



## Examining Social Insurance Perceptions and Attitudes among Zimbabwean Informal Sector Workers: A Study on Providing Social Protection to the Disenfranchised

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### Abstract

**Background:** Given the rate at which the labour force in Zimbabwe's informal sector continues to evolve, steps need to be taken to promote a culture where employees contribute towards their social insurance. Social insurance is significant since it helps informal sector workers to prepare for life's predictable and unpredictable events, such as retirement, unemployment, old age, incapacity, death and health challenges.

**Objective:** Motivated by the increasing number of workers in the informal sector in Zimbabwe, this study aimed to explore the attitudes and perceptions of this group of people towards social insurance coverage and investigate strategies for extending social insurance to informal sector workers.

**Method:** To achieve the objectives, convenience sampling was employed, and 115 questionnaires from informal sector workers of Jerera Growth Point were analyzed. Data collection involved the use of a questionnaire. A convergent parallel research design was adopted, with quantitative and qualitative data being analyzed to gain insight into the perception of informal sector workers.

**Results:** The study's findings demonstrate that workers in the informal economy have a negative attitude towards social insurance coverage. Additionally, the results demonstrate that the age of informal sector workers affects their intention to contribute towards social insurance coverage. The results also demonstrate that employees in the informal sector need more basic knowledge about social insurance and how to apply for social insurance coverage.

**Conclusion:** The study concluded that workers in the informal economy lack faith and confidence in those who provide social insurance services, explaining why they perceive social insurance coverage negatively.

**Keywords:** coverage, informal, insurance, pension, social, retirement

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## 1. Introduction

The role played by social insurance, especially during times of unemployment and old age, should be overemphasized/emphasized. Barrientos (2010) defined social insurance as 'consisting of programmes protecting against life-course contingencies such as maternity and old age, or work-related contingencies such as unemployment or sickness'. Social insurance has been a panacea for maintaining retired people's living standards, lowering their risk of poverty and poor health in old age, and establishing a universal social security system (Ma & Oshio, 2020). According to Bebe (2018) and Caracciolo (2014), social insurance is acknowledged as a human right in Article 9 of the International Covenant on Economic, Social, and Cultural Rights and Article 22 of the Universal Declaration of Human Rights. Most importantly, evidence suggests that social insurance contributes to realizing other cultural, economic, and social rights, including the right to food, healthcare, and education (Vidhya et al., 2020). Workers in the formal economy, less susceptible than those in the informal economy, have been the primary target of contemporary social protection schemes (Caracciolo, 2014). The United Nations Social Protection Floor Initiative (SPF-I), launched in 2009, offered robust guidelines for expanding social protection to include individuals working in the economy's informal sector (Vidhya et al., 2020; Caracciolo, 2014). In June 2012, the International Labour Organization (ILO) adopted Recommendation No. 202 on National Floors for Social Protection after the SPF-I. This recommendation prioritizes the creation of national floors of social protection, expressing Member States' commitment to developing complete social security systems and expanding social security coverage (ILO, 2012). It is widely accepted that in most cases, informality is not a choice but rather a necessity "for those not able to find formal jobs and in the absence of privately or publicly provided social protection". The ILO (2012) defined the concept of informal employment as "all remunerative work (i.e. both self-employment and wage employment) that is not registered, regulated or protected by existing legal or regulatory frameworks, as well as non-remunerative work undertaken in an income-producing enterprise".

Asafu-Adjaye (2022) asserts that although informal workers support the economy, considerable work must be done to incorporate them into traditional social protection programs (beyond short-term safety nets or targeted social assistance). Social insurance programmes that enable short-term savings can be taken out during unemployment. Long-term savings plans that improve old-age pensions would benefit workers in the informal sector. A continued exclusion of informal sector workers from social protection schemes is a significant barrier to accomplishing the Sustainable Development Goals (SDGs) especially goals 1 and 2, which deal with ending poverty, ensuring healthy lives and promoting well-being, gender equality, and women's and girls' empowerment, sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work, goal 10 on reducing inequality, and goal 16 on promoting peace, justice, and strong institutions (International Labour Organization (ILO), 2021). A vicious circle of social exclusion, poverty, and vulnerability will result from the ongoing exclusion of workers in the informal economy from benefits provided by social security (Quadri et al., 2024). This severely threatens their personal well-being and ability to exercise their human rights, especially the right to social security, as well as their nations' economic and social advancement (ILO, 2021; ILO, 2017).

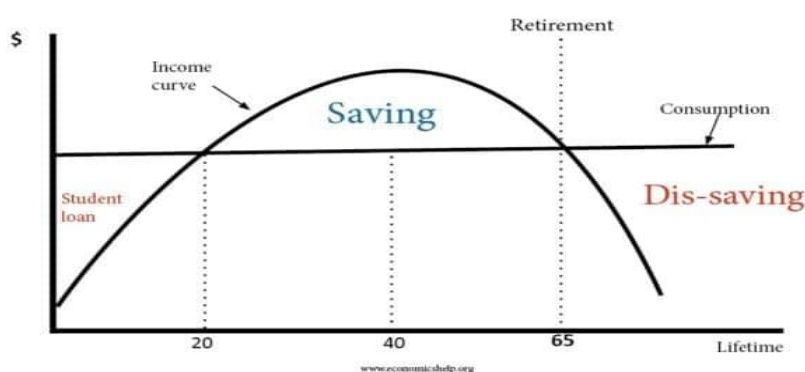
According to the ILO (2022), over 60% of the world's workforce works informally, and most of those individuals have severe gaps in their employment status. Additionally, these individuals make up 71% of people in the global population who lack or have limited access to social protection. The lowest rate of social protection coverage is found in Africa (17%), but it is also lower in the Arab countries (40%) and Asia and the Pacific (44%) (Quynh et al., 2019). Even where social protection services are accessible, several administrative, financial, legal and program design barriers can occasionally make it difficult for workers in the informal sector to get social protection (United Nations Department of Economic and Social Affairs, 2021). For most of them, the lack of social protection is both a cause and a consequence of informality (ILO, 2021). The degree of informal employment in Zimbabwe ascended from 80% in 2004 to 84.2% by 2011, then rapidly increased to 94.5% by 2014 due to the country's deepening informalisation. According to the 2023 Third Quarter Labour Force Survey, 1,454,395 out of

3,121,007 workers are employed in the informal sector (excluding those in the agriculture sector). This accounts for 46.6% of total employment, a marginal decrease from the 2022 statistical figure of 48.8% (ZIMSTAT, 2023). The primary objective is to find out how these informal sector workers perceive making contributions towards their social insurance. Improving the participation of those in the informal economy is essential for ensuring that social protection responds to their specific needs and circumstances.

## 2. Literature Review

### 2.1. Theoretical Framework

The theoretical foundation for this study is derived from the Life Cycle Theory of Saving and Personal Finance. The 1957 Life-Cycle Hypothesis (LCH), developed by Franco Modigliani, is an economic hypothesis positing that individuals plan their money throughout their lives, considering future revenue. According to Deaton (2005), people are interested in relatively consistent consumption levels, borrowing (or spending inherited funds) when they are young, saving during middle age when wages are high, and spending savings in retirement. A person's income level varies throughout time, as illustrated in Figure 1, with borrowing and consumption above income during youth, surplus income during middle age, and consumption exceeding income after retirement.



**Figure 1:** The Life Cycle Theory of Saving and Personal Finance

The life cycle theory considers an individual's five stages: consumption, accumulation, consolidation, expenditure, and gifting (Hayes, 2021). According to Szenberg and Ramrattan (2008), the consumption era, or the first 20 years depicted in Figure 1, typically lasts from birth until high school graduation, during which time a person's income is relatively modest and is primarily accumulated through borrowing. At this stage, one needs everything but does not have any money; everything is borrowed or provided by parents. In the consumption stage, young people take on debt with the expectation that their future earnings will allow them to repay it. The second stage is the accumulation phase, which starts when a person enters the workforce. While there is some income during this phase, there is typically more outstanding debt, student loans, car loans, mortgages, rent, and possibly consumer debt from purchases of furniture and clothes. According to Szenberg and Ramrattan (2008), Modigliani (1957) indicated that, at this point, people begin to accumulate the items required to build a household and family. The third stage, the consolidation stage, is when one can pay off previous debt and start saving for retirement. People save during middle age to maintain their current standard of living after they retire (Hayes, 2021). At this stage of life, one's income is likely to improve over time (Logue, 2023). People typically have the most significant net worth at this time, enabling them to save and contribute to social insurance. Following the consolidation phase, individuals go into the dissaving or disinvestment phase. At this point, they reach the spending period, which occurs when they retire (65 years and above, as shown in Figure 1), and they must draw on their savings to get by (Logue, 2023).

The LCH is based on research for those employed in the formal sector. Several research studies investigating retirement planning among workers in the informal sector have found that most are not

covered by social insurance. According to Ginneken (2003), many workers in the informal sector are reportedly unable or unwilling to contribute a sizeable portion of their earnings to pay for social insurance benefits provided by the formal sector. According to Holmes and Scott (2016), it is challenging for informal sector workers to voluntarily contribute since they have myopia and prefer spending over saving or self-insurance. These elements present challenges for enrolling participants, registering beneficiaries, and gathering donations (Ginneken, 2003; Holmes & Scott, 2016). The relationship between attitude and social insurance contributions has been the subject of numerous research involving retired people, and the results consistently show a positive relationship between the two variables (Piterová, 2018; Cong et al., 2024; Reyna et al., 2022). The contribution of psychological attitudes towards social insurance contributions was demonstrated by Davies and Cartwright (2010). Based on the literature on workers in the informal sector mentioned above, it might be argued that the majority do not contribute to social insurance coverage. The study consequently proposes that workers in the informal sector have favourable attitudes toward paying for social insurance coverage based on the Life Cycle Hypothesis on worker attitudes. The alternative hypothesis is thus:

H1: Informal sector workers have a negative attitude towards contributing to their social insurance

Through the Life Cycle Hypothesis (LCH) lens, financial assets are perceived as moving resources across various periods. The perspective it offers enables planners and households to make well-informed decisions. The LCH assumes that individuals plan when it comes to wealth accumulation. However, many people need more discipline to save money. Another common misconception is that people make the most money when they are of working age (Duffy & Li, 2019). Drawing from this LCH argument, middle-aged workers save more than any other age group since they have incomes to contribute towards their social security (Modigliani, 1957). This suggests, among other things, that middle-aged individuals are more willing than older ones to take financial risks, which is still a widely accepted notion in personal finance. Several studies have examined the effect of age on social insurance, showing that age is related to retirement planning and decisions. According to several studies (Deaton, 2005; Duffy & Li, 2019; Striani, 2023), age has become a significant and stable driver of social insurance contributions. Mansor et al. (2015) concluded that as people get older and earn more money, they become more driven to start saving for retirement. In light of the study, informal sector workers must plan their savings and investments to cushion themselves against retirement, unemployment and old age. They have to contribute towards their social security benefits as part of their financial planning. Building from the LCH, the study, therefore, puts forward the following alternative hypothesis:

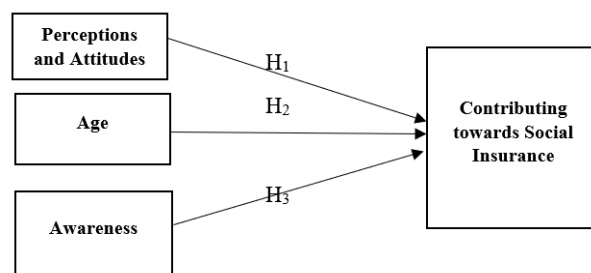
H2: The age of Informal sector workers has a significant influence towards social insurance contribution

The LCH operates under the presumption that employees understand retirement planning and the advantages of saving for the future. According to previous studies (Vieira et al., 2023; Larisa et al., 2021), knowledge and financial literacy play a part in determining how much one contributes to social security. People seek to maintain the same level of consumption throughout their lives, which motivates them to save money for the future (Farah et al., 2023; Larisa et al., 2021). Dahlia et al. (2012) stated that awareness is crucial to comprehending retirement savings because, when awareness is low, there is a contradiction between oneself and any specific norm, which causes the person to lose enthusiasm and fail in life. According to Dahlia et al. (2012), workers who lack financial literacy may make erroneous decisions about when to retire, resulting in either an early or late retirement. Assessing the awareness of risk, inflation, and interest rates (Mitchell, 2011) highlighted the importance of financial literacy as the primary component of contributing towards social insurance. One area of retirement planning that has gained some attention and is acknowledged as essential in several studies is financial literacy and knowledge. The literature considers financial literacy as a critical aspect influencing decisions for social insurance subscriptions in several advanced states (Vieira et al., 2023; Larisa et al., 2021). The LCH thus assumes that workers have financial knowledge and information about savings for retirement. Drawing from this assumption, the study thus makes the following alternative hypothesis:

H3: Informal sector workers are aware of social insurance services and how to subscribe for membership

The previous discussion indicates that three factors are vital in influencing contributions to social insurance. These factors include perceptions of social insurance, the worker's age, and awareness about

the benefits of social insurance schemes. Based on the hypotheses above, the study presents the following conceptual framework.



**Figure 2:** Conceptual Framework

### 3. Method

The study examines the perceptions and attitudes of informal sector workers in Zimbabwe regarding contributing to their social security. The researchers were interested in the participants' perceptions and attitudes toward saving for old age, periods of ill health, and periods of unemployment.

#### 3.1. Sample

To achieve this objective, a sample of 124 informal sector workers was chosen through convenience sampling from Jerera Growth Point. A growth point was considered for this study since it has become highly populated with informal traders and informal sector workers. Soon after Zimbabwe gained independence in 1980, growth points were introduced to convert rural businesses and service centres into thriving economic hubs for rural development (Nhede, 2013). Of the more than 50 growth points spread across the nation's provinces, only a few have proven successful (Nhede, 2013). The majority of Zimbabwean growth points turned into centres of informal businesses. Jerera Growth Point was selected for this study because, according to Chirisa (2019), it is highly populated with informal trading and informal employment. Estimates from Rural council officials reveal that the population size of informal sector workers in Jerera Growth Point is 182. The sample size was determined using an online sample size calculator with a 95% confidence level and a 5% margin of error.

#### 3.2. Instrument(s)

Data was collected using two sets of well-designed Google Forms questionnaires. The first questionnaire, distributed to 114 informal sector workers, had closed-ended questions, while the second questionnaire, distributed to 10 informal sector workers, combined closed-ended and open-ended questions. These questionnaires were tested rigorously in order to increase their reliability. Quantitative responses took the form of a 5-point Likert-type scale, ranging from 1 (strongly disagree) to 5 (strongly agree). The questionnaire was designed after consulting several informal sector workers on issues about social insurance coverage. This was done to understand essential issues to be included in the questionnaire.

#### 3.3. Data collection procedures

The researcher reached out to the Jerera Growth Point informal sector workers' committee responsible for overseeing the affairs of this group of people. After reaching out to this committee, the researcher was given information about who their members are and how to reach out to them. The researcher was also linked to informal sector workers through WhatsApp platforms. This allowed the researcher to send a Google Form questionnaire. After sending a Google questionnaire, reminders were sent to selected individuals after a week to remind them to respond to the questionnaire. The data collection process lasted for a week, and after receiving responses, data was cleaned to allow only complete responses to be fed into SPSS for analysis. Analysis of quantitative response was enhanced

with the aid of SPSS version 21. Verbatim was used to analyze qualitative data, while descriptive statistics was used to analyze quantitative data. A convergent parallel research design was adopted, with quantitative and qualitative data being analyzed to gain insight into the perception of informal sector workers.

#### 4. Results

This study analyzed data collected from 115 informal sector workers, of whom 51(44.3%) were males and 64 (55.7%) were females. Out of the 124 distributed questionnaires, the researcher received responses from 117 informal sector workers, indicating a response rate of 94.5%. During the process of reviewing responses, the researcher rejected two questionnaires after discovering that they were incomplete. This led to 115 questionnaires being considered for analysis. Table 1 reveals that the number of informal sector workers below the age of 20 years was 27 (23.5%), those from 20-25 years was 31 (27%), 20 were aged between 26-30 years, 13 (11.3%) were of the age between 31-35 years, and those aged from 36- 40 years were 13 (11.3%) and the last age group of above 45 years had 11(9.6%) participants.

**Table 1.** Demographic Characteristics of Informal Sector Workers

	Gender			Education					
	Male	Fem	Total	PhD/M	Degree	Diploma	Secondary	Primary	Total
Age Group									
< 20	20	7	27	0	0	28	3	0	31
20-25	19	12	31	0	31	0	0	0	31
26-30	0	20	20	0	0	14	5	0	19
31-35	8	5	13	0	0	8	5	0	13
36-40	0	13	13	4	6	0	0	0	10
>40	4	7	11	0	0	3	5	3	11
	51	64	115	4	37	53	18	3	115

Source: Primary Data Processed, 2024

Table 1 further indicates that 28 (24.3%) informal sector workers in the age group of below 20 years had a diploma as their educational qualification, and 3 (2.6%) informal sector workers of the same age group had secondary education. The number of degree holders working in the informal sector aged 20-25 was 31 (27%). Fourteen (12.2%) were Diploma holders, and five secondary-level informal sector workers were 26-30. The study further reveals that eight informal sector workers of the age group 31-35 years had a Diploma as their educational qualification. In comparison, 5 (4.3%) workers of the same age group had secondary-level education. It is further noted from Table 1 that the number of PhD/Masters holders in the age group of 36-40 years was 4 (3.5%), and degree holders were 6 (5.2%) workers. The last age group of those above 45 years had 3 (2.6%) workers who were Diploma holders, 5 (4.3%) with secondary education and 3 (2.6%) with primary education.

##### 4.1 Perceptions and Attitudes of Informal Sector Workers towards Social Insurance

The study's primary objective was to investigate the perceptions and attitudes of workers in the informal sector towards social insurance. The participants' responses to 5-point Likert scale questions were constructed so that the first response strongly disagreed and the last option strongly agreed, as shown in Table 2. The results reveal a mean of 2.88 to a question seeking to determine the awareness of social insurance and where to subscribe for membership. The mean reveals that responses are biased towards the strongly disagree option. The standard deviation of the responses is 1.494. What the mean is saying is further supported by the coefficient of skewness, which is displayed in Table 2. In statistics, a negatively skewed or left-skewed distribution has a long-left tail, whereas a positively skewed or right-skewed distribution has a long right tail (Oyewumi et al., 2018). In light of this study, the data is rightly skewed since the coefficient of skewness is 0.067, meaning most of the responses are biased towards the strongly disagree option. This suggests that most workers in the informal economy need to be made aware of social insurance, including what it is and how to apply for membership.

**Table 2:** Attitude and Perception of Informal Sector Workers towards Social Insurance

	N	Mean	Standard Deviation	Skewness	Kurtosis
I am aware of what social insurance is and where to subscribe	115	2.88	1.494	0.67	-1.576
Social insurance is of great importance to informal sector workers	115	2.83	1.434	0.039	-1.559
I trust companies providing social insurance coverage	115	1.99	1.096	0.871	-0.562
I am willing to contribute towards social insurance	115	1.75	0.981	1.266	0.572

Source: Primary Data Processed, 2024

The study also sought to explore the level of understanding of the informal sector workers regarding the importance of social insurance. The mean of the responses is 2.83, and the standard deviation is 1.434, indicating that most informal sector workers strongly disagree that they know the importance of social insurance. The coefficient of skewness (0.039) and kurtosis (-1.559) further reinforces what the mean indicates. In light of these findings, the informal sector needs education to change its negative perception of social insurance. The negative perception revealed by informal sector workers stems from the need to understand what constitutes social insurance and why it is essential to subscribe for membership. As summarized by these statistical figures, research findings indicate informal sector workers' negative perceptions about the importance of social insurance. Qualitative responses from open-ended questions also reinforce the negative perception of informal sector workers, as already revealed by quantitative responses. Table 3 below displays the themes that emerged from the analyzed open-ended questions.

**Table 3:** Themes that emerged from open-ended questions

Theme	Explanation
One can do without social insurance	Informal sector workers indicated that it is not worthwhile to have social insurance coverage. According to their responses, informal sector workers believe social insurance is not essential and that they can live without it.
Investing in property and livestock can be an alternative	Informal sector workers highlighted the need to invest in properties and livestock as an alternative to social insurance
Investing in educating children	It also emerged from qualitative responses that investing in educating children is an alternative to subscribing to social insurance
Scammers run social insurance schemes.	Informal sector workers have the perception that scammers provide social insurance coverage, and they are afraid of being duped of their hard-earned money.

Source: Primary Data Processed, 2024

As displayed in Table 3, themes that emerged from open-ended questions were that social insurance is not essential, one can do without social insurance, investing in property can be an alternative, investing in educating children can be better than contributing to social insurance and social insurance schemes are run by scams. One participant gave the following argument:

*'I do not think social insurance is that important; one can still make it in the future without social protection. What is important is to have alternative sources of income good enough to cushion yourself against the unforeseen.'*

It is evident from this reaction and the quantitative data that most of the workers in the informal sector believe social insurance will not significantly impact their future lifetime. Such responses point

towards knowledge gaps that need to be filled with financial education. The study also explored whether informal sector workers trust companies offering social insurance coverage. As shown in Table 2, results indicate a mean of 1.99 and a standard deviation of 1.096. The mean reveals that most informal sector workers do not trust companies offering social insurance coverage. The coefficient of skewness of 0.871 also supports this. Qualitative responses further support results from quantitative data. Responses like the one below demonstrate how qualitative data complements quantitative data findings:

*‘It is challenging to trust social insurance service providers, especially considering what happened in 2008. Most of those contributing towards social insurance coverage lost all their savings. Buying properties and a cattle herd is better than contributing to social protection’.* The response above reveals that informal sector workers need more confidence in the formal insurance sector, explaining why they are unwilling to subscribe to social insurance coverage. The response above further reinforces responses obtained through the questionnaire.

## 4.2 Hypothesis Testing

H1: Informal sector workers have a negative attitude towards contributing to their social insurance

H3: Informal sector workers are aware of social insurance services and how to subscribe for membership

**Table 4:** Testing of Hypothesis 1 and 3

	T	df	Sig
Willingness to contribute towards social insurance	19.108	114	0.001
Trust and Confidence in Social Insurance Providers	19.480	114	0.013
Value of Social Insurance to Informal Sector Workers	21.130	114	0.005
Awareness Level of Informal Sector Workers to Social Insurance	20.666	114	0.064

Source: Primary Data Processed, 2024

As indicated in Table 4, the p-values for the three variables in question are 0.001, 0.013, and 0.005. P-values for the three measures of perceptions and attitudes (willingness to contribute towards social insurance, trust and confidence in social insurance service providers and value of social insurance to informal sector workers) are less than 0.05. The null hypothesis was not accepted since all p-values are less than 0.05. The conclusion is that informal sector workers have a negative attitude and perception towards social insurance coverage. Results for the hypothesis testing confirm what the mean, coefficient of skewness and coefficient of kurtosis have already revealed. The study also sought to determine the level of awareness of social insurance among informal sector workers. Table 4 indicates  $t(114) = 20.666$ ,  $p\text{-value} = 0.000 < 0.05$ . The null hypothesis is thus accepted, and the conclusion is that informal sector workers are not aware of social insurance services, explaining why they are not willing to subscribe to social protection. According to ILO (2019), a lack of knowledge of social insurance is among the challenges causing informal sector workers to shun social insurance. This idea was also supported by Tsuruga et al. (2021), who posited that lack of education among informal sector workers is the primary reason the majority are unaware of social insurance. Khan and Ahmed (2013) also observed from a study in Bangladesh that a need for more awareness among informal sector workers continues to be a barrier towards their inclusion in social insurance.

H2: The Age of Informal sector workers has a significant influence towards contributing to social insurance



**Table 5:** Testing the Influence of Age on Social Insurance Contribution

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	22.514	4	5.629	7.102	0.000
Within Groups	87.173	110	0.792		
Total	109.687	114			

Source: Primary Data Processed, 2024

An analysis of variance reveals that  $F(2; 114) = 7.102$  and  $p\text{-value} = 0.000$ . The  $p\text{-value} < 0.05$  reveals that age significantly affects informal sector workers' intention to contribute towards social insurance. This means that age has a significant influence in determining one's decision to contribute towards social insurance.

#### 4.3 Strategies for Extending Social Insurance to Informal Sector Workers

**Table 6:** Strategies for Extending Social Insurance to Informal Sector Workers

Strategy	Frequency	Percent
Crafting laws compelling informal sector workers to be contributors	15	13.0
Simplifying administrative procedures	25	21.7
Raising awareness and enhance trust	20	17.4
Schemes taking into consideration the contributory capacity of informal workers	27	23.5
Digitalization of social insurance services	28	24.3

Table 6 reveals some of the strategies identified by informal sector workers as instrumental in fostering the inclusion of this marginalized sector. Results indicate that 15 (13.0%) advocates for crafting laws compelling informal sector employers and workers to contribute towards social protection staff members. While answering an open-ended question, one respondent said, '*Social insurance for workers is the employer's sole responsibility. The employer must pay premiums to a service provider of their choice. The Government must craft laws compelling informal sector employers to cover their employees.*' Another participant said: '*Without laws in place, social insurance remains a choice, and it is up to me to contribute or not*'. This indicates a need for laws compelling employers and employees to subscribe to their social protection. This entails tailoring the legislative framework, financing mechanisms and administrative procedures to informal sector workers' unique requirements and circumstances. Results also indicate that 25 (21.7%) informal sector workers advocate simplifying administrative procedures. This implies that specific administrative procedures impede informal sector workers' subscription to social insurance products.

Furthermore, the findings also reveal that raising awareness is critical in extending social protection to informal sector workers. Twenty (17.4%) participants advocated for awareness programmes to foster awareness among informal sector workers. While responding to open-ended questions, one participant said: '*Without education, it is challenging for informal sector workers to know they have a right to social insurance. I used to think it was a preserve for formally employed people*'. Twenty-seven (23.5%) participants indicated that social insurance service providers need to design schemes considering the contributory capacity of informal workers. The findings also indicate that 28 (24.3%) of informal sector workers need social insurance services to be digitalized. While responding to open-ended questions, one participant said: '*In the digital era, the smartest way is to digitalize the application process and social insurance services and allow those in the informal sector to access services in the comfort of their*

*workplaces*'. Digitalization allows informal sector workers to apply without having to visit service providers. This can increase the inclusion of informal sector workers in the social insurance net.

## 5. Discussion

### 5.1 *Perceptions and Attitudes of Informal Sector Workers towards Social Insurance*

The study aimed to investigate informal sector workers' perceptions and attitudes towards contributing to their social insurance. The study results indicate low awareness of social insurance products, explaining their negative perception. The study's findings concur with those of Adzawla et al. (2015), who found that Ghana's informal sector workers needed a higher degree of awareness regarding social insurance. A study carried out by Contoh et al. (2019) in Taiwan and Indonesia also concluded that awareness and attitude significantly impacted the intention of informal workers to join social security programs. The negative attitudes of informal sector players acted as a barrier to joining social security programmes (Contoh et al., 2019). According to a study by James et al. (2017), respondents who were knowledgeable about social insurance positively perceived it because they argued that it provided a way to become more financially independent in their old life. James et al. (2017) posited that participants who were aware of social insurance believed that public pension funds offered a safer place to store pension savings for the informal sector workers and were ready to contribute towards social insurance. The findings of this study are also in conformity with research conducted by Onyango et al. (2016), who discovered that people employed in the informal workforce were mainly focused on their current lives and had rarely given anything more than a few years' notice to their retirement and means of subsistence. On the contrary, different results came from a study carried out by Boyetey and Kwesi (2022), who found that the likelihood of contributing to micro-pension plans was higher for informal sector workers who had favourable financial beliefs, such as financial planning than for those who had negative or no financial attitudes. In other words, informal sector workers can only contribute towards social insurance if they possess positive financial attitudes such as financial planning. The study by Boyetey and Enu-Kwesi (2022) showed that some informal sector workers were more willing to contribute, and some needed more time to contribute to social insurance. According to another study by Rameli and Marimuthu (2018) and Lim (2003), workers over 50 showed more positive attitudes toward retirement savings than those under 50 years. It also aligns with findings from a study conducted by Shanmugam and Abidin (2010), which established that workers in the informal economy with a good attitude toward retirement planning could save money, allowing them to attain a sufficient retirement income. Findings by Hassan et al. (2016), Moorthy et al. (2012), and Lim (2003) reveal that perceptions and attitudes among informal sector workers were mixed, with some positive while others negative towards contributing to social insurance.

The research findings are also congruent with Ansah's (2013) study results, which found negative attitudes toward pension scheme saving among the informal sector women at Madina in Accra, Ghana. A study by Ansah (2013) suggests that informal workers need more trust and confidence in social insurance service providers. Another study by Asafu-Adjaye (2022) also shares the same sentiments about the attitudes of informal sector workers; lack of trust due to negative experiences with formal social security schemes in the past have all been identified as barriers to enrollment of informal sector workers in Ghana. In the same line of argument are results obtained from research by Cong, Nguyen, and Phi (2024), where informal sector workers believe it is not important to participate in voluntary social insurance and do not see the advantages that these programs offer. A study conducted in Ghana by Adzawla et al. (2015) also found that workers in the informal sector need more confidence in social insurance service providers. The results of this study concur with those of Segbenya et al. (2024), who found that a negative perception of social insurance service providers impacts informal workers' inability to contribute to their retirement.

In contrast to this research's findings, Onyango et al. (2016) found that approximately 80% of Kenya's low-income informal workers have faith in government-sponsored social insurance and are eager to contribute to social protection. Many factors cause this diversity in views and confidence among informal sector workers, some of which relate to past experiences, while others lack confidence in their

financial system. In addition, other factors causing informal sector workers to have different attitudes depend on how policymakers offer a helping hand towards their insurance inclusion.

### 5.2 *Influence of Age on Social Insurance Contribution*

The test revealed that age is among the factors influencing whether one contributes towards social insurance. This is consistent with findings by Adzawla et al. (2015), who posited that age significantly affects informal workers' decision to enrol for social insurance. The same conclusion was reached from a study by Kibona (2020), who posited that age, gender, highest education level, income, location, and main income-generating activity determine intention to contribute towards social insurance. Similar results also came from studies carried out by Vidhya et al. (2020), who discovered that the age of workers influences the intention to contribute towards retirement. Contrary to the results of the current study are findings of research by Sembiring and Leon (2021), who discovered that gender and age have no relationship to pension planning and social insurance subscription. Fabian et al. (2022) also concluded through their study that age does not significantly affect informal sector workers' decision to contribute towards social insurance.

### 5.3 *Strategies for Extending Social Insurance to Informal Sector Workers*

Several strategies were highlighted, and they include the following: crafting laws compelling informal sector workers and employers to contribute towards social insurance, simplifying administrative procedures, raising awareness, tailor-made financial products and digitalization of social insurance products. The study's findings are consistent with recommendations made by (ILO, 2019), indicating that mandatory contribution from informal sector workers is the way to go if social insurance is to be extended to this sector. This is consistent with recommendations made by Muchichwa (2019), who posited that extending social insurance to the informal economy requires the crafting of regulations making it mandatory for informal sector workers to contribute towards social insurance. In another study, Mehrotra (2022) identified bureaucracy as the significant barrier discouraging informal sector workers from subscribing to social insurance. Holmes and Scott (2016) also identified administrative challenges as one of the factors affecting the enrolment of informal sector workers in social insurance coverage. These results call for policymakers to craft strategies for ease of doing business with social insurance schemes. These findings align well with strategies identified by informal sector insurance workers as pertinent for fostering social insurance inclusion. An empirical study in Indonesia demonstrates the value of awareness campaigns in fostering employees' enrolment in the country's health insurance program (ILO, 2021). The study discovered that for workers in the informal economy, low insurance literacy was one of the main barriers to signing up for social insurance (ILO, 2021). Creating partnerships with civil society organizations, labour and employer associations, and other development partners is an excellent way to spread knowledge and increase awareness among workers in the informal economy (Olivier, 2009). The need to raise awareness to expand social insurance to workers in the informal economy was also brought up by Lambin and Milla (2022). Workers in the informal economy have also expressed the need for customized social protection programs considering workers' abilities. This includes accounting for seasonal variations in contribution collections, streamlining registration through one-stop shops, and increasing public awareness (ILO, 2021). According to studies conducted by Hosny and Sollaci (2022), digital IDs associated with bank and mobile money accounts can enhance the way social protection services are delivered and more effectively reach eligible beneficiaries. Miti et al. (2021) and Rahbari (2023) proposed ideas consistent with this argument when they suggested that using digital technology to extend social insurance to workers in the informal sector can be a viable solution. Digital instruments for social protection have the potential to help recipients as well as service providers. Digitalizing social protection benefits the former by reducing administrative expenses, enhancing data quality, accuracy, and transparency, facilitating monitoring, and enabling swifter service delivery. Through digitization, workers in the informal economy can transmit digitalized documents to social protection actors, saving people money and travel time (Burattini, Perin et al., 2022; Londono-Velez & Querubin, 2020). Nevertheless, some academics have pointed out that digitizing social insurance services has many difficulties. In order to register for social security programmes, some workers in the informal sector might need to be more tech-savvy, which could restrict their access to

services (Barca & Alferts, 2021). These obstacles hinder people's capacity to obtain services and make it more difficult for them to be informed about the status of social protection in real time (Miranda et al., 2021).

## 6. Conclusions

The research aimed to explore attitudes and perceptions of informal sector workers towards social insurance coverage. While this study provides valuable insights, its reliance on data from one growth point out of over 50 becomes its limitation. Based on the findings, it is concluded that workers in the informal sector had a negative perception and attitude toward medical plans, unemployment benefits, employment injury protection, disability benefits, and pension contributions. The findings also indicated that the informal sector workers' decision to contribute to social insurance is significantly influenced by age. The study also concluded that workers in the informal economy need more faith and confidence in those who provide social insurance services. These findings suggest that policymakers should increase their efforts to educate informal sector workers on the importance of social insurance coverage. Given its rapid expansion, it is imperative to prioritize the social insurance of those employed in the informal sector. Awareness initiatives offer an opportunity to dispel falsehoods and misconceptions deeply ingrained in the minds of workers in the informal sector. Programmes to raise awareness will also address ignorance and close gaps in social protection for workers in the informal sector. Moreover, efforts must be made to digitize social insurance services so that workers in the informal economy can apply, pay, and claim benefits without physically visiting service providers. Even though the informal sector is unorganized and extremely hard to access, the study recommends that policymakers involve workers' unions in the informal sector. Informal Sector Workers Unions' can facilitate the extension of social insurance to all workers in the informal sector. Furthermore, the study underscores the significance of establishing a regulatory framework that requires informal sector workers to contribute to social insurance. Public media must spread awareness of this regulatory framework and remind employers and employees in the informal sector of their obligation to contribute to social insurance. The research also suggests creating incentives to entice workers in the informal economy to contribute towards their social insurance. Offering attractive incentives to first-time subscribers will go a long way in encouraging those who are not willing to subscribe for social protection. Given the conclusions above, scholars need to consider conducting research to discover informal and alternative social insurance approaches being adopted by informal sector workers in Zimbabwe.

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