

Influence of Levels of Income on Micro and Small Business Operators' Participation in Social Security Fund in Moshi Municipality

Kyolo Said Kalla, Amembah A. Lamu Amos



Abstract: This research intended to assess the influence of income levels on micro and small business operators' participation in social security fund (SSF) in Moshi Municipality, Tanzania. This study was guided by the Social Protection Theory (SPT) which described that Social Security Funds provides benefits to both individuals and households to propagate losses of earnings caused by sickness, maternity, employment injury, invalidity, old age or death. This research used a concurrent research design with a mixed research approach. The target population for the study was business operators found in Moshi Municipality totaling to 6,884. A sample size of 378 respondents obtained from Yamane (1964) formula through stratified random sampling and purposive Sampling. A structured questionnaire was administered as the tool for collecting primary data and Key informant Interviews were administered to gather additional qualitative data. Validity was ensured through discussion of the instrument with experts. Reliability of the instruments was obtained having Cronbach's Alpha coefficient of 0.76. Ethical considerations were adhered toward conducting this study. Descriptive statistics and content analysis was used for quantitative and qualitative data respectively. The study revealed that level of income affects the way that small or micro business operator perceives the value of social security funds in Moshi Municipality. This study recommends that social security funds should set a minimum income threshold for participation to ensure that micro and small business operators with low level of income participate in the social security funds in Moshi Municipal Council.

Key Terms: Social security, income levels, small and micro business operators, Social Security Fund participation and Social Protection Theory.

I. INTRODUCTION

Globally, social security changes have been adopted in recent decades to address the issue of social security provisions. These measures highlight the significance of expanding social security coverage for workers in the informal sector, which includes micro and small company operators (J. Miti, 2020) [9].

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There is a growing recognition and sense of urgency among both the international community and national governments regarding the need to extend social security systems to encompass small businesses. This includes incorporating business operators into national social security schemes on equal terms with the formal sector (Z. S. Masanyiwa, 2020) [8]. Since the number of small business operators have grown rapidly all around the world, the small business operator has gained some perspective, but unhappily as this group does not receive enough social protection or proper job benefits. However, providing proper access to health care for both the employees and their families as a step toward achieving universal health coverage has been a major concern of policymakers (A. R. Sarker, 2017) [15][24].

According to M. K. Kansime (2021) [5], participation in Social Security Funds (SSF) for micro and small business operators is to take action or state of taking part in social protection of their employees or associations which is meant to take part in the monthly contribution between the two parties (the business and the employee) by establishing membership with the National Social Security Fund (NSSF). Likewise, the enterprise and the employees to benefit from other SSF programs and benefits like credit schemes and maternity compensations respectively.

In Ghana, the level of participation and involvement among small business operators in the national social security scheme remains low. This is evident from the enrollment rates reported in 2010, 2015, and 2017, which stood at 33% (8.2 million), 41% (11.3 million), and 35% (10.3 million) respectively. It is noteworthy that the enrollment rate of social security among small business operators in 2017 was 29.8%, which is lower than the national enrollment rate for that year. This indicates that despite the heightened exposure of small business operators to occupational hazards, their enrollment in the social security scheme remains inadequate (D. Adei, 2019) [1].

The case is unique in East African countries. In Kenya for example, the focus is currently on encouraging the informal sector to value and join social security services (A. Doyle and N. Ikutwa, 2021) [4][25]. The implementation of the Kenya National Social Security Act in 2013, which permits voluntary membership for all citizens above 18 years, along with the introduction of the Mbao Pension Scheme (MPS) to ensure pension coverage for the informal sector, has brought significant improvements to the situation in Kenya. The informal sector accounts for approximately 80% of jobs created in the country each year.



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However, despite these efforts, the overall pension coverage in Kenya remains low, ranging between 20% and 22.2%. According to the Informal Sector Skills and Occupation Survey, only about 6.9% of informal sector workers were members of the National Social Security Fund (NSSF), while approximately 1% were enrolled in the Mbao pension scheme (F. Omwombo and F. Abdul, 2022) [13]. On the other hand, the National Health Insurance (NHI) has hitherto focused its efforts on providing social security coverage to individuals in the formal sector which has also broadened its focus to include individuals in the small business operation (E.W. Barasa, 2017 [3]). The International Labour Organization (ILO, 2018) acknowledges that, in the third world countries there is an extreme shortage of income in both the micro and small businesses and individuals working in the enterprises. As a result, they both do not participate in the SSF basing on financial deficiencies which is also reflected by less than 3 per cent of their GDP to social spending. Lower-income and lower-middle income countries, including Bangladesh, Cambodia, Chad, Gambia, Kenya, Niger, and Nigeria, as well as economically prosperous nations with a reluctance to allocate public expenditure in general, such as Singapore, and extremely wealthy countries where even a small proportion of GDP can represent substantial expenditure, like Brunei Darussalam and Qatar, face similar challenges in expanding their social security systems. However, measuring the extension of social security goes beyond mere financial efforts. It also encompasses widening the coverage of various risks and vulnerabilities. The other factor that has been mentioned to impend micro and small business operators' participation is with regards to the contribution rates. Social policies face financial challenges not only due to economic crises but also due to the overall volume and pace of expenditure. The level of expenditure and sometimes the indebtedness of social services can reduce the available margins for social policies. Additionally, demographic aging and the progress in contribution rates contribute to a significant increase in the overall cost of covering risks through contributions to social security funds. In a broader sense, there is a growing focus on addressing poorly covered needs such as early childhood support and disability services, as well as addressing emerging demands related to work-life balance, career development, and the need for qualifications and re-qualification. These factors require attention and consideration when it comes to participation in social security funds. B. Xu (2020)[21][22], acknowledge that assurance of income for micro and small businesses in developing countries, the subject of social investment which involves analyses and proposals concerning a social protection floor. The study by B. Xu (2020)[21][23] recommends concerning national floors of social protection basing on the assurance of income for the micro and small business participation in SSF. In a situation of turbulent crisis, the objective is to transform social security into a valuable asset that can provide a competitive advantage. The design of a social protection floor should be tailored to the specific needs of businesses, taking into account their income streams, national requirements, and existing systems. The aim is to create a system that promotes prosperity rather than becoming a financial burden for enterprises. Instead of implementing a minimum level of social protection (a minimum floor)[17] or an overly

ambitious level (with an unrealistic range of services), it is advisable to begin by identifying areas where significant disparities exist in social protection levels across different businesses. Simultaneously, similarities between programs such as family allowances and conditional cash transfer mechanisms should be recognized and utilized. This approach allows for a more strategic and targeted implementation of social protection measures.

The United Republic of Tanzania's government introduced National Social Security Policy in 2003 so as to expand the social security coverage to a large part of the population within the country (URT, 2003). The policy propelled the establishment of Social Security Regulatory Authority (SSRA) in 2003 (S. Mohammed, 2021)[10]. In 2018 the government signed the Public Service Social Security Fund Act which suggested the merger of pension funds in Tanzania (URT, 2018 [19]). The major objective behind this move was to reduce the influx of pension funds in the country and increase the effectiveness and efficiency of the pension funds to both formal and informal sector employee (URT, 2018). However, despite effort made by government on social security schemes, Tanzania still face various challenges, including the low participation of informal sector workers including small business operator in the formal social security schemes (Z. S. Masanyiwa, 2020)[8]. As for business operators, membership in NSSF insurance schemes has been extremely low and reduced further between 2014/15 and 2017/18, covering only around 21,000 informal workers (N. Torm, 2021)[18]. The low level of informal worker including small business enrolment has been put down to poor screening of payment ability, low levels of trust discouraging contribution payments amongst small business operator, and limited public awareness of the importance of the schemes, how they work, and what benefits they provide to members (R. Lambin, 2022)[7]. Therefore, this study intended to assess the financial factors influencing small business operators' participation in social security fund in Moshi Municipality, Tanzania.

II. STATEMENT OF PROBLEM

Everyone who lives and works in any country, including those employed in the public and private sectors, are expected to be healthy and perform effectively. Employees in the public sector in Tanzania do participate in social security programs at a higher percentage than the micro and small business operator (J. J. Mtiba, 2019)[11]. The government of Tanzania has made efforts by signing the Public Service Social Security Fund Act 2018 which suggested the merger of pension funds in Tanzania (URT, 2018). The major objective behind this move was to reduce the influx of pension funds in the country and increase the effectiveness and efficiency of the pension funds to both formal employee and business operator (URT, 2018). However, the problem of low engagement of micro and small business operators in Tanzania's social security scheme persists despite the government's efforts to increase their participation through the Public Service Social Security Fund Act 2018.



Research has shown that only a small percentage (less than 20%) of micro and small business operators are actively engaged in the scheme (R. Lambin, 2022)[7]. This study aimed to fill this gap by assessing the financial factors influencing micro and small business operators' participation in social security fund in Moshi Municipality.

A number of studies (W. Anderson, 2017 [2]; W. A. Pallangyo, 2021[14]; R. Lambin, 2022)[7] have recently attempted to draw attention to the micro and small business development, but their emphasis has been different from that of micro and small business participation in the social security fund in Tanzania. The situation is direct revealing that there is a lower-level of engagement of micro and small business operator in social security fund due to various number of factors as introduced in the background of the study to include lower levels of income. Therefore, this study intended to fill the gap by assessing the influence of income levels for small and micro business operators' participation in social security fund in Moshi Municipality.

III. MATERIALS AND METHODS

A. Materials

K. Vasconcelos (2017)[20][26], conducted the study to verify on the characteristics contributing to informal micro-entrepreneurs decision not to contribute to social security funds. The study used a logistic regression to analyze data and found out that the micro-entrepreneurs with lower income level are the ones that have greatest chances not to contribute to social security funds. The study further revealed that increase in contribution to social security would be the result of behavioral change among the lower-income micro-entrepreneurs thus stopping the believe that when you have low income you cannot participate in social security funds. Although the study considered the income level of micro-entrepreneurs as the determinant of their decision not to contribute to social security funds but still the study leaves a gap to be filled. Whereby this study goes further assessing the income levels on participation in Social security Funds among business operators in Moshi Municipality, Tanzania. J. Miti (2020)[9], did a comprehensive study to examine the factors related with willingness to pay for health insurance and pension plans among informal sector employees in low- and middle-income countries. The findings of their narrative synthesis revealed that income and trust were related to willingness to pay (WTP) for both health insurance and pension systems. Other common factors included family size, age, education, and residential area, sickness experience, attitude and presence of medical doctors, distance from the healthcare facility, low and flexible contribution rates, benefit package, government subsidies, and scheme administration quality. Although the study provided a comprehensive overview of the factors associated with the willingness to pay for social security funds among informal economy workers, there is a lack of focus on assessing the level of income as a financial factor for small and medium enterprises (SMEs) to participate in these security social funds. This is particularly important as SMEs are often the main sources of employment in low- and middle-income countries, and are therefore more likely to be affected by the need for social security funds. It is also essential to assess how these funds can be made more

accessible and attractive to SMEs. Therefore, a more comprehensive evaluation is needed in order to understand the level of income necessary for SMEs to participate in social security funds Gerald (2020), discovered that one of the key global issues confronting social security during the pandemic is the exclusion of more than half of the world's population (workers and their dependents) from any type of social security protection in their study on social protection response to the COVID-19 crisis: options for developing countries. According to them, statutory social security personal coverage is projected to be 5 to 10% of the working population in Sub-Saharan Africa and South Asia, and is dropping in certain areas. In Latin America, coverage ranges from 10% to 80% and is mostly stagnant, but in South-East and East Asia, coverage ranges from 10% to over 100% and is expanding in many areas. Most developed nations have near-complete coverage, albeit in a number of these countries, particularly those in transition, compliance rates have declined dramatically due to income declines during the COVID-19 epidemic. While the study provides a comprehensive analysis of global social security systems, it fails to assess the level of income as a financial factor among Small and Medium Enterprises (SMEs) to participate in social security funds, particularly in Moshi Municipality; thus, this study aims to focus on income level as one of the financial factors influencing SME operators to participate in Social Security funds. B. Seyoum (2021)[16], examined the relationship between social support and social entrepreneurial intentions in the state of Florida. The study used a quantitative approach methodology, and multiple regression was utilized to test hypothesis on a sample of 1,245 respondents. The study revealed that there is a positive and significant relation between social support and social entrepreneurial intentions. This is to say that higher levels of social support are associated with higher entrepreneurial intentions to participate on other socio-economic activities. The study only was focused in Florida which may not be generalizable to other contexts, including Moshi Municipality Tanzania. Contexts in Florida may be differ from those in Moshi Municipality, and therefore the findings may not be applicable. Hence this study specifically considered the influence of income level on social entrepreneurial intentions in Moshi Municipal Council, Tanzania and thus assessing the level of income as a factor influencing SMEs operators to participate in Social Security Funds. Geldsetzer (2019), highlighted the role of social security fund schemes in enhancing low-income countries' socioeconomic development in their study of the state of hypertension care in 44 low-income and middle-income countries: a cross-sectional study of nationally representative individual-level data. According to the study, economic development increases the nation's total wealth, which improves its ability to reduce poverty and solve other social problems. However, the study did not include the level of revenue of SMEs (Small and Medium Enterprises) as a financial element for participation in Security Social Funds.



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Johnson (2020), the study aimed to investigate the relationship between wage inequalities and social security contributions. The study revealed that wage inequalities have a significant influence on social security contributions. Further, business operators who perceive wage inequalities in their workplace may be less likely to participate in social security funds due to a lack of trust in the system or a belief that their contributions may not for individuals with low wages. The study suggested other factors beyond income levels and wage inequalities that may influence participation in social security funds among businessman like access to information about social security benefits, the perceived value of social security contributions, and the effectiveness of the social security system in providing benefits to participants. However, the study was not carried out in local context like Moshi Municipal Council in Tanzania to investigate the income level as a factor influencing SME to participate in social security funds.

The existing reviewed studies have also failed to identify influence of income levels on participation in social security funds for East African countries specifically Tanzania. However, the income level of SMEs as a financial factor is crucial, given that SMEs are often the main sources of employment in low- and middle-income countries. Therefore, there is a need for a more comprehensive evaluation of the influence of income level on SMEs' participation in social security funds, especially in specific local contexts like Moshi Municipal Council in Tanzania.

Hence this study goes further to examine influence of income level of SME operators in Social security funds participation.

B. Methods

This study employed a concurrent research design and a mixed research technique. The approach was acceptable for comprehending differences between quantitative and qualitative data. Furthermore, it reflects the point of view of the participant. Mixed methods studies give participants a voice and guarantee that findings are founded in participant experiences, whereas concurrent design allows researchers to collect data both qualitative and quantitatively at the same time. According to the available statistics with the National Security Fund (NSSF Annual Report, 2022). The population for this study included the business operators of the business categories mentioned. The sample size was determined using the Yamane (1964) formula. The sample size for this study was 378 respondents who are business operators and registered as tax payers in Moshi Municipality.

Stratified proportionate sampling techniques was used to select participants between the different groups of business operators in the study area to ensure that business operators from the two different groups are all proportionately represented in the group of respondents, and simple random sampling was used to get specific participants from each group. Data was collected using a questionnaire and key informant interview guide. Validity was ensured through the literature and discussion with experts at the University while for reliability for Cronbach alpha coefficient test was undertaken resulting into 0.765 alpha coefficient. Quantitative data collected was summarized, coded and analyzed by the help of Statistical Package for Social Science (SPSS) where spreadsheets were used to analyze information

by frequencies and in percentages, tables, means, and standard deviation. Thematic analysis was used to assess qualitative data using content analysis. Because of ethical concerns, respondents' anonymity was protected by not identifying them and instead utilizing their identification number. The researcher inquired about the respondents' desire to join in the study as well as whether or not the participants were free to participate. Participants were given time to go over the questions and fill out their answers. Similarly, some cultural values and conventions were scrupulously followed during the data gathering procedure.

IV. THEORY

Social Protection Theory (SPT) served as the foundation for this investigation. According to Otoo (2012), social protection is a collection of benefits offered to people and households by the state, the market, or a combination of both to reduce potential suffering resulting from income decrease or loss. According to Otoo (2012), wages reduction or loss might be the result of illness, maternity, workplace accident, disability, old age, or death. Social security or social aid are two types of social safety. Social protection is recognized as a right of every individual in several international, regional, and sub-regional tools, and it is critical in the fight against poverty. The International Trade Union Confederation (ITUC) Africa Region's regional strategy plan identifies social security and social protection as critical areas on which African labor organizations must focus in order to promote labor force welfare.

The strengths of Social Protection theory are that it offers crucial health care and financial stability throughout one's life. Social protection also plays an important role in decreasing and eliminating poverty and leveling out inequities. As a result, governments can engage in social protection for a variety of reasons, including encouraging human development, improving social cohesion, strengthening their labor force, and stimulating economic growth.

The SPT has been criticized for various flaws; the degree of social protection that a person can claim is determined by the national situation. At a bare minimum, social protection should be available without prejudice and offer a minimal level of benefits to enable individuals and families to get at least fundamental health care, basic shelter and housing, water and sanitation, food, and basic education. If a country's existing resources cannot guarantee even the bare minimum of protection, a core group of societal hazards and contingencies might be picked, while the government works to gradually extend coverage.

The Social Protection Theory can be applied to analyze and provide insights into the influence of social protection policies and programs in MMC, Tanzania Specifically, investigating whether social security programs are reach and benefits the most population including those with lower income levels. Nevertheless, social protection is a human right and an integral part of the 2030 Agenda for Sustainable Development.



Sustainable Development Goals (SDG) calls on all countries to provide social security to all as a means to end poverty in all its forms everywhere by 2030. Thus, Social protection Theory can be applied to provide fundamental of the agenda in the sustainable development goals in which a concern micro and small business operators to participate in Social Security Funds in Tanzania.

V. RESULTS AND DISCUSSIONS

The Study assessed the extent to which levels of income influence micro and small business operators' participation in social security fund in Moshi Municipality. Those who responded during the data collection exercise were 296 which is about 78.3% of the respondents considered enough for the study to proceed. Results are indicated in [Table 1](#).

Table 1. Income Levels on SSF Participation (n = 296)

Statement	SA	A	N	D	SD	Mean Score	Std. Dev
Income levels have a significant impact on micro and small business operators' decision to participate in the social security fund.	104(35.13)	78(26.35)	21(7.09)	47(15.87)	46(15.54)	2.77	1.99
My income level determines whether or not to participate in Social Security Funds	99(33.44)	79(26.68)	22(7.43)	51(17.23)	45(15.20)	2.56	1.82
Higher income levels make me more likely to participate in the social security fund	56(18.92)	63(21.28)	33(11.15)	103(34.79)	41(13.85)	2.20	0.71
Social Security Funds provides me with financial security regardless of my income	19(6.42)	21(7.09)	32(10.81)	162(54.73)	62(20.94)	1.91	0.83
The level of income of micro and small business operators has a significant impact on their participation in the social security fund.	98(33.11)	87(29.39)	29(9.79)	53(17.90)	29(9.79)	2.98	2.21
Increase in my income would encourage me to participate in Social Security Funds.	97(32.77)	92(31.08)	22(7.43)	57(19.25)	28(9.46)	2.52	0.67
Micro and small business operators who earn a lower income are less likely to prioritize contributing to the social security fund.	102(34.46)	91(30.74)	16(5.41)	43(14.52)	44(14.86)	2.71	0.89
The level of income affects the ability of micro and small business operators to contribute to the social security fund.	98(33.11)	92(31.08)	17(5.74)	53(17.90)	36(12.16)	3.22	2.21
Micro and small business operators with high income levels are more likely to have the resources to contribute to the social security fund.	72(24.32)	45(15.20)	22(7.43)	93(31.42)	64(21.62)	2.90	2.11
Financial position of micro and small business influences their participation in social security fund.	111(37.5)	72(24.32)	27(9.12)	47(15.87)	39(13.17)	2.51	1.86
Overall Mean Score						2.92	1.93

Source: Field Data, (2023)

Keys: SA =Strongly Agree, A=Agree, N=Neutral, D=Disagree, and SD=Strongly Disagree. Data indicated in Table 1 reveals that 35.13% of respondents strongly agreed with this statement which means that there is a strong relationship between income levels and social security participation. It is possible that micro and small business operators with lower income levels may not see the immediate benefits of participating in social security programs, leading to lower participation rates. Also through a mean score of 2.77 indicates agreement among micro and small business operators in MMC that income levels have a significant impact on their decision to participate in the social security fund. Furthermore, through a standard deviation of 1.99 also supports the mean for the statement that Income levels have a significant impact on micro and small business operators' decision to participate in the social security fund. These findings comply with the study by J. Miti (2020)[9], who revealed that income and trust were associated with willingness to pay (WTP) for both health insurance and pension schemes. And thus together with this study it agrees that income levels have impact on social security funds participation among micro and small business operators in MMC, Tanzania. Data in table 1 also indicates that 33.44% of the respondents strongly agreeing with the statement that y income level determines whether or not to participate in Social Security Funds. The mean score of 2.56 indicates that respondents are neutral to whether income levels is a

determining factor in social security participation or not. Also through a standard deviation of 1.82 indicates that there is some irregularity in the responses. Thus implying that income levels may be a determining factor as whether or not to participate in social security funds. These finding comply with the study by J. J. Mtiba (2019) [11], who revealed that there are several challenges faced by the informal sectors at NSSF and one of the factor was analyzed to the income levels of the participants. Thus these findings together with this study reveals that income levels can be determinants for Social Security Funds Participations among Micro and small business in MMC, Tanzania. Further data in table 1 reveals that 34.79% of respondents disagreed with the statement that higher income levels make me more likely to participate in the social security fund. Further the mean score of 2.20 supports that respondents disagree that higher income levels make them to participate in SSF, also when considering the standard deviation of 0.71 which indicates that the responses were consistent. These findings implies that micro and small business operators in MMC Tanzania do not consider higher income levels as a motivation for them to participate in SSF.



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Thus there might be some other factors limiting their participation apart from income levels. Also data in table 1 reveals that 54.7% of respondents disagreed to the fact that Social Security Funds provides me with financial security regardless of my income. Further when considering a mean score of 1.91 which shows disagreement to the statement. A standard deviation of 0.83 indicates consistency in the answers of the respondents disagreeing to the statement. These findings implies that social security may not be seen as providing financial security for all income levels. However, this was opposite of the Social Protection Theory by Otoo (2012) who revealed that SSF benefits provided financial securities resulted from reduction or loss in income. Thus this study reveals that financial securities provided by social security funds are not providing regarding to the income levels for micro and small business operators in Tanzania specifically in Moshi Municipal Council. Data in table 1 indicates that 33.11% strongly agreed to the statement that levels of income of micro and small business operators has a significant impact on their participation in the social security fund. But however, through the mean score of 2.98 indicates that the respondents are neutral as to whether income levels are a significant factor in social security participation. Also, through a standard deviation of 2.21 indicates variability of the respondents as to whether income levels ha significant impact on their participation in SSF. These findings imply that the respondents for this study neither agreed nor disagreed to the statement and this means that the level of income may not be a strong factor as to why micro and small business operators in MMC do not participate in SSF. According to data in table 1 it shows that 32.7% of the respondents strongly agreed to the statement that increase in my income would encourage me to participate in Social Security Funds. However, when considering the mean score 2.52 indicates that respondents are neutral as to whether when their income increases they will participate in SSF. But through a standard deviation of 0.67 indicates a consistency in answers provided by small and micro business operators in MMC. These findings imply that business operators do not participate in SSF due to small income levels but when their income levels increases they may consider participating in Social Security Funds and thus increase income levels may encourage social security participation among micro and small Business operators in MMC, Tanzania. Data in table 1 revealed that 34.46% of the respondents strongly agreed to the statement that Micro and small business operators who earn a lower income are less likely to prioritize contributing to the social security fund. However, through a mean score 2.71 this indicates that respondents are neutral on this statements. Through a standard deviation of 0.87 indicates that the responses are consistent supporting the mean that respondents are neutral regarding this statement. An thus these findings implies that even with the presence of lower income but some business operators still priortize to contribute on SSF, and this leaves a room on other studies to be conducted so as to explore other factors contributing SSF participation among Micro and small business operators in Moshi Municipal council, Tanzania. Key informants were also in agreement with the findings where one of them informed that:

'It is easier to predict who will participate or not participate in SSF by looking at the level income that one has. There are business operators who generate very little for them to distribute the income for personal use, keep the business

going and participating in SSF at the same time'. Interview conducted on 2nd May, 2022 at 09:00hrs.

Results from the data analysis indicated that item number one and two was rated 2.77 and 2.56 representing agreement of participants that income levels have a significant impact on micro and small business operators' decision to participate in the social security fund. The explanation for the responses and the mean score obtained indicates that business operators are aware of the income levels they are. The fact that business operators are aware of their levels of incomes and participation in SSF means that every business operator is at the position to strive to meet targets plus other requirements to stay at a certain position of performance. Taking all other things constant, the study findings suggest that business operators are impacted with what they get out of the business for them to make decision to participate or not. This result is supported by the study findings done in Kenya by R. Omondi (2018)[12] that among other reasons, small and micro business operators were limited by small income levels for them to participate in SSF. Data in table 1 reveals that the level of income of micro and small business operators has a significant impact on their participation in the social security fund; and increase in respondents' income would encourage them to participate in Social Security Funds had a mean score of 2.98 and 2.52 respectively. This indicated that, with the two aspects, respondents are in agreement that level of income impact on their participation and at the same time encourage them to participate in SSF. This implies that it is a good sign of understanding for the small and micro business operators that, whenever they have financial muscles, they are ready to participate in SSF and enjoy the benefits of their participation at any time. The findings also were supported by the key informants as one of them said that:

'The biggest problem that small and micro business operators in the study area is that, the businesses generate very small revenues for them to participate in SSF. Most of them would like to expand their capital base for the business rather than creating a cost center.' Key informant interview conducted on 6th May, 2023 at 10:00hours.

This is a confirmation of the two statements that, income levels have impacts on the participation of small and micro business operators but also that the levels of income encourage them to participate and vice versa. Likewise, the level of income affects the ability of micro and small business operators to contribute to the social security fund had a mean score of 3.22 while micro and small business operators with high income levels are more likely to have the resources to contribute to the social security fund had a mean score of 2.90; and financial position of micro and small business influences their participation in social security fund had a mean score of 2.51. All the three statements have indicated that, respondents do agree with what was asked of them. The general implication of the findings is that, small and micro business operators agrees that income level is important for them to participate in SSF. The findings are in agreement with a number of researchers' findings (see J. Miti, 2020; W. Anderson, 2017[2]; K. J. Kelly, 2018; Bonnet et al., 2019)[6].



VI. CONCLUSION

It is concluded that income levels of the small and micro business operators is key for them to make decisions about participation in SSF. It is therefore concluded that, participation in SSF by small and micro business operators in SSF is dependent on the revenues generated out of the businesses they do which gives them financial powers to finance their participation in SSF. Operators with lower incomes are more likely to be hesitant to participate in a social security fund because they may not be able to afford the premiums. However, Operators with higher incomes may be more likely to participate in a fund that offers higher benefits. Conclusively, the level of income affects the way that small or micro business operator perceives the value of social security funds in Moshi Municipality.

RECOMMENDATION

It is recommended that, NSSF should have multiple products in which small and micro business operators are able to choose depending on their levels of income based on the businesses they conduct. The product package may even focus on the types of businesses matching the business categories. Furthermore, social security funds should set a minimum income threshold for participation to ensure that micro and small business operators with low level of income participate in the social security funds in Moshi Municipal Council

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