workers association respondents, 52% have strongly disagreed, 38% have disagreed and 10% were neutral. That means during the discussion there were no enough time for a well debatable discussion to allow them to provide their opinions for effective reform.

Figure 7. Responses from pension fund

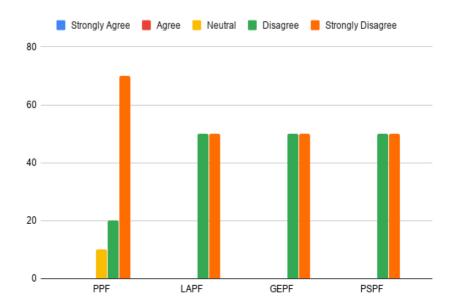


Table 11. Tabular details of responses from pension funds

	Agree	Strongly Agree	Neutral	Disagree	Strongly Disagree
PPF	0%	0%	3%	20%	70%
LAPF	0%	0%	0%	50%	50%
GEPF	0%	0%	0%	50%	50%
PSPF	0%	0%	0%	50%	50%
Average	0%	0%	1%	43%	55%

Figure 8. Responses from workers association

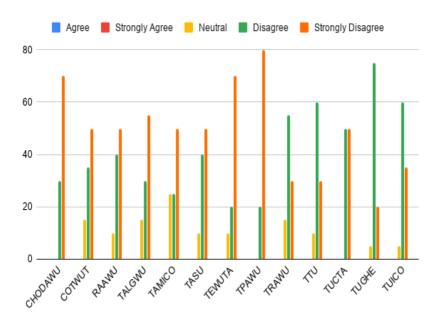


Table 12. Tabular details of responses from workers union

		Strongly			Strongly
	Agree	Agree	Neutral	Disagree	Disagree
CHODAWU	0%	0%	0%	30%	70%
COTWUT	0%	0%	15%	35%	50%
RAAWU	0%	0%	25%	25%	50%
TALGWU	0%	0%	15%	30%	55%
TAMICO	0%	0%	25%	25%	50%
TASU	0%	0%	10%	40%	50%
TEWUTA	0%	0%	10%	20%	70%
TPAWU	0%	0%	0%	20%	80%
TRAWU	0%	0%	15%	55%	30%
TTU	0%	0%	10%	30%	60%
TUCTA	0%	0%	0%	50%	50%
TUGHE	0%	0%	5%	75%	20%
TUICO	0%	0%	5%	60%	35%
Average	0%	0%	10%	38%	52%

### 4.3 Inclusiveness of stakeholders in the debate of reform

#### processes

The survey on this part was done for the purpose of analyzing the inclusiveness of stakeholders in the debate of reform process, the survey was also done by sending online questionnaire to different officers who were managers from the four pension funds which were part of the pension system reform.

The survey was conducted by sending the following questions which were well responded from both categories.

### **4.3.1** Responses to measure acceptance of stakeholders' comments on reform

From all two categories in this part, pension funds top managers and workers union staffs did not support the fact their comments and recommendations were positively taken and considered in the pension system reform. Respondents from pension fund 53% have disagreed have 48% have strongly disagreed. From workers association respondents, 52% have strongly disagreed, 34% have disagreed and 12% were neutral.

Since there were no any part which agreed, it means that, they provided their views and opinions but could not be taken into consideration and hence caused huge resistance during implementation phase which led to failure of reform implementation.

Figure 9. Responses from pension fund

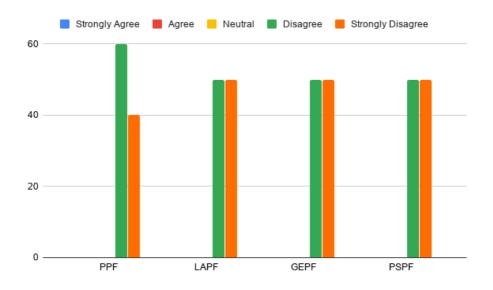


Table 13. Tabular details of responses from pension funds

	Agree	Strongly Agree	Neutral	Disagree	Strongly Disagree
PPF	0%	0%	0%	60%	40%
LAPF	0%	0%	0%	50%	50%
GEPF	0%	0%	0%	50%	50%
PSPF	0%	0%	0%	50%	50%
Average	0%	0%	0%	53%	48%

Figure 10. Responses from workers association

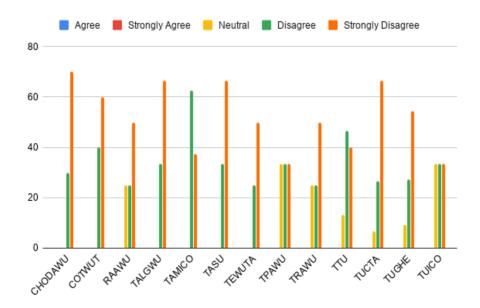


Table 14. Tabular details of responses from workers union

		Strongly			Strongly
	Agree	Agree	Neutral	Disagree	Disagree
CHODAWU	0%	0%	0%	30%	70%
COTWUT	0%	0%	0%	40%	60%
RAAWU	0%	0%	25%	25%	50%
TALGWU	0%	0%	0%	35%	65%
TAMICO	0%	0%	0%	62%	38%
TASU	0%	0%	0%	35%	65%
TEWUTA	0%	0%	0%	25%	50%
TPAWU	0%	0%	33%	33%	33%
TRAWU	0%	0%	25%	25%	50%
TTU	0%	0%	15%	45%	40%
TUCTA	0%	0%	10%	25%	65%
TUGHE	0%	0%	15%	30%	55%
TUICO	0%	0%	33%	33%	33%
Average	0%	0%	12%	34%	52%

# **4.3.2** Responses on stakeholders' consent on reform implementation

Since many stakeholders seemed to complain about the reform system immediately during its implementation stage, this question was designed specifically to see if the reform came into operations with the consent of majority key stakeholders. The results below show that 73% of respondents from pension fund manager have strongly disagreed and 28% have disagreed. Respondents from workers union 74% have also strongly disagreed and 25% have disagreed. If there were proper stakeholder inclusion in a well debatable discussion, both

stakeholders and government would came into better agreement and better review of reform contents and the reform would have consent of stakeholders.

Figure 11. Responses from pension fund

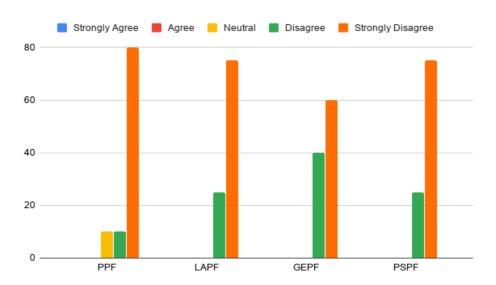


Table 15. Tabular details of responses from pension funds

		Strongly			Strongly
	Agree	Agree	Neutral	Disagree	Disagree
PPF	0%	0%	0%	20%	80%
LAPF	0%	0%	0%	25%	75%
GEPF	0%	0%	0%	40%	60%
PSPF	0%	0%	0%	25%	75%
Average	0%	0%	0%	28%	73%

Figure 12. Responses from workers association



Table 16. Tabular details of responses from workers union

	Agree	Strongly Agree	Neutral	Disagree	Strongly Disagree
CHODAWU	0%	0%	0%	30%	70%
COTWUT	0%	0%	0%	20%	80%
RAAWU	0%	0%	0%	40%	60%
TALGWU	0%	0%	0%	30%	70%
TAMICO	0%	0%	0%	25%	75%
TASU	0%	0%	0%	30%	70%
TEWUTA	0%	0%	0%	10%	90%
TPAWU	0%	0%	0%	20%	80%
TRAWU	0%	0%	0%	20%	80%
TTU	0%	0%	0%	30%	60%
TUCTA	0%	0%	0%	30%	70%
TUGHE	0%	0%	0%	10%	90%
TUICO	0%	0%	0%	30%	70%
Average	0%	0%	0%	25%	74%

# **4.3.3** Responses on occasional meetings between government and stakeholders

As stakeholders of pension system, government was expected to have several meetings with them where necessary for discussing and even to get their opinions on how to improve the pension system as it is among the important sector in the country which needs feedback and comments from the stakeholders and particularly workers union. From the survey and feedback below to see if the government used to hold several meetings, respondents from pension funds managers 79% have said 'NO' and 21% have said 'Maybe'. On the other hand, respondents from workers association 85% have said 'NO' and 9% have said 'Maybe'%.

Figure 13. Responses from pension fund

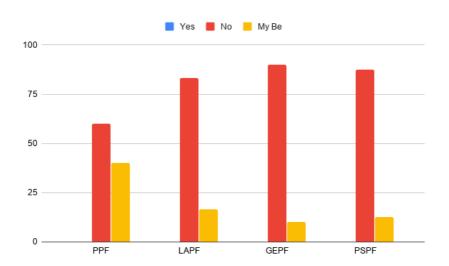


Table 17. Tabular details of responses from pension funds

	Yes	Maybe	No
PPF	0%	40%	60%
LAPF	0%	20%	80%
GEPF	0%	10%	90%
PSPF	0%	15%	85%
Average	0%	21%	79%

Figure 14. Responses from workers associations

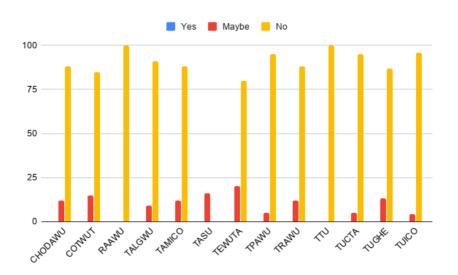


Table 18. Tabular details of responses workers union

	Yes	Maybe	No
CHODAWU	0%	10%	90%
COTWUT	0%	18%	82%
RAAWU	0%	0%	100%
TALGWU	0%	5%	95%
TAMICO	0%	10%	90%
TASU	0%	20%	0%

TEWUTA	0%	20%	80%
TPAWU	0%	5%	95%
TRAWU	0%	10%	90%
TTU	0%	0%	100%
TUCTA	0%	5%	95%
TUGHE	0%	10%	90%
TUICO	0%	10%	95%
Average	0%	9%	85%

#### 4.4 Understanding the content of reform

For better engagement of stakeholder in a well debatable discussion, content of reform need to be understood to allow stakeholders to present and convey their views and comments on reform. The survey was done through the following observations and the results was obtained as follows.

### 4.4.1 Responses to see if the content and objectives were clear

The main objective in this part was to see if the targeted objectives derived from the content of the reform were clear to be understood by all stakeholders, the survey results from stakeholders shows that they did not support the fact that content of reform was clear to them, this was evidenced from the new benefit calculation formula of the reform which was complained not to be clear and majority of stakeholders complained not understand the formula. From pension fund responses 46% were strongly disagreed, 40% have disagreed and 15% were neutral. Respondents from workers associations, 47% have strongly disagreed, 42% have disagreed and 12% were neutral.

Figure 15. Responses from pension funds on reform's content to be clear

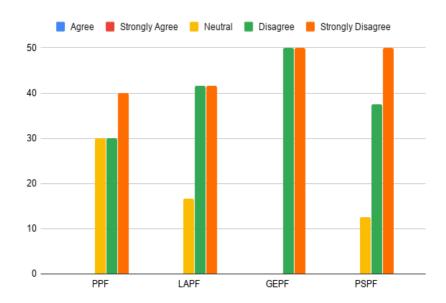


Table 19. Tabular details of responses from pension funds

	Agree	Strongly Agree	Neutral	Disagree	Strongly Disagree
PPF	0%	0%	30%	30%	40%
LAPF	0%	0%	16%	42%	42%
GEPF	0%	0%	0%	50%	50%
PSPF	0%	0%	12%	38%	50%
Average	0%	0%	15%	40%	46%

Figure 16. Responses from workers associations

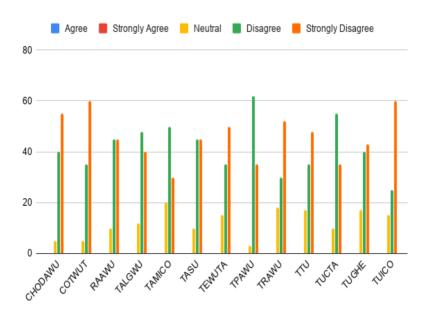
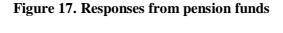


Table 20. Tabular details of responses from workers union

		Strongly			Strongly
	Agree	Agree	Neutral	Disagree	Disagree
CHODAWU	0%	0%	5%	40%	55%
COTWUT	0%	0%	5%	35%	60%
RAAWU	0%	0%	10%	45%	45%
TALGWU	0%	0%	12%	48%	40%
TAMICO	0%	0%	20%	50%	30%
TASU	0%	0%	10%	45%	45%
TEWUTA	0%	0%	15%	35%	50%
TPAWU	0%	0%	3%	62%	35%
TRAWU	0%	0%	15%	30%	55%
TTU	0%	0%	15%	30%	55%
TUCTA	0%	0%	10%	55%	35%
TUGHE	0%	0%	18%	40%	42%
TUICO	0%	0%	15%	25%	60%
Average	0%	0%	12%	42%	47%

#### 4.4.2 Responses on elaboration of complex terms in reform

This survey question aimed to check whether some contents of reforms which were complex to be understood by stakeholders were well understood, the recommended reform had some complex terms/parts and most specific the recommended formula for calculating terminal benefit which needed some explanation to stakeholders, but according to their responses they disagreed to be provided explanation. 59% of responses from pension fund managers have strongly disagreed, 36% have disagreed and 5% were neutral. Responses from workers association, 54% have disagreed, 39% have strongly disagreed and 7% were neutral.



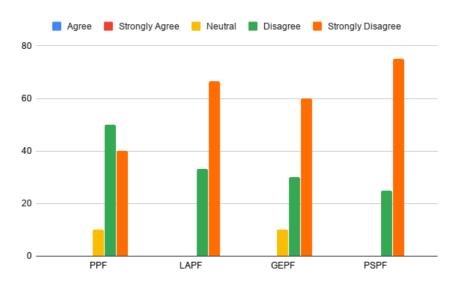


Table 21. Tabular details of responses from pension funds

	Agree	Strongly Agree	Noutral	Disagras	Strongly Disagree
	Agree	Strongly Agree	Neutral	Disagree	Ŭ
PPF	0%	0%	10%	50%	40%
LAPF	0%	0%	0%	35%	65%
<b>GEPF</b>	0%	0%	10%	30%	60%
PSPF	0%	0%	0%	30%	70%
Average	0%	0%	5%	36%	59%

Figure 18. Responses from workers associations

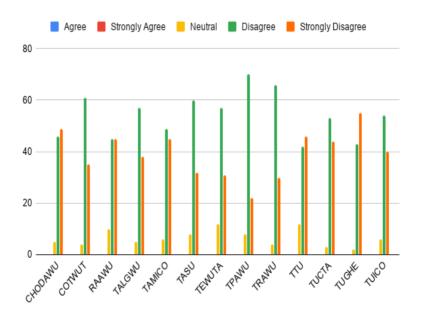


Table 22. Tabular details of responses from workers union

		Strongly			Strongly
	Agree	Agree	Neutral	Disagree	Disagree
CHODAWU	0%	0%	5%	45%	50%
COTWUT	0%	0%	5%	60%	35%
RAAWU	0%	0%	10%	45%	45%
TALGWU	0%	0%	4%	58%	38%
TAMICO	0%	0%	4%	50%	48%
TASU	0%	0%	10%	60%	30%
TEWUTA	0%	0%	12%	58%	30%
TPAWU	0%	0%	8%	70%	22%
TRAWU	0%	0%	5%	65%	30%
TTU	0%	0%	12%	42%	45%
TUCTA	0%	0%	5%	53%	42%
TUGHE	0%	0%	3%	42%	55%
TUICO	0%	0%	7%	53%	40%
Average	0%	0%	7%	54%	39%

# 4.4.3 Responses on reforms' objective towards improving the pension system

This question was a part of survey questions to stakeholders for the purpose of observing and getting their opinions towards the reform to see their trust on the objectives of reform on improving pension system service. After receiving their responses as depicted in the two figures below, they disagree and strongly disagree on the reforms objectives towards improving the pension system sector. Respondents from pension fund managers, 76% have strongly disagreed, 21% have disagreed and 3% were neutral. On the other side,

respondents from workers association, 76% have strongly disagreed and 24% have disagreed.

This means that, in the reform process they were not well engaged and given a chance to share their opinions and this led to resistance during implementation stage not only from the stakeholders but also from members of the pension fund.



Figure 19. Responses from pension funds

Table 23. Tabular details of responses from pension funds

LAPF

PPF

	Agree	Strongly Agree	Neutral	Disagree	Strongly Disagree
PPF	0%	0%	10%	20%	70%
LAPF	0%	0%	0%	25%	75%
GEPF	0%	0%	0%	15%	85%
PSPF	0%	0%	0%	25%	75%
Average	0%	0%	3%	21%	76%

**GEPF** 

**PSPF** 

Figure 20. Responses from workers associations

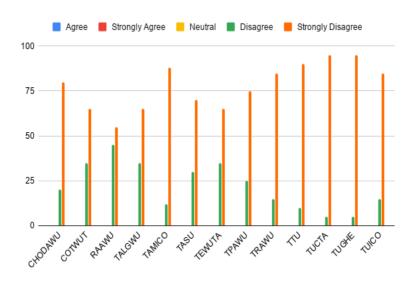


Table 24. Tabular details of responses from workers union

		Strongly			Strongly
	Agree	Agree	Neutral	Disagree	Disagree
CHODAWU	0%	0%	0%	20%	80%
COTWUT	0%	0%	0%	35%	65%
RAAWU	0%	0%	0%	45%	55%
TALGWU	0%	0%	0%	58%	38%
TAMICO	0%	0%	0%	10%	90%
TASU	0%	0%	0%	30%	70%
TEWUTA	0%	0%	0%	35%	65%
TPAWU	0%	0%	0%	25%	75%
TRAWU	0%	0%	0%	15%	85%
TTU	0%	0%	0%	10%	90%
TUCTA	0%	0%	0%	5%	95%
TUGHE	0%	0%	0%	5%	95%
TUICO	0%	0%	0%	15%	85%
Average	0%	0%	0%	24%	76%

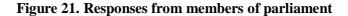
### 4.5 Engagement of members of parliament in passing the reform bill

Parliament as the law making organ of the government is responsible for passing or rejecting the proposed bill. Pension system reform was presented to the parliament for a discussion and it was passed and later be signed by the president. The main purpose for engaging members of parliament was due to the fact that, during implementation stage of the reform some members of parliament also seemed to complain and they did not support the reform while the reform was passed by them in the parliament.

The following question were sent to members of parliament for the purpose of getting their opinions on how the pension system bill was discussed and passed.

### **4.5.1** Passing the bill under the consent of majority in the parliament

From the results below, it shows that respondents from four different political parties do not agree that the reform was passed with their full consent and hence brings some more doubts, even some members of parliament from the ruling party (CCM) also did not seem to support or agree the bill which was passed. 63% of respondents from both parties have disagreed and 37% were neutral.



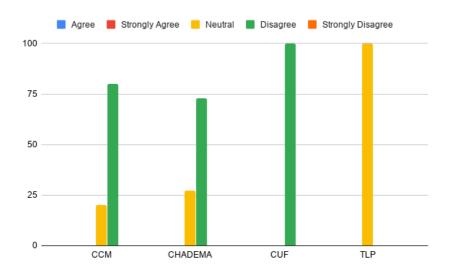


Table 25. Tabular details of responses with average

	Agree	Strongly Agree	Neutral	Disagree	Strongly Disagree
CCM	0%	0%	20%	80%	0%
CHADEMA	0%	0%	27%	73%	0%
CUF	0%	0%	0%	100%	0%
TLP	0%	0%	100%	0%	0%
Average	0%	0%	37%	63%	0%

# 4.5.2 Responses on presence of external pressure when passing the bill

This question intended to get the opinions from the members of parliament to see whether there were some political pressure out of parliament which acted like a force for them to pass the bill despite its weaknesses in terms of contents and objectives. The result below is the evidence that there were some pressure to

some point for passing the bill as no any response which seem to disagree the surveyed question. From the respondents, 51% have agreed and 49% were neutral.

Figure 22. Responses from members of parliament

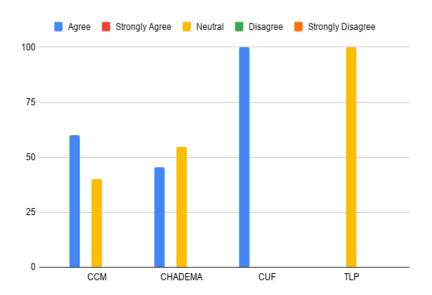


Table 26. Tabular details of responses with average

		Strongly			Strongly
	Agree	Agree	Neutral	Disagree	Disagree
CCM	60%	0%	40%	0%	0%
CHADEMA	45%	0%	55%	0%	0%
CUF	100%	0%	0%	0%	0%
TLP	0%	0%	100%	0%	0%
Average	51%	0%	49%	0%	0%

# **4.5.3** Responses to see if pension system needed to be reformed

This question targeted to get opinions from the members of parliament on the their views to see if the pension system really neaded to undergo some reforms. The result from the figure below shows that all responses from four different political parties only 6% of respondents have agreed, 54% have disagrees and 40% were neutral. This shows that, the reform system was not in a huge demand to undergo a large systemic reform as it was done.

Figure 23. Responses from members of parliament

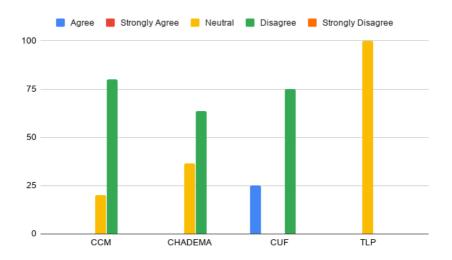


Table 27. Tabular details of responses with average

	Agree	Strongly Agree	Neutral	Disagree	Strongly Disagree
CCM	0%	0%	20%	80%	0%
CHADEM					
A	0%	0%	40%	60%	0%
CUF	25%	0%	0%	75%	0%
TLP	0%	0%	100%	0%	0%
Average	6%	0%	40%	54%	0%

#### 4.5.4 Responses on time provided to discuss the reform bill

Discussing any bill there should be reasonable time for a well debatable discussion in a house of parliament, the question was sent to respondents to get their views on their responses to see if the pension system reform was given enough and reasonable time for a better discussion.

Feedback from the respondents as depicted on the figure below shows that time given for discussing the reform was not sufficient to allow better discussion. 61% of all respondents were disagreed and 51% were neutral.

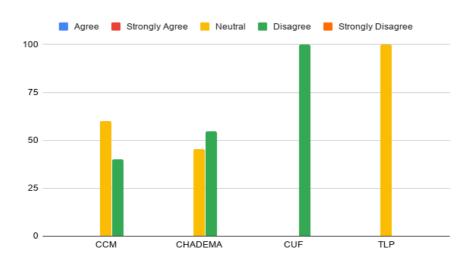


Figure 24. Responses from members of parliament

Table 28. Tabular details of responses with average

	Agree	Strongly Agree	Neutral	Disagree	Strongly Disagree
CCM	0%	0%	60%	40%	0%
CHADEMA	0%	0%	45%	55%	0%
CUF	0%	0%	0%	100%	0%
TLP	0%	0%	100%	0%	0%
Average	0%	0%	51%	49%	0%

# Chapter Five: Conclusions and Recommendations

This chapter focuses on conclusion of the study as well as recommendation towards improving the reform processes in different Tanzania government sectors. Below details are resulted from the findings of this study. Stakeholders' consideration are among the key elements in conducting any policy or when doing reforms. Ignoring them might cause hindrances during implementation stage.

#### **5.1.** Summary of activities

This study was conducted for the purpose of studying the engagement of stakeholders in Tanzania public sector reform process by studying the recent pension system reform which had many complains from stakeholders during the implementation stage while it was believed they were well engaged during the initial stage of reform processes before reaching implementation stage.

The study was conducted by engaging three categories of different crucial stakeholders in Tanzania pension system; Pension Funds, Association of Workers Union and Members of Parliament which were part of law making by passing the reform bill. The reason of engaging Members of Parliament was due to the fact that, during the stage of implementation, some of members of parliament were also part of complaining group of the pension system reform while they are the ones who were engaged in discussing and passed the reform bill in the parliament.

#### **5.2.** Conclusion

Based on the research questions and hypotheses, after conducting this study all the responses from stakeholders have shown that, the pension system reform did not well engage stakeholders during its initial stage and stakeholders were not satisfied with the reform's content and objectives, this resulted into a

huge resistance from the stakeholders to the point that the reform was then interfered and denounced by the President.

By looking at the responses from stakeholders if they were given priority during the reform process, they would not complain on the pension system reform, contrary to that, they all seem to disagree that the reform process provided them desired and needed priority, hypothetically means the reform was already decided and had to be implemented without considering stakeholders' opinions and views.

Few discussions which were held between government and stakeholders in the reform process, stakeholders claimed that, the discussions were not consultative and inclusive as most of their arguments were not accepted and also they claimed some of the complex parts of contents in the reform were not well clear and they were not given a detailed explanations.

On the other hand, members of Parliament were also another part of stakeholders, the reason of including them is due to the fact that, they are the ones who passed reform the bill. They were engaged in the survey to get their opinions on the reform discussion in the house of parliament. Their responses revealed that, the reform was passed with number of shortcomings and their responses have shown that, there were some external pressure out of the parliament to pass the bill immediately. This was seen and evidenced during the implementation stage where some members of parliament also were complaining on the new pension system reform while they were directly involved in the passing the reform.

### 5.3. Implications

The main purpose for conducting this study was to find out if different public reforms processes in Tanzania do engage stakeholders in a way that it is expected. Before this study, previous reforms studies which were conducted in Tanzania by different researchers did not study the engagement and implications of stakeholders in public sector reforms processes, which is the reason for this

study to be conducted to provide the other side of reform processes by studying the engagement of stakeholders.

The study is believed to make differences and be a baseline in different government reform processes by provide awareness and importance of engaging stakeholders in all government reform sectors. The study will even go further to policy makers in the country as policy making processes also need consideration of stakeholders for better policy implementation.

#### **5.4.** Dissemination and Implementation

Since this study is expected to be useful in improving Tanzania public sector reform, information from this study needs to reach out to government, policy makers and different stakeholders from different sectors. They all need to be informed and will act as baseline to bring them together when doing reforms in respective government sector.

In order information to reach responsible target group of people, this research needs to be available in different online sites and has to be open for anyone interested to access. It will first be available in the university site where everyone can access. Also since the researcher is a government employee, will use that opportunity to share the research with government especially different policy makers in the country for them to use this study as the baseline for considering stakeholders in different reform processes. Also it will be submitted to a Tanzania Public Service Commission Office for proper dissemination of findings to other respective department.

#### 5.5. Recommendation for further studies

From this study, some observations were clearly seen, from the stakeholders' responses it was discovered that some reforms in the country were/are done without the consent of stakeholders or even without involving them in the reform processes. There are some questions which need to be answered

also as to whether all reforms or policy failure are caused by not having proper stakeholders engagement or there are some other associated reasons for failure other than engagement of stakeholders.

From this research it is clear that the failure of effective and proper stakeholders' engagement is among the reason for the failure of the implementation of reform. Along with this study, there should be other additional research studies on policy and reform areas to see why some policies and reforms in the country seem to fail to be well implemented or they are implemented but results into undesired results, there might other associated factors which cause the failing of reforms/policies.

I recommend other additional research studies to be conducted on reform implementation to be able to understand well the reason for failure of some reforms in Tanzania.

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# **Abstract in Korean**

# 공공부문 개혁과정에 대한 이해관계자 참여도 평가

탄자니아의 연금제도 개편에 관한 연구

Claud Casmir Karangwa 서울대학교 행정대학원 글로벌행정전공

본 연구는 탄자니아 공공 부문 개혁에 대한 이해관계자들의 참여를 평가하여 그들이 개혁 과정에 어떻게 참여하고 있는지 그리고 어느 정도까지 관여하고 있는지를 검토하였다. 이해관계자들의 참여에 대한 주된 주장은 모든 개혁과정에서 이해관계자들이 핵심 요소라는 것이며, 이것의 실패는 불안정한 개혁 이행으로 이어질 수 있다는 것이다. 탄자니아에서의 대부분의 개혁은 개혁과정에서 이해당사자들을 포함시킬 것을 주장하지만, 개혁의 실행 과정에서 일부 개혁은 제대로 이행되지 못하고 한계와 비판에 직면하게 된다. 본 연구는 탄자니아의 연금제도에서 발생한 최근의 개혁과정을 연구함으로써 연금제도의 개혁 과정 중 이해관계자들의 참여를 평가하였으며, 질적 연구 및 기술적 연구 방식을 본 연구 질문에 답하는데 사용하였다. 144명의 응답자는 근로자 협회(83명), 연기금 최고책임자(40명), 국회의원(21명) 등으로 구성됐다. 설문조사를 실시하기위해 사용된 방법은 데이터 분석과 그래프 분석에 필요한 결과를산출하는 온라인 조사방법을 사용하였다.

그 결과, 최근 탄자니아의 연금제도 개혁안이 통과되었고 적절한 이해관계자의 참여 없이 시행 단계에 이르는 것으로 나타났다. 게다가 다수 이해관계자의 동의 없이 통과되었을 뿐만 아니라, 개혁의 내용도 이해당사자들에게 명확하지 않았다. 의원들의 반응도 개혁안이 동의 없이 통과된 것을 보여주며, 개혁안을 통과시키라는 외압이 있었다고 주장하였다.

주제어: 공공 부문 개혁, 이해관계자 참여, 연금 제도, 탄자니아

학번: 2018-29205

# Acknowledgement

Without contribution from many individual and institutions, this research could not be well done, to which I feel deeply indebted. I would like to express my heartfelt gratitude to them for their support.

First of all, I would like to express my heartfelt gratitude to God who gave me this opportunity to live. Secondly, Professor Kim, Sangheon, my Thesis advisor, who gave me relevant information, motivation, patience, sincere criticism and guidance to accomplish this work. I would like to express my gratitude to the academic, administrative staffs and classmates whom I met at the Seoul National University, Graduate School of Public Administration for their support and cooperation throughout my stay and throughout my study period.

My parents are deeply grateful, my father Casmir Faustine and my mother Odetha Deougratius who have invested in my education since my childhood. I knowledge them for opening my success. I am also grateful to all who have assisted me in one way or the other but could not be mentioned here. I recognize their moral support which has greatly contributed to the success of this work. I say thanks to all of them.