SOCIAL SECURITY

The retired, the disadvantaged and the poor will live with dignity and security

At present no one in Zimbabwe, except for the very rich, has any form of real social security. Given the policy stance taken by the MDC in the health and education sectors, most ordinary Zimbabweans will enjoy access to both on a universal basis – at least at the primary level. This is a great step forward and will address a major gap in existing arrangements.

At the same time it is recognized that existing pension arrangements have become either worthless or dysfunctional. This will require urgent attention as soon as a new government is sworn in after the next elections. The issues in this field are complex and will require considerable negotiation and consultation during the stabilization period (the first six months).

Policy Objectives

It will be the objective of the MDC to put in place pension arrangements that will ensure that all existing and future pensioners can live out their lives with dignity and security. In addition it is the determination of the MDC that society provide a safety net for the disadvantaged and the absolute poor so as to help them meet their daily needs. Specific safety-net goals for women, children, the disabled and the aged are also envisaged.

PENSION AND SAFETY-NET ARRANGEMENTS

As outlined in the section on labour policy, it will be the intention of the MDC government to negotiate a Social Contract as soon as possible after it is elected. This Contract will create a completely new national institution to represent its interests on a permanent basis. This body will be known as the National Social and Economic Council (NATSEC).

Membership of NATSEC will comprise representatives from labour, business and central government, and be chaired by the Vice-President or a senior member of Cabinet. The primary function of NATSEC will be to determine overall policy as it affects general economic and social activity, as well as labour matters. It will guide the Executive on all matters concerning social security and give instructions and guidance to the institutions involved as to how a new system should be managed.

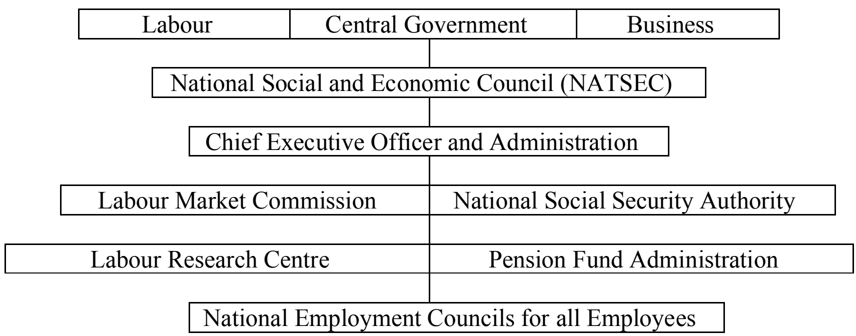
NATSEC will have its headquarters in the present building housing the National Social Security Authority in Harare. It will have its own administration, and a Chief Executive, who will report to the Council, will head this. NATSEC will take over the assets and responsibilities of NSSA and Workers Compensation, and in addition will set up a tripartite Labour Market Commission (LMC). The latter will in turn establish a Research Centre that will deal with the determination of the Poverty Datum Line and also undertake research into labour-related matters on behalf of the LMC.

While NSSA levies will be abolished within the stabilization period, NATSEC will take over all NSSA staff, who will then be reorganized so as to undertake duties related to the new organization and its responsibilities.

A key role is envisaged for existing and proposed National Employment Councils (NECs). Under the harmonization of all labour legislation that is proposed, all employees, in both the public and private sectors, will be required to fall under the auspices of an NEC. These NECs will be structured, as they are at present, with 50–50 representation of employers and employees, and will charge levies to cover the costs of the new social security safety net.

All existing pension funds will be required to register with NSSA, and the Registrar of Pensions will be moved to the new structure as an integral part of the new system. Under the new system the revenue flow from existing assets and pension funds will be redirected to the NECs dealing with the pensioners registered with them and with the industries they represent. NATSEC will provide oversight of the operations of all pension funds on behalf of the workers concerned. The accumulated assets (liquid and fixed) of NSSA will be treated in the same way.

The structure of NATSEC will be as follows:



Employers and employee representatives elected annually to NEC boards will administer each National Employment Council jointly. They will establish an independent administration for each NEC in the system but will regard NATSEC as their ‘head office’. The cost of administration of NATSEC will be borne by the NECs, who will pay a membership fee to NATSEC each month based on employee numbers.

The NATSEC board will be elected by member organizations on the basis of voting rights by each NEC determined by the total numbers of employees in each NEC. Business-sector representatives will be elected to NATSEC on the basis of the number of employees in each employer organization. Central government will be represented by the core ministries of Finance, and Labour and Social Security, augmented by other ministries, depending on the subject matter under discussion.

It will be the responsibility of each NEC to negotiate wages and salaries, determine working conditions, and all social support levels. This will include the cost of maternity benefits, the cost of pension rights of retired workers, and any other social security benefits that may be agreed by the NEC and NSSA from time to time (retraining benefits for retrenched workers, for example).

NECs will not be permitted to accumulate more than three months’ estimated expenditures, and will not be permitted to invest surplus funds in any form other than short-term money-market instruments. Should revenues accrue to a level greater or lesser than this, the monthly levy on employers and employees will be adjusted appropriately. All NECs will be required to submit audited accounts of their income and expenditure within six months of their year-end.

In the event that any NEC fails to meet these requirements, or fails to administer its affairs to the satisfaction of its members and the NSSA or the LMC, its affairs will be taken over directly by NSSA until a new board can be elected and appropriate administrative changes made.

Existing Pension Rights

All existing pension rights will be absorbed into this new structure. Pensioners will be required to register with the appropriate NEC for the sector from which they retired and, in the event that no such NEC exists, with the NSSA. After vetting, each pensioner will be granted a new pension based on the policies adopted by each NEC under the guidance of the NSSA board. Thereafter, the NECs will have responsibility for the administration of such rights and all payments.

Should no appropriate NEC exist for a pensioner, that pensioner will be vetted and assessed by the pensions administration of NSSA and benefits funded directly from NATSEC resources.

Medical Aid and Insurance Schemes

While it is accepted that existing medical aid schemes are doing a good job and should not be disturbed, existing forms of medical aid and insurance do not cover the great majority of people. Access to primary health care at local clinics and health centres will permit easy and universal access to health care at this level, but in the event that individuals need to seek treatment and care at a higher level in the medical system, no means of funding such access exists.

It cannot be left to central government and the Department of Social Security to ensure such access and meet such costs. It is also felt that hospital administrations cannot be expected to grant access to their facilities without screening either by private doctors or by clinics, and that they must be assured that such access and any subsequent treatment will be properly funded.

For these reasons the MDC will establish a national system of medical aid with health insurance that will be administered at all primary health centres and clinics. These arrangements will be contributory, with local contributions being based on a simple means test administered by Health Centre staff. People resident in the area covered by a Health Centre will be required to register with the clinic and will be given a membership card. The cost of such membership will be based on the cost of the administration of the card system and the level of assessed contribution to the medical aid scheme. Membership of the Medical Aid and Insurance scheme will be voluntary.

The Health Centres Association will negotiate annually for a grant to bring all medical aid subscriptions up to the level required to ensure that clinics can pay for the services requested from hospitals. These charges will be negotiated each year between the medical aid societies, the National Medical Aid and Insurance Scheme and the hospital administrations.

The insurance aspect of this scheme will enable local clinics to secure funding from the insurance fund for more expensive procedures. In this way it is hoped that all patients requiring emergency treatment and all those who require the services of the specialist services available at District and Provincial Hospitals will receive automatic admission. Consideration will be given to placing this under the control and administration of the NATSEC. If this is done, the costs of so doing will be to the account of central government as a part of its contribution to the costs of NATSEC.

National Employment Councils will be encouraged to establish medical aid schemes for their employee members on a voluntary basis, and existing private schemes will continue unimpeded.

Workers' Compensation
Existing arrangements for workers' compensation resulting from injury or death whilst on duty will remain in place and will be administered by NSSA. The NATSEC board will review these arrangements as soon as possible and, if changes are considered necessary, will recommend them to the responsible ministry.

Social Security Safety Nets
The MDC government will give consideration to a national per capita grant to assist low-income families with their basic needs. In addition, a special grant system will be established to help families with the cost of supporting orphans who are taken into their families after the death of parents. It has to be noted that it is estimated that a third of all children of school-going age are orphans, that there are an estimated 1.6 million orphans, and that this number is increasing by up to 350 children a day.

Non-contributory pension rights will be extended to all who have no rights at present, and these will be paid and supported directly by the ministry. In addition, such pension rights will include membership of the contributory medical aid scheme for Primary Health Centres outlined above.

During the stabilization phase of the recovery programme special attention will be given to helping families adjust to the new levels of both prices and incomes. Specific targeted subsidies and personal grants will be considered and a system established by a special working group established for this purpose.

A national school nutrition programme will also be launched to ensure that all children in primary schools are adequately supplied with sufficient nutrition to function effectively at school. This will be provided in the form of special food supplements being made available to children at school and under school supervision.

VETERANS ADMINISTRATION
The MDC recognizes that those who served in the armed forces in the past – both regular and irregular – should be eligible for appropriate pensions and other benefits. For this purpose, NATSEC will be required to establish a Veterans Administration within NSSA with its own directorate and staff.

It will be required to register all veterans and, after a full investigation to establish their credentials, set appropriate pension and other benefits, including medial aid, for the individuals concerned. The cost of these benefits will accrue to the State. Veterans who require special treatment for injuries or other needs will be served by the Veterans Administration, which will take over the facilities currently being managed by the Department of Social Welfare or the Ministry of Defence.