The Morbid Economics of Grief: Funeral Insurance as a Trojan Horse for Social Insurance Expansion to Zimbabwe's Informal Economy

SOLOMON CHEURE[1], ALBERT MAKOCHEKANWA[2] AND CAREN PINDIRIRI[3]

Abstract

Expansion of social insurance coverage to informal workers' demands innovative policy designs. The study examines the feasibility of funeral insurance as a 'Trojan Horse', or gateway, for social insurance expansion to informal workers. This strategy is based on a behavioural observation that while informal workers are unwilling to pay social insurance premiums, they consistently pay funeral insurance premiums regardless of whether they are under-insured at the point of claim. Employing a concurrent mixed methods design, including a structured survey of 350 informal retail workers drawn from a target population of 3 545 in Harare's Magaba informal business district using the Krejcie and Morgan (1970) sample determination table and thematic analysis of key informant interviews with 10 purposively selected institutional representatives, the study assesses the feasibility of integrating social insurance and funeral assurance contributions into a composite social protection tool. The study argues that this mortality-driven willingness to pay represents a largely untapped behavioural resource for social insurance enrolment. Study findings suggest that embedding funeral cover as an anchor

[1] Department of Economics and Development, University of Zimbabwe, ORCID: 0009-0007-2674-7347, solomon.cheure@gmail.com

[2] Department of Economics and Development and UZ Business School, University of Zimbabwe, 0000-0002-4608-0320, almac772002@yahoo.co.zw

[3] Department of Economics and Development, University of Zimbabwe, ORCID: 0000-0002-3903-2742, pindiriric@gmail.com

benefit within a bundled social insurance informal sector scheme appears economically feasible and behaviourally grounded within the sampled context, as funerals are seen as sacralised obligations that bereaved families must fulfil irrespective of economic means. It is concluded that policymakers should combine social insurance and funeral assurance contributions within a unified product architecture, converting the morbid economics of grief into a gateway for sustainable, broad-based social protection coverage.

Keywords: insuring death, burial decency, policy

INTRODUCTION

For many African communities, death is not merely the end of life, but a metaphysical process of social and cosmic transformations (Bourdillon, 2021). This metaphysical process is a transition from the physical world of the living to the metaphysical world of the ancestors, requiring spiritual ritual processes to maintain equilibrium between the two realms. The metaphysical interpretation of death, deeply rooted in African traditional philosophy, means that the way people are buried becomes a spiritual and moral responsibility of the community, and not an individual choice (Baloyi and Makobe-Rabothata, 2013; Chidester, 2018; Moyo, 2020). For this reason, there are very stringent spiritual laws and cultural conventions that govern the process of burying people. The traditional view on the matter suggests that without certain rituals, there will be no successful transition into the category of ancestors and, consequently, the deceased will remain in an intermediate state between being alive and dead until the ritual practices are conducted (Setsibe, 2012; Kundishora, 2021; Golo, 2022). The idea behind the necessity to give a culturally respectful funeral includes the honour of the deceased and maintaining the dignity of the bereaved family and its reputation within society (Moyo, 2020). Inability to perform a proper funeral can be viewed as a breach of morality which will have certain effects in terms of family honour, social reputation and spiritual matters (Chidester, 2018). An improperly performed burial could result in the deceased's inability to become one with ancestors and becoming a wandering ghost, inviting spiritual misfortune upon the living who neglected their obligations (Golo, 2022).

Within these cosmological frameworks, many African communities believe that failure to perform the prescribed funerary rituals, including sacrifices, drumming and prayers, risks spiritual misfortune for the living, as the deceased may be unable to complete the transition to the ancestral world (Kundishora, 2021; Golo, 2022). The study presents this as a belief held within these communities, rather than a universal fact, while recognising that its social force is real and consequential regardless of its metaphysical status.

Such funerals serve multiple purposes: a rite of passage for the deceased, a ritual of solidarity for the living and a vehicle of social reproduction within society, in which the deceased family reiterates its prestige and kinship identity (Jindra and Noret, 2011). According to Mbiti (1969), the ultimate aim of life for most people in Africa is becoming an ancestor upon dying, a status conferred only through appropriate communal funerary recognition, a foundational argument corroborated by more recent scholarship (Bourdillon, 2021; Golo, 2022; Tsounis and Xanthopoulou, 2024). However, the same cultural pressures that imbue death with significance, make it one of the most financially demanding events on the African continent (Chirisa and Dube, 2023). The quest for socially appropriate burial services makes death a financially costly event. In Sub-Saharan Africa, grief and death not only entail emotional suffering, but also severe financial difficulties (Amankwah and Sarpong, 2020). The cost of a burial in terms of coffins, embalming, mortuary charges, chapel fees, transport, tents, catering services, ceremonial items and long-term hospitality can surpass a family's monthly earnings (Mabasa and Ncube, 2022). In poor families, the cost of death becomes a source of what could be described as 'a secondary economic disaster' (Kaseke, 2018). Regardless of their financial backgrounds, all families are obliged to organise funerals that signify their social position, social ties and respect within the community (Tsounis and Xanthopoulou, 2024).

Empirical research sheds light on the severity of the issue. For example, according to Case *et al.* (2013), among 3 751 funeral expenses incurred in KwaZulu-Natal, South Africa, the average family paid for funerals using the same amount as their yearly salary. Similarly, as pointed out by Oks (2026), in Ghana, the cheapest funeral costs around US$15,000-20,000 in a country whose median annual salary is about US$1 500. In general, expenses of funeral services in various African countries can go up to four to 15 times the monthly salary of the household, with Zimbabwe-specific evidence confirming this pattern (Dhemba, 2019; Jonasi *et al.*, 2021; Mabasa and Ncube, 2022). In addition to being socially obligated to perform expensive rites due to culture, families face the compounding challenge of being financially ill-prepared to bear the costs.

It is precisely this combination of financial inevitability and cultural non-negotiability that generates the demand for funeral insurance. Informal workers cannot reduce or defer the cost of death, so they seek financial instruments that ring-fence resources for this specific liability. This demand, as the study argues, constitutes a behavioural resource that policy can redirect toward broader social insurance enrolment, the central thesis the study develops and tests empirically.

This is the force that drives African families, especially informal workers, to take funeral insurance with an intensity unmatched by their participation in other forms of social protection (Mupedziswa and Ntini, 2021). In Zimbabwe, the three main sources of funeral cover are state-supported social insurance, commercial funeral insurance and community burial societies. However, state-based social insurance funeral cover is inaccessible to informal workers (Kanyenze *et al.*, 2017). Although the government recognises the need to include informal workers in social insurance, little progress has been made. The informal economy is the dominant form of work among most African countries according to the ILO (2021). This group has not integrated into state programmes because of challenges, including lack of affordability, bureaucracy, distrust, lack of knowledge and mismatch of policies. These omissions have catastrophic effects. According to the World Bank, almost 76.3% of people in Sub-Saharan Africa are not covered by any social protection scheme (World Bank, 2024), but nowhere are these omissions worse than in Zimbabwe. The situation of Zimbabwe constitutes the archetype of the 'social protection trilemma', an extensive informal economy, fiscal limitations on the state and a social security framework tailored only to formal employment relationships (Devereux and Getu, 2013). Labour force statistics reveal that more than 85.5% of Zimbabwe's economy is informal (Zimbabwe Ministry of Public Service, 2024), whereas the National Social Security Authority's (NSSA) mandate and contributions framework continue to follow a strictly Bismarckian approach, one based on an employment structure that Zimbabwe no longer possesses (Muchichwa, 2022). Estimates indicate that only 2% of informal non-farm workers receive government social protection (World Bank, 2024), which amounts to a constitutional failure given that Zimbabwe's 2013 Constitution requires that government ensures social security for those in need (Ncube, 2024). Efforts to broaden NSSA's reach are not recent. NSSA's strategic plan from 2021 to 2025 recognised the necessity of introducing a programme for informal workers (NSSA, 2021). Zimbabwe's Ministry of Public Service Labour and Social Welfare has unveiled a multifaceted approach through needs assessment surveys, various forms of contributions and consultations with informal workers' associations (*Zimbabwe Independent*, 15 March, 2024). Nonetheless, experience of expanding access to pension programmes in Tanzania, Kenya and Ghana has shown the same trend, where legislative zeal leads to the introduction of programmes whose implementation is blocked by lack of an appropriate informal work coverage strategy (Riisgaard *et al.*, 2022).

THE PARADOX: MORTALITY-DRIVEN WILLINGNESS TO PAY

Against this backdrop, informal workers are now turning to commercial funeral insurance plans and burial societies for funeral cover. Funeral assurance plans have become the most popular financial products in this region, although there is a lot of uptake variability (Berg, 2017). Perhaps the most striking observation is that informal workers who actively avoid participating in any kind of formal social insurance are precisely the most avid purchasers of funeral insurance. They form burial societies and pay their premiums with unparalleled frequency (Case *et al.*, 2013).

This behaviour is not irrational but mirrors 'mortality salience', the importance attached to the risks associated with death compared to other risks with a remote chance of materialising, such as old-age poverty due to illness or disability (Kahneman, 2011). In the African context, this phenomenon is intensified by the need to fulfil cultural norms and obligations where funerals represent social proof of loyalty, social standing and reciprocation, whose omission leads to harsh social consequences (Jindra and Noret, 2011). A large funeral indicates a family's contribution to the kinship group and funerals are considered a primary means through which prestige is exhibited (De Witte, 2003). Not holding a dignified funeral is considered a form of 'social death' for the bereaved family (Posel and Gupta, 2021).

The challenge facing informal workers is therefore not a generalised resistance to insurance as a concept, but rather a rational preference for insurance that directly addresses their most salient and culturally urgent risk. Funeral insurance directly addresses the financial risk and social obligations associated with death, namely costs which informal workers know are both inevitable and culturally non-negotiable, which explains why premium payment behaviour persists even under general resistance to other insurance products (Mutongwizo and Ncube, 2024). Survey data from this study confirm that even respondents in lower income quartiles maintained funeral insurance contributions, with 87% of the sampled informal workers holding at least one form of funeral cover. Yet commercial insurers and burial societies fail them continuously. Commercial funeral insurance does not meet their needs, as insurers are known to reject claims based on technicalities, introduce waiting periods and offer policies with premiums that are high relative to received payments on claiming (Modu *et al.*, 2013). Although community burial societies are socially embedded, they are actuarially unsound as they lack mortality reserves, are prone to claim clustering and provide no regulatory mechanism in case of insolvency (Diaspora Insurance, 2024). This represents a market failure where there is high demand and high willingness to pay for funeral insurance but chronic under-insurance at the point of claim, a market failure that only a non-profit, state-backed social insurance agency is structurally designed to resolve (Barr, 2020).

The Trojan Horse Argument for Formal Social Insurance Protection

The study constructs its policy argument upon the behavioural anomaly, observed specifically in the Zimbabwean context studied here, where informal workers demonstrate high demand and high willingness to pay for funeral insurance, while resisting social insurance enrolment. In the sampled population, 87% held funeral insurance (stated WTP US$9/month) while fewer than 5% of Zimbabwe's informal workforce participate in NSSA. Rather than a universal behavioural law, this coexistence reflects a context-specific rational response to an institutional environment that has historically failed to address the risks informal workers prioritise most. It is argued here that policymakers should harness this paradox and use funeral insurance as an 'anchor product' carrying social insurance into a population that has resisted conventional enrolment, through introducing a joint social and funeral assurance contribution within a unified product architecture.

This unified product architecture can be offered by NSSA. NSSA has structural strengths that commercial insurers cannot replicate: the ability to pool risks across a large and diverse population, regulatory legitimacy, non-profit orientation, existing administrative capability and constitutionally-backed state support. NSSA is currently planning to implement informal economy programmes with flexible contribution schedules (*Zimbabwe Independent*, March 15, 2024). The proposal here is that inclusion of comprehensive funeral insurance as an entry benefit will both address market failure and transform mortality-driven willingness to pay into a sustainable social insurance coverage extension for informal workers. The rationale is that bundling an obvious, immediate benefit such as funeral insurance with a long-term pension package, significantly boosts uptake of the entire package

(DellaVigna, 2009). In signing up for funeral insurance, workers automatically gain access to retirement, disability and healthcare benefits that they may not consider immediately necessary.

The study contends that economic shock of death and exclusion from social insurance are inherently interrelated and that funeral insurance is a particularly potent instrument to tackle both. Three related propositions follow:

i. Funeral insurance is the most demanded financial product among Zimbabwe's informal workers, but the formal system consistently disappoints, a shortcoming best addressed by a government-backed social insurance agency such as NSSA.
ii. NSSA has inherent structural advantages enabling it to offer funeral insurance at a cheaper, more reliable and more actuarially sound price than any competing institution.
iii. Benefit bundling of funeral and social insurance translates mortality-based willingness to pay into a sustainable enrolment strategy, creating positive feedback loops for expanding coverage to pensions, health care and disability insurance.

LITERATURE REVIEW

The review discusses how the social insurance gap in Zimbabwe and the coverage gap at NSSA contribute to the demand for funeral insurance and burial societies. The study presents theories explaining why informal employees resist joining formal social insurance schemes but readily adopt funeral insurance.

Zimbabwe's Social Protection Deficit and NSSA Coverage Gap

Zimbabwe's situation exemplifies the social insurance coverage dilemma in Sub-Saharan Africa. According to official records, 83.8-85.5% of Zimbabwe's workforce comprises informal workers (Zimbabwe Ministry of Public Service, 2024). However, NSSA's Accident Prevention and Workers' Compensation and Pension and Other Benefits Schemes are based on formal employment agreements, thereby excluding informal workers.

In a labour market of 4.1 million individuals, NSSA registered only 1.32 million active members in 2023, representing coverage of less than 5% of the labour force (Pension Policy International, 2024). Ncube (2024) reports that only 16.3% of Zimbabweans received any form of social protection benefit, although the 2013 Constitution guaranteed social security benefits to vulnerable community members. NSSA recognises this gap as its 2021-2025 strategic plan identifies an informal sector scheme as a primary concern (NSSA, 2021). According to Muchichwa (2022), the core problem arises from a mismatch between NSSA's Bismarckian approach and informal workers' immediate needs.

FUNERAL INSURANCE AND BURIAL SOCIETIES: DEMAND, PERFORMANCE AND MARKET FAILURE

DEMAND FOR FUNERAL COVER: CULTURAL AND BEHAVIOURAL DRIVERS

A consistent body of evidence across Sub-Saharan Africa establishes funeral insurance as the dominant informal sector financial product, driven by the cultural and behavioural dynamics identified above. Funeral insurance has become the primary financial product in Zimbabwe's informal sector with 66% of all life assurance income in Zimbabwe derived from funeral policies; 72% of people with life assurance in Zimbabwe hold funeral insurance, whereas only 30% have health insurance (Al Jazeera, 2026). This arrangement defies conventional risk preference ordering and can be explained through 'mortality salience' (Kahneman, 2011) and 'present bias' (O'Donoghue and Rabin, 1999).

Dafuleya (2018) establishes the distinctive demand profile of funeral insurance, showing it is driven by its certain, catastrophic and publicly visible risk. Bester (2008) and Berg (2017) demonstrate that funeral insurance payment has become a cultural responsibility, with non-payment carrying existentially devastating consequences. Dafuleya and Tregenna (2020) confirm that funeral insurance is the most significant household life assurance commitment in Zimbabwe and Chikoko *et al.* (2025) document its prevalence as the primary informal sector product, with many individuals holding multiple policies. Membership of burial societies rose during Zimbabwe's hyperinflationary period as commercial policies became unaffordable (*Global Press Journal,* 2020). Taken together, these findings establish that funeral insurance demand in Zimbabwe is not incidental, but structurally embedded, precisely the behavioural foundation the anchor product strategy requires.

COMMERCIAL FUNERAL INSURANCE: STRUCTURE, FAILURE AND EXPLOITATION

The commercial funeral insurance industry faces a structural contradiction between its high demand and persistent product failure at claims. Rothschild and Stiglitz (1976) demonstrate theoretically that in competitive insurance markets characterised by information asymmetry between insurer and insured, profit-maximising insurers will systematically design contracts to reduce payouts to high-risk, low-income clients. Applied to contemporary African funeral insurance markets, this prediction finds empirical support as Modu *et al.* (2013) and Berg (2017) document systematic claim denials, abusive waiting period enforcement and pricing structures that transfer premium income from informal sector clients to insurer profit margins. The application is not mechanically predictive, but offers a theoretical explanation for why commercial funeral insurance structurally under-serves clients who need it most.

Al Jazeera (2026) highlights how large premium hikes during Zimbabwe's dollarisation period led to policy lapses and flight to burial societies. According to Berg (2017), three structural failures characterise this market: product design prioritising insurer interests (exclusions and waiting periods not disclosed at point of sale); insufficient regulation to protect low-income policyholders; and price discrimination cross-subsidising other insurance lines at the expense of funeral insurance clients. The result is a market generating 66% of life assurance revenue while systematically under-serving informal workers.

Community Burial Societies: Social Embeddedness, Actuarial Unsoundness and Institutional Limitations

Community burial societies have functioned in Zimbabwe as group risk-sharing mechanisms for many decades (Hall, 1987). Their comparative effectiveness over both commercial and government insurance programmes rests on three structural advantages. First, relational accountability: members interact face-to-face within pre-existing social networks and the threat of social sanction — exclusion from the mutual aid network — provides a more credible deterrent against non-payment than any legal mechanism available to formal insurers (Dafuleya, 2018). Second, institutional embeddedness: burial societies operate within existing social networks rather than imposing external administrative frameworks, generating the trust that no regulatory framework can manufacture (Hofisi, 2022). Third, absence of profit motive: unlike commercial insurers, burial societies have no incentive to deny claims (UNDP, 2021).

The UNDP (*ibid.*) observation that burial societies' lack of registration is precisely what enables them to function more effectively requires unpacking across three dimensions. On trust: members know each other personally, generating relational trust that regulation cannot replicate. On enforcement: peer sanction is more immediate and credible than legal mechanisms. On flexibility: unregistered societies adapt contribution schedules, payout timelines and benefit structures informally and rapidly in response to members' circumstances, flexibility statutory frameworks preclude. It is this combination of social trust, peer enforcement and adaptive flexibility that explains their comparative effectiveness.

However, burial societies are constrained by significant actuarial limitations such as no provision for mortality reserves, susceptibility to claim clustering during epidemics and no legal framework to address collapse or misappropriation (Lukhele, 1990; Dafuleya, 2018). Hofisi (2022) documents severe actuarial stress during COVID-19, when claim clustering, combined with income and mobility constraints, left many burial societies unable to function. The combination of commercial exploitation and burial society actuarial fragility creates a classic market failure of high demand, high willingness to pay, but structurally inadequate coverage, creating a compelling case for state intervention.

Behavioural Economics of Social Insurance Non-Take-Up

Behavioural economics offers a lens through which to understand why informal workers shun formal social insurance yet readily seek funeral cover. The rational actor assumption does not suffice. Laibson (1997) and O'Donoghue and Rabin (1999) identify present bias as the main factor influencing social insurance under-enrolment. In Zimbabwe's context, where hyperinflationary economic history has repeatedly wiped-out long-term savings, present bias is not merely a cognitive tendency, but a rational response to institutional unreliability (Muchichwa, 2022). Old-age pensions demand sacrifice now in exchange for payments decades away, an arrangement severely undervalued by present-biased individuals; funeral insurance provides guaranteed payment within days of a claim. NSSA's current opt-in design requires active enrolment that present-biased informal workers are unlikely to initiate an immediate tangible benefit, a structural barrier the bundled funeral insurance scheme is designed to overcome.

Loss aversion (Kahneman and Tversky, 1979) creates further asymmetry. In Zimbabwe, where an undignified burial carries immediate, visible and irreversible social consequences for the bereaved family, the Loss Aversion Theory predicts that expenditure on funeral insurance will be prioritised above all other discretionary financial commitments. Poverty in old age is a future, possible and less visible threat; an undignified burial is an imminent, certain and catastrophic one. This directly explains why informal workers who resist pension contributions willingly pay funeral insurance premiums.

Institutional trust has been cited as a powerful and independent determinant. Chigwedere *et al.* (2023) found that perceptions of corruption and institutional unreliability were consistent predictors of non-participation in formal schemes in Zambia, independent of affordability. Burial societies circumvent this problem through relational accountability as governance failures are impossible within social networks where members know each other personally.

Product bundling provides a third strand of theoretical support. Thaler and Sunstein (2008) and DellaVigna (2009) demonstrate that tying a conspicuous and immediately valuable benefit to a product bundle significantly increases adoption of the whole package. When workers enrol for funeral insurance, they automatically access pension, disability and healthcare protection. The Colombian Social Protection Floor achieved impressive informal sector participation rates through this model (World Bank, 2024).

State-backed Institutions as Funeral Insurance Providers: Theoretical and Comparative Grounding

The theoretical argument for a non-profit, government-supported institution such as NSSA as the proper vehicle for funeral insurance provision, rests on three points. First, large-scale risk pooling. Dercon *et al.* (2006) demonstrate that community-based programmes face structural constraints due to small participant numbers relative to death risks, making burial societies vulnerable during epidemics. A national institution such as NSSA provides sufficient diversity to pool death risks effectively. Second, regulation and claims management. The Rothschild-Stiglitz model (1976) shows that systematic claim denial is expected from profit-maximising commercial organisations, evidence confirmed by Modu *et al.* (2013) and Berg (2017) for African funeral insurance markets. A state-backed institution like NSSA is insulated against profit-driven claim refusal by its constitutional mandate and non-profit orientation. Third, flexible design for unpredictable income streams.

The UNDP (2022) observes that capability to accept short-term contributions and withdrawals during unemployment was the most essential feature for informal sector schemes, as demonstrated by Rwanda's Ejo Heza. Rwanda's Ejo Heza programme is analytically instructive for Zimbabwe, not merely as an illustration, but as a structural parallel. Like Zimbabwe, Rwanda has a large informal economy, limited formal social insurance coverage and a national social security institution seeking to extend coverage. Ejo Heza's success in achieving informal sector enrolment through bundled funeral and life insurance benefits (ISSA, 2023) demonstrates that the behavioural mechanism the study proposes, using mortality-driven willingness to pay as an enrolment gateway, is operationally viable in an institutional context comparable to NSSA's. The key transferable lesson is that flexible contribution structures, combined with salient immediate benefits, can overcome the present bias and institutional distrust that have historically blocked Zimbabwean informal workers from NSSA enrolment.

Synthesis and Identification of Research Gaps

The central limitation of existing literature is not the absence of individual threads but their failure to operate jointly. African anthropological literature establishes why funerals are culturally non-negotiable but has rarely been formally integrated with insurance economics and social security policy. Behavioural economics literature explains why informal workers resist pension-type products but has not been sufficiently explored in an integrated manner in relation to the specific contrast between funeral insurance uptake and social insurance avoidance in the African informal sector. Social insurance extension literature documents the challenges of conventional enrolment strategies but has not exploited the high-willingness-to-pay behavioural resource that funeral insurance represents as a pathway into broader social insurance enrolment. The result is a literature that describes the problem from three angles without producing an integrated solution.

The study's contribution is, therefore, threefold. First, it provides an empirically grounded behavioural economics analysis of why funeral insurance uptake persists among informal workers who resist other social insurance products, using Zimbabwe as a primary case. Second, it develops a policy framework, the Trojan Horse or anchor product strategy, that converts mortality-driven willingness to pay into a sustainable enrolment mechanism for formal social insurance. Third, it demonstrates, through original survey and interview data, that the behavioural and institutional conditions necessary for this strategy are already present in Zimbabwe's informal economy, requiring policy activation, rather than the creation of new preferences. In doing so, the study contributes to both the literature on social protection extension and the emerging field of behavioural public finance as applied to marginalised labour market populations.

STUDY METHODOLOGY

The study employs a concurrent mixed methods design (Creswell and Plano Clark, 2018), wherein quantitative and qualitative strands were conducted in parallel, analysed independently and integrated during interpretation to produce a comprehensive understanding of the research problem. In this design, quantitative data from a structured survey and qualitative data from key informant interviews were collected simultaneously, analysed separately using their respective methods and then converged at the interpretation stage to produce triangulated findings.

The target population for the study comprised 3 545 informal retail workers in the Mbare Magaba informal business district of Harare, one of Zimbabwe's major centres of informal economic activity (ZimStat, 2025). Purposive homogeneous sampling was employed to select respondents sharing common characteristics. The sample size of 350 respondents was scientifically determined using the Krejcie and Morgan (1970) sample size determination table which for a target population of 3 545, recommends a minimum sample of 346, rounded up to 350 for practical survey administration purposes. Respondents completed a structured questionnaire covering currently available funeral policies, contribution requirements, waiting periods, products offered, claims processing procedures and claim settlement timelines. The questionnaire also gathered data on preferred features of a bundled social and funeral insurance package.

Qualitative data were generated through semi-structured key informant interviews with a total of ten (10) purposively selected informants, two representatives from each of five organisations with direct institutional expertise in funeral economics and the informal economy in Zimbabwe: the Zimbabwe Chamber of Informal Economy Associations (ZCIEA), Vendors Initiative for Social and Economic Transformation (VISET), the Informal Economy Department of the Zimbabwe Congress of Trade Unions (ZCTU), the SME Association of Zimbabwe and the Ministry of Women Affairs, Community, Small and Medium Enterprises Development. These organisations were selected because they represent the primary institutional stakeholders in informal worker welfare and policy in Zimbabwe.

Qualitative data from key informant interviews were analysed using thematic analysis (Braun and Clarke, 2006). Interview recordings were transcribed verbatim and transcripts were coded inductively to identify recurrent themes and sub-themes relating to funeral insurance demand, institutional trust and conditions for migration to a state-backed scheme. Themes were then integrated with the quantitative findings at the interpretation stage, consistent with the concurrent mixed methods design.

STUDY FINDINGS

Based on survey results for 350 informal workers in Magaba, Harare, approximately 87% (n = 306) held at least some funeral cover. The leading type of cover was burial societies (38%), followed by commercial insurance companies (27%), with 22% holding cover from both categories. Approximately 13% of respondents had no funeral cover, an extremely low proportion clearly indicating that funeral insurance has been adopted by informal workers to a far greater extent than any other financial product. Among those with funeral cover, 54% held more than one policy.

CONTRIBUTION LEVELS AND WILLINGNESS TO PAY (WTP)

On average, individuals paid US$5 per capita per month for commercial funeral policies and US$8 per capita per month for burial society coverage. Upon being asked how much they were willing to pay per month for a NSSA-backed scheme covering funeral policies, pensions and health benefits, respondents indicated a mean stated WTP of US$9 per month — more than either commercial premiums or burial society contributions. This finding supports the study's core behavioural assumption regarding the social salience of death and its relationship to willingness to pay.

Table 1: *Monthly Premium Contributions and Stated Willingness to Pay (USD)* (Authors' creation from survey data)

Product type	**Average monthly per capita (USD)**	**Median (USD)**
Commercial funeral policy	$5.00	$3.00
Burial society	$8.00	$7.00
Stated WTP — NSSA bundled scheme	$9.00	$8.00

PRODUCTS OBTAINABLE ON CLAIMING

Commercial funeral insurance companies and burial associations differ considerably in types of benefits provided at claim. Three main product types were identified: cash-only provisions (lump sum payment, exposing claimants to cost inflation); in-kind product provisions (goods and services including embalming, mortuary services, coffin, chapel, transport, tenting, seating and catering); and hybrid provisions combining cash with an agreed set of in-kind services. Burial societies typically focus on direct service provision, utilising established connections with local funeral parlours. However, findings reveal a growing challenge: in-kind provisions have not kept pace with rising funeral costs relative to the fixed monthly fees stipulated in most burial society constitutions.

MARKET FAILURE: DISSATISFACTION AND CLAIM DISPUTES

Market failure is evidenced across both institutional avenues. Among those with commercial insurance, 61% had experienced claim denial or disputes, 53% cited long waiting times and 47% reported excessive processing delays. Among burial society members, the primary complaint was insufficient payout relative to funeral cost (58%), followed by society collapse (44%). This dissatisfaction, combined with 87% uptake, confirms the market failure diagnosis: high demand and willingness to pay coexist with chronic under-insurance at the point of claim.

CONDITIONS FOR MIGRATION TO NSSA

There was a strong propensity among respondents for a state-backed scheme, with 78% indicating they would enrol in a NSSA package if specific conditions were met. Top factors included: low premiums (91%); fast claims processing (84%); short or no waiting period (79%); mobile payments (76%); transparent terms of service (72%); and clear bundling with pension and health benefits (68%).

Thematic analysis of the 10 key informant interviews across five institutional stakeholder organisations identified four major themes:

Theme 1 — Institutional Distrust as an Independent Barrier: Informants from ZCIEA and VISET consistently identified administrative complexity and distrust of NSSA bureaucracy as independent deterrents from formal scheme enrolment, beyond affordability concerns alone. One ZCIEA informant noted that members who could afford NSSA contributions chose burial societies specifically because of perceived bureaucratic opacity and a historical pattern of institutional unreliability. This corroborates Chigwedere *et al.* (2023), who identify institutional trust as the strongest predictor of social insurance participation in Southern Africa.

Theme 2 — Cultural Non-negotiability of Funerals: Informants across all five organisations affirmed the culturally obligatory nature of dignified burial. ZCTU informants specifically highlighted that informal workers view funeral expenditure as categorically different from other financial commitments, not discretionary spending but a non-deferrable social and spiritual obligation. This theme directly supports the study's use of mortality salience and loss aversion as the theoretical explanation for funeral insurance prioritisation.

Theme 3 — Documented Market Failure in Commercial and Mutual Sectors: Informants from VISET and the the SME Association documented specific institutional-level patterns of claim denial and burial society collapse drawn from their member experience. One VISET informant described multiple cases of commercial insurers imposing waiting periods retroactively following a policyholder's first claim, while another described three burial societies in their membership network that collapsed during COVID-19 due to simultaneous claim clustering and premium contribution failure, direct illustrations of the actuarial unsoundness identified in the quantitative data.

Theme 4 — Conditional Openness to NSSA: Informants from all five organisations indicated that their constituencies would support migration to a state-backed scheme, but only under clearly specified conditions: immediate claims processing without waiting periods; mobile payment integration; transparent and simple product terms; and visible evidence of pension and health benefit accumulation. These conditions closely mirror the quantitative survey findings, providing strong cross-strand convergent validity for the concurrent mixed methods design.

DISCUSSION

The findings paint a coherent and mutually reinforcing picture. The high rate of funeral cover adoption within the sampled population (87% of 350 respondents), among individuals who have never been covered by any form of NSSA insurance, corroborates what theoretical literature suggests, that informal workers do not reject insurance in general, but reject insurance that does not protect them against their most salient risk. The empirical evidence shows clearly that funeral costs are perceived as the most imminent, certain and culturally devastating risk for these individuals, as predicted by behavioural economics in such circumstances (Dafuleya, 2018). The dual coverage structure, with 54% of insured respondents holding more than one policy, is particularly revealing. It indicates that informal workers have adopted precautionary measures over insurance, as a rational response to the known unpredictability of both commercial insurers and burial societies. The resulting welfare cost, paying multiple premiums to insure against institutional failure, could be eliminated by access to a reliable, non-profit alternative. The mean stated WTP of US$9/month, with a median of US$8/month, exceeds both the mean and median costs of current commercial (US$5 mean, USD$ median) and burial society (US$8 mean, US$7 median) contributions, confirming that demand for a higher-quality product exists at a price point that makes a state-backed scheme viable.

Data on dissatisfaction aligns directly with the structural problems hypothesised by Berg (2017) and predicted by the Rothschild-Stiglitz model (1976). The 61% commercial claim denial rate is the most common complaint, expected from profit-maximising insurers using information asymmetry to minimise payouts. Burial society problems are actuarial rather than motivational: insufficient payouts and collapse risk arising from structural limitations identified by Lukhele (1990) and Hofisi (2022).

The qualitative findings add an institutional dimension not fully captured by the quantitative analysis. Informants from ZCIEA, VISET, ZCTU, the SME Association and the Ministry all confirmed that administrative complexity and institutional distrust are independent barriers to NSSA enrolment, beyond affordability. This corroborates Chigwedere *et al.* (2023) and suggests that any NSSA bundled scheme must address trust and administrative simplicity as design priorities, not merely premium levels.

The study findings are interpretable within a coherent theoretical architecture. The high stated WTP (US$9/month mean; US$8/month median) for a bundled NSSA scheme, exceeding both commercial policy (US$3/month median) and burial society (US$7/month median) contributions, is consistent with the Loss Aversion Theory (Kahneman and Tversky, 1979): respondents are willing to pay a premium for higher reliability from a state-backed non-profit, reflecting the welfare cost of chronic under-insurance they currently absorb through dual-policy holding. The 61% commercial claim denial rate confirms Rothschild-Stiglitz (1976) predictions about information asymmetry-driven claim denial in profit-maximising markets. The 78% conditional willingness to enrol in a NSSA scheme, contingent on specific design features, is consistent with Thaler and Sunstein's (2008) insight that product design, not price alone, determines uptake among present-biased consumers. Taken together, the quantitative and qualitative findings constitute convergent evidence, generated through the concurrent mixed methods design, that the anchor product strategy is behaviourally grounded, institutionally feasible and empirically supported within the Zimbabwean informal sector context studied.

In sum, all three core propositions advanced in the study are supported by the findings. Funeral insurance dominates among financial products in Zimbabwe's informal sector while the market structurally fails to meet demand (Proposition i). NSSA possesses the organisational advantages needed to fill the gap (Proposition ii). The expressed willingness to pay for the proposed NSSA bundled scheme demonstrates that benefit bundling converts mortality-driven demand into a viable enrolment model (Proposition iii).

POLICY RECOMMENDATIONS

The following policy recommendations are proposed for the Government of Zimbabwe to extend social insurance to informal workers through mortality salience and the morbid economics of grief.

Table 2: *Policy Recommendations*

Recommendation	Rationale	Lead Institution
Operationalise NSSA informal sector scheme with funeral cover as anchor benefit	Exploits existing mortality-driven WTP; converts enrolment for funeral cover into broader social insurance membership	Ministry of Public Service/NSSA
Eliminate waiting periods for funeral claims	Waiting periods are primary claim-denial mechanism; immediate cover from first contribution removes dominant commercial insurer grievance	NSSA/IPEC
Mandate mobile-based contribution and claims processing	76% preference for mobile payment reflects structural necessity; EcoCash/OneMoney integration removes primary administrative friction	NSSA/MNOs
Regulate commercial funeral insurers, binding claim settlement standards	61% claim denial rate requires statutory settlement timelines and enforceable penalties for bad-faith denial	IPEC
Formalise burial societies via NSSA co-insurance/reinsurance model	Preserves social embeddedness and relational accountability while eliminating actuarial fragility and collapse risk	NSSA/ZCIEA

Recommendation	Rationale	Lead Institution
Progressively activate visibility of pension and health benefit accumulation	Salient immediate benefit (funeral cover) anchors enrolment; contribution statements convert initial enrolment into long-term commitment	NSSA

CONCLUSION

The research examined whether informal sector workers in the Magaba area of Harare, Zimbabwe, would shift from private funeral cover and community burial society schemes to state-sponsored social insurance and under what conditions. The data provide a clear affirmative: they would and the conditions are operationally attainable. What distinguishes this study is the finding that 87% of sampled informal retail workers, drawn from a target population of 3545 using the Krejcie and Morgan (1970) sample determination table, who have never been covered by NSSA, are willing to pay for bundled funeral and social insurance coverage at a level exceeding their current expenditure on burial societies. The challenge facing these workers is not absence of demand for insurance, but a supply-side mismatch: commercial premiums and claim behaviour systematically fail claimants, while burial societies provide social solidarity without actuarial soundness.

The proposition that funeral insurance can serve as a 'Trojan Horse' or anchor product for expanding social insurance is grounded in a behavioural reasoning process supported by concurrent mixed methods evidence. Zimbabwe's informal workers do not lack understanding of social insurance benefits; rather, they have made rational decisions within an institutional framework that has consistently failed to offer viable options. Social insurance contributions, driven by mortality considerations, are not a rare behavioural trait, they represent one of the most durable and deeply embedded motivations among informal workers. Policy frameworks should, therefore, focus not on creating new preferences, but on redirecting existing ones. The policy implications extend beyond Zimbabwe. Across Sub-Saharan Africa, where informal employment predominates and traditional approaches to social insurance have struggled, the funeral insurance pathway presents a viable anchor product strategy. If effectively harnessed, the economics of mortality could form a cornerstone of Africa's future social protection architecture.

REFERENCES

Al Jazeera (2026). How Funerals Keep Africa Poor. Al Jazeera Investigative Unit. https://www.aljazeera.com/investigations/2026/funerals-keep-africa-poor

Amankwah, E. and Sarpong, D. (2020). Funeral Costs and Household Poverty in Ghana. *Journal of African Economics, 29*(4), 412-435.

Baloyi, L. and Makobe-Rabothata, M. (2013). The African Concept of Death and Burial Rites. *Journal of Psychology in Africa, 23*(4), 589-594.

Barr, N. (2020). *The Economics of the Welfare State*. Oxford: Oxford University Press.

Berg, G. (2017). Funeral Insurance Market Failure in Sub-Saharan Africa. *Journal of Development Economics, 124,* 45-62.

Bester, H. (2008). Understanding the Demand for Funeral Insurance in South Africa. FinMark Trust.

Bourdillon, M.F.C. (2021). *The Shona Peoples*. Gweru: Mambo Press.

Braun, V. and Clarke, V. (2006). Using Thematic Analysis in Psychology. *Qualitative Research in Psychology, 3*(2), 77-101.

Case, A. *et al.* (2013). Paying the Piper: The High Cost of Funerals in South Africa. Economic *Development and Cultural Change, 62*(1), 1-20.

Chidester, D. (2018). *Religions of South Africa*. London: Routledge.

Chigwedere, P., Moyo, S. and Banda, T. (2023). Institutional Trust and Voluntary Social Insurance Enrolment in Zambia. *African Development Review, 35*(2), 112-129.

Chikoko, L., Moyo, T. and Ndlovu, S. (2025). Funeral Insurance and Informal Workers in Zimbabwe. *African Social Security Review, 15*(1), 45-67.

Creswell, J.W. and Plano Clark, V.L. (2018). *Designing and Conducting Mixed Methods Research* (3rd ed.). London: SAGE.

Dafuleya, G. (2018). The Distinctive Demand Profile of Funeral Insurance. *African Finance Journal, 20*(2), 14-33.

Dafuleya, G. and Tregenna, F. (2020). Funeral Insurance Effectiveness: A Bulawayo Household Survey. *Development Southern Africa, 37*(4), 601-618.

De Witte, M. (2003). Money and Death: Funeral Business in Contemporary Ghana. *Africa Today, 50*(1), 3-23.

Dellavigna, S. (2009). Psychology and Economics: Evidence from the Field. *Journal of Economic Literature, 47*(2), 315-372.

Dercon, S., Bold, T. and Calvo, C. (2006). Insurance for the Poor? In: Shorrocks,A. and Van Der Hoeven, R. (eds.), *Growth, Inequality and Poverty*. Oxford: Oxford University Press.

Devereux, S. and Getu, M. (2013). *Informal and Formal Social Protection*. London: Palgrave Macmillan.

Dhemba, J. (2019). Burial Societies in Zimbabwe. *Journal of Social Development in Africa, 34*(2), 78-96.

Diaspora Insurance (2024). The State of Funeral Cover in Zimbabwe.

Global Press Journal (2020, February 18). When Funeral Policies Fail, Burial Societies Step. Global Press Journal.

Golo, S.N.K. (2022). Ancestrality and African Cosmology. *Journal of African Cultural Studies, 34*(3), 301-318.

Hall, R. (1987). Burial Societies in Urban Zimbabwe. *Africa, 57*(2), 200-218.

Hofisi, C. (2022). Burial Societies and COVID-19 in Zimbabwe. *Journal of African Studies, 61*(3), 201-218.

ILO (2021). World Social Protection Report 2020-22. Geneva: International Labour Organisation.

ISSA (2023). Rwanda's Ejo Heza: Extending Coverage to Informal Workers. ISSA.

Jindra, M. and Noret, J. (2011). *Funerals in Africa: Explorations of a Social Phenomenon*. York: Berghahn Books.

Jonasi, L., Mukura, R. and Sibanda, M. (2021). Funeral Costs and Poverty Traps in Southern Africa. *African Journal of Poverty and Development, 9*(2), 45-63.

Kahneman, D. (2011). *Thinking, Fast and Slow*. Bonn: Farrar, Straus and Giroux.

Kahneman, D. and Tversky, A. (1979). Prospect Theory: An Analysis of Decision Under Risk. *Econometrica, 47*(2), 263-291.

Kanyenze, G. *et al.* (2017). *Beyond the Enclave*. Harare: Weaver Press.

Kaseke, E. (2018). Social Security in Zimbabwe. *Journal of Social Policy, 47*(3), 521-539.

Krejcie, R.V. and Morgan, D.W. (1970). Determining Sample Size for Research Activities. *Educational and Psychological Measurement, 30*(3), 607-610.

Kundishora, P. (2021). Ritual and Reconciliation in Shona Funerals. *Zambezia, 48*(1), 45-67.

Laibson, D. (1997). Golden Eggs and Hyperbolic Discounting. *Quarterly Journal of Economics, 112*(2), 443-478.

Lukhele, A. K. (1990). *Stokvels in South Africa: Informal Savings Schemes*. London: Amagi Books.

Mabasa, T. and Ncube, P. (2022). The Economics of Dignified Burials. *Southern African Business Review*, 26, 1-22.

Mbiti, J.S. (1969). *African Religions and Philosophy*. Yaonde: Heinemann.

Modu, F., Mwangi, J. and Omondi, R. (2013). Adverse Selection and Claim Denial in African Funeral Insurance. *Insurance Markets and Companies, 4*(1), 23-37.

Moyo, P. (2020). Dignity and Death in African Cultures. *African Journal of Sociology, 43*(2), 145-163.

Muchichwa, N. (2022). NSSA's Bismarckian Legacy and Informal Sector Exclusion. *Zimbabwe Journal of Social Policy, 4*(1), 1-19.

Mupedziswa, R. and Ntini, P. (2021). Funeral Insurance Demand in Zimbabwe. *Social Work and Society, 19*(2), 1-17.

Mutongwizo, T. and Ncube, S. (2024). Preferences for Death-related Insurance. *Journal of African Development, 26*(1), 55-78.

Ncube, N. (2024). Constitutional Obligations and Social Security Reform in Zimbabwe. *Zimbabwe Law Review, 36*(1), 112-134.

NSSA (2021). 2021-2025 Strategic Plan. https://www.nssa.co.zw /strategic-plan-2021-2025

Nthamburi, Z. (2019). *African Theology and Social Ethics*. Lusaka: Paulines Publications.

O'Donoghue, T. and Rabin, M. (1999). Doing it Now Or Later. *American Economic Review, 89*(1), 103-124.

OECD (2023). *Social Protection in Africa: Building Trust.* Brussels: OECD Publishing.

Oks, A. (2026). How Funerals Keep Africa Poor. *Foreign Policy, 245*, 34-41.

Pension Policy International (2024). Zimbabwe: NSSA Coverage Assessment.

Posel, D. and Gupta, R. (2021). Social Death and Funeral Spending in South Africa. *Development Southern Africa, 38*(4), 567-583.

Riisgaard, K., Torm, N. and Mitullah, W. (2022). Social Protection and Informal Workers in East Africa. *World Development, 152*, 105789.

Rothschild, M. and Stiglitz, J. (1976). Equilibrium in Competitive Insurance Markets. *Quarterly Journal of Economics, 90*(4), 629-649.

Setsibe, T. (2012). The Paradox of Death and Burial in African Culture. *TD: The Journal for Transdisciplinary Research in Southern Africa, 8*(2), 1-8.

Thaler, R. H. and Sunstein, C. R. (2008). *Nudge: Improving Decisions about Health, Wealth and Happiness*. Yale: Yale University Press.

Tsounis, A. and Xanthopoulou, D. (2024). Funerals as Status Performances. *Death Studies, 48*(2), 145-159.

UNDP (2021). Informal Social Protection in Africa. UNDP.

UNDP (2022). Policy Brief: Social Insurance for Informal Sector Workers. UNDP.

World Bank (2024). The State of Social Protection Report 2024. World Bank Group.

Zimbabwe Independent, The (2024, March 15). Ministry Unveils Informal Sector Social Security Strategy. *The Zimbabwe Independent*, 15 March 2024.

Zimbabwe Ministry of Public Service, Labour and Social Welfare (2024). Informal Economy Social Security Strategy.

ZimStat (2025) Labour Force Survey: Informal Economy Report 2025.