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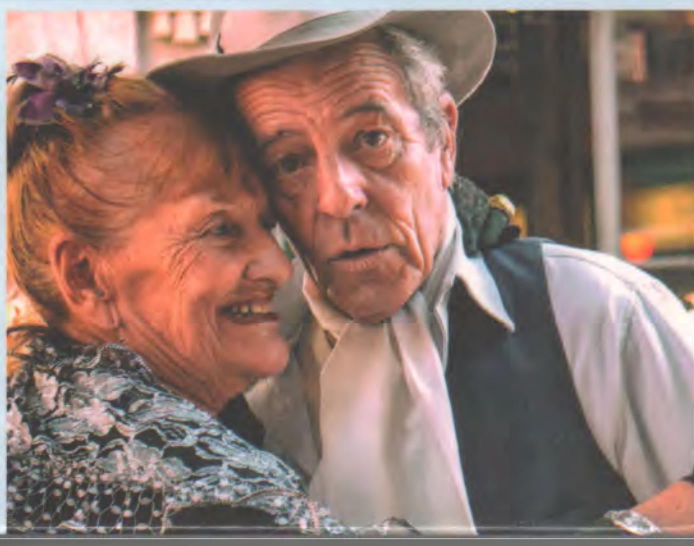
AGING IN THE GLOBAL SOUTH

Challenges and Opportunities

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Re-examining Nigeria's Social Security in the Aspect of Government Pension

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INTRODUCTION

Over the next few decades, the reality of aging and its associated problems and/or opportunities will manifest across the Global South. In the sub-Saharan Africa, where youth population will be a dominant trend, national governments, scholars, and development planners are growing increasingly aware about the imminent rise in the absolute number of the aged, and the profound impact that it will have on social welfare provisioning. As Velkoff and Kowal (2007) observed, even though the proportion of older people in sub-Saharan Africa is low compared with other demographic groups, their *sheer number* is high and rising more rapidly, with a projected increase to 69 million by 2030 from 35 million in 2006. Unfortunately, old people have been victims of the development process (Adeniyi-Ogunyankin, 2012; Elias & Isiugo-Abanihe, 2012), lacking social and economic securities (Wahab, 2013). Both in rural and urban Africa, old people experience a high level of poverty, health challenges, and impaired functioning (Aboderin, 2012; Balogun & Guntupalli, 2016; Dokpesi, 2017; Uzobo & Dawodu, 2015), most of which are worsened by individual, familial, cultural-normative, and structural factors (Dokpesi, 2015; Ogwumike & Aboderin, 2005; Togonu-Bickersteth & Akinyemi, 2014). Rather than explore and harness the development opportunities of the aging process, African policymakers worry more about the financial burden that increasing population of aged people will cause (Aboderin, 2012). So, while the need to institute policies and programs that can improve old age security on the continent remains a concern, effective and sustainable responses are rare (Aboderin, 2012; Kollapan, 2008).

Being the most populous country in sub-Saharan Africa, Nigeria had 6.6 million people aged 60 and above in 2006, a figure that is projected to reach 12 million by 2030 (Velkoff & Kowal, 2007). The inevitability of this demographic shift, and the issues that will arise as a result, has heightened anxiety about, and provoked interests in social insecurity issues. The main reason for this fear is that aging is unfolding within a social, economic, political, and cultural context that has significant development and negative well-being implications for old people. Socially, for instance, old people are affected by poverty, which hampers their nutritional situation (Dokpesi, 2015). National health care systems' preparedness to respond to their needs is also inadequate (Togonu-Bickersteth & Akinyemi, 2014). Moreover, an aggregated outlook of old people's situation in Nigeria conceals gender and regional variation. As shown in some studies, the rural old suffer poorer health conditions than those in urban areas (Uzobo & Dawodu, 2015), while more men than women reported aging successfully (Gureje, Oladeji, Abiona & Chatterji, 2014). Economically, those capable of working are being forced out of employment due to age, thereby leading to income deprivation (Wahab, 2013). The postretirement uncertainty is particularly confounding, and prompts many to struggle to retain government work for as long as possible, sometimes altering their age repeatedly to suspend or postpone retirement (Dokpesi, 2015). This "fear of the unknown" is partly why the labor market participation of old people remains higher than any other demographic groups in Nigeria. Politically, attitudinal indifference on the part of the government shows an unwillingness or inability to evolve a coherent policy or national action plan on aging (Dokpesi, 2015). Culturally, evidence is mounting that expectations of intergenerational responsibility, which presumes that children would normally care for the old, has become a "costly assumption" (Togonu-Bickersteth & Akinyemi, 2014), one that is untenable under current "excruciating socioeconomic conditions" (Dokpesi, 2015).

Among government employees in particular, whether serving or retired, trepidation about the problem of social insecurity is widespread, even though a pension system exists. For a group that has been perceived as holding employments in a secured sector, and thus admired as having a relatively better prospect at "peaceful retirement" (Beedie, 2015), what accounts for this anxiety?

The Nigerian pension system has a colonial origin and postindependence pension strategies have managed to retain most of what existed in the past (Anyim, Olusanya, & Okere, 2014; Binuomoyo, 2010). Today, pension is employed as a strategic means of insuring old age protection among government and formal sector workers. Two categories of pensioners exist in Nigeria; those receiving monthly stipends directly from the government and those enrolled in the contributory pension scheme that was originally established under the Pension Reform (Act) 2004. Although the contributory scheme is believed to have a higher guarantee for payment, problems arising from governance issues have aligned current and prospective pensioners in their fears about social insecurity in retirement. Also, because traditional old age support has weakened, and continues to decline as a viable social protection alternative (Ogwumike & Aboderin, 2005; Togonu-Bickersteth & Akinyemi, 2014), aged and retiring workers in the public service, who now rely increasingly and principally on government pension, have become fearful about the problems in Nigeria's pension regime.

This chapter analyzes the pension regime in the Nigeria Public Service. Specifically, it describes the governance of pension system as presently constituted, and the culture of plunder that characterizes it. The chapter further documents the processes by which the imagery of retirement in the Nigerian public service has increasingly become a dystopia, a condition which only the more powerful unions have successfully persuaded the government to delay, albeit temporarily, through policy reforms. Our analysis draws upon a critical review of secondary materials, including scholarly publications, policy documents, and textual analysis of newspaper reports on pension matters and experiences of retirement among public service workers in Nigeria. The chapter demonstrates how social insecurity might be inherent in a social security system, and underscores the need for a comprehensive policy to manage old age insecurity as a way of easing aging and retirement anxieties in the Global South.

AGING, POVERTY, AND SOCIAL SECURITY IN NIGERIA

Aging is an inevitable natural phenomenon which every human being must undergo. As this process unfolds all over the world, policy framers are compelled to respond with appropriate policies while institutions are pressured to initiate adequate, appropriate, and sustainable programs that will ensure that old people are protected and cared for. In developed countries, where aging challenges are already visible, a high degree of proactivity is noticeable in terms of the provision and expansion of social protection initiatives. This is contrary to what exists in most developing regions, especially the sub-Saharan Africa where the aging issue is clearly an emerging problem.

Although growing at a very low rate, Nigeria has the largest population of older people in sub-Saharan Africa with over 6 million people aged 60 and above, and expected to double by 2030 (Velkoff & Kowal, 2007). More than 69 percent or 113 million Nigerians are living in relative poverty (National Bureau of Statistics, 2012). Even though credible nationally representative statics are lacking regarding the situation of older persons, poverty remains a strong predictor of aging outcomes in Nigeria (Ogwumike & Aboderin, 2005). While aging is not a disease condition, it is accompanied by differing levels of disability and illnesses that thin-out economic capabilities and sever social networks (Dokpesi, 2017; Gureje et al., 2014; Uzobo & Dawodu, 2015). Given its association with problems such as social isolation, food insecurity, and various health afflictions, being aged is a terrifying social position in the Nigeria.

In the past, the family structure served as a social security system for the older adults. In recent times, it has increasingly become a costly assumption to maintain that the traditional social support system can reliably cater to the needs of old people in the 21st century (Togonu-Bickersteth & Akinyemi, 2014; Wahab, 2013). In addition, household investments on children's education as a form of social security is failing to deliver anticipated results due to the high prevalence of unemployment and underemployment among young people (Gesinde et al., 2011). Thus, today, the social norm of reciprocity and expectation of intergenerational investment have become weakened and less binding (Aboderin, 2004).

In most of Africa, the increasing awareness about the growing population of old people has not translated into tangible policy on the aged. This has especially been the case in Nigeria even though the country is a signatory to global and regional instruments which sought to protect the rights and well-being of older persons, including the Madrid International Plan of Action (2002) and the African Union Policy Framework and Plan of Action on Ageing. Since returning to a civil rule in 1999, a number of bills on the social security of vulnerable population, including the older adults, have been presented at the National Assembly, such as the Nigeria Social Welfare Commission (Establishment) Bill, National Centre for Elderly Persons (Establishment) Bill, Care and Protection of the Rights of Nigerian Elderly Persons Bill, and National Social Welfare Security Commission (Establishment) Bill. None of these legislative bills have been passed into law. As a result, majority of the country's older adults population are vulnerable and unprotected.

Social security has been defined in different ways but we adopted the perspective which explains the concept as being "about how to secure the individual against want, poverty, destitution, disease and idleness which may be thrust upon him by the varied hazards and vicissitude of social life, notably loss or suspension of income or means of sustenance resulting from sickness, maternity, accidents, injury, invalidity, old age, death of breadwinner or unemployment" (Elias & Isiugo-Abanihe, 2012, p.79). As a social security mechanism, pension is a major tool for addressing poverty in old age. Faye (2007) observes that pensions play an important role in securing and improving the livelihood of older people and reduces poverty while children in pension receiving households have higher school enrollments. Similar to the positive effects identified as resulting from remittances and cash transfers, pensions impact directly on the health status of old people as well as on the behavior of prime-aged adults that live with them. In fact, old age poverty is reduced due to access to pension, especially among single older adults and older adult-headed households. According to Subbarao and Kakwani (2005), accruing 0.5 percent of the Gross Domestic Product to the Nigerian older adults population reduced poverty in older adult-headed household by 1.2 percent and by only 0.5 percent in non-older adults-headed households.

Unfortunately, the Nigerian pension system covers only those employed in the formal sector, both private and government employees in institutions at federal, state, and local government levels. Pension scheme provides a degree of security to formal sector employee, especially those in the public service. Yet, many Nigerians commit years of work life to an economy that had failed consistently, which worsens the problem of pension inadequacy in retirement (Beedie, 2015; Elias & Isiugo-Abanihe, 2012). Consequently, a growing number of working people grow and transit into old age without amassing assets nor accumulating adequate savings required to achieve a "peaceful retirement." Estimates show that 66 percent of Nigerians aged 60 and above are actively involved in the labor force, a participation rate that is unmatched by any other age group (Ogwumike & Aboderin, 2005). This way, more and more aged persons take responsibility for their personal social and economic well-being (Togonu-Bickersteth & Akinyemi, 2014); sometimes with an additional task of caring for unemployed and underemployed children and grandchildren (Beedie, 2015).

NIGERIAN PUBLIC SERVICE AND THE PENSION SYSTEM

Since 1945, the Nigerian public service has been under reform. The persistent reform is due to a multitude of factors, including the problem of mismatch between the public service and the country's development needs, bureaucratic bottlenecks, inefficiency and corruption, militarism and political instability (Anazodo, Okoye, & Chukwuemeka, 2012; Bayo, 2012; Eme, Uche, & Uche, 2014; Fapohunda, 2013). Through the constitution of commissions,[1] the Nigerian government had, in addition to structural and organizational issues, engaged in matters that involved salaries and wages, human resource utilization and development, efficiency and effectiveness, and retirement and pension. Two main pension systems can be identified in Nigeria: an old system, a non-contributory, government-funded pension scheme which was organized based on Defined Benefit Pension, and a new contributory pension scheme which depended on co-contribution from employers and employees.

The old pension system was delivered under frameworks such as the Workmen Compensation Scheme (1987–2011), Nigeria Social Insurance Trust Fund (NSITF) [with the National Providence Fund (1961) and NSITF in 1993–2003], and the pension schemes which ran from 1954 to 2004. The eventual demise of the old pension system was a consequence of external and internal factors. Externally, decline in revenue in the 1980s and the subsequent adoption of neoliberal policies affected government spending on critical social services and pension obligations were also affected (Fapohunda, 2013). Through the Structural Adjustment Program, the World Bank and International Monetary Fund canvased for policy reforms that reverse government spending on social welfare (Idowu & Olanike, 2010). Internally, the old system was affected by poor record keeping, which allowed fraud to flourish (Toye, 2006, as cited in Fapohunda, 2013). In the context of limited revenue, corruption, which we explore later in detail, affected the pension system as huge sums were misappropriated, mismanaged, or ill-disbursed. Eme, Uche, and Uche (2013) also observe that pension budgetary process was weak and vulnerable. In addition, (re)verification procedures failed to improve the situation as many aged retirees lost their lives over the course of several months of endless queues and document authentication exercises (Abdulahi, 2014). Meanwhile, as pension debt swelled, the population of retirees also exploded as a result of rapid increase in the number of government employees, which at the federal level alone rose from 274,000 in 1988 to over 1 million in the following decade (Anazodo et al., 2012). By the time that a new pension scheme was proposed at the end of 2003, the Nigerian government had an outstanding pension deficit of about ₦2 trillion, owed to several thousands of retired public servants (Adeoye, 2015; Ahmed & Oyadiran, 2013).

Following the Civil Service Reform of 2004, a new pension regime emerged. Through the Pension Reform Act (PRA) 2004, a pension system was established under a defined contributory arrangement. An amendment in 2011 exempted certain categories of government employees from participating in the PRA, including the Armed Forces of the Federation and members of the Intelligence and Secret Services. By July 2014, further review led to the repeal and replacement of the PRA 2004 with the Pension Reform Act 2014. The aim of the PRA 2014 was to provide for a uniform pension scheme for both the private and public sectors—at all levels not just at the federal level. The PRA 2014 improved on the 2004 reform in the areas of scope of coverage, penalties, and sanctions, widening of pension funds investment options, upward review of pension contribution, downward review of waiting time of employee access to pension account in the event *of job loss, and harmonization of Pension Act with relevant enactments of* the National Assembly, mainly the Pension Reform (Amendment) Act 2011, which exempts the personnel of the Military and the Security Agencies from the contributory pension scheme as well as the Universities (Miscellaneous) Provisions Act 2012, which reviewed the retirement age and benefits of university professors (Abati, 2014).

Based on the Chile's pension system, or the so-called Chilean model (Casey & Dostal, 2008), the contributory pension scheme stipulates a *minimum* contribution of 18 percent of employees' monthly emoluments, 10 percent of which will be provided by the employer and 8 percent by the employee. The contribution is by law subject to upward review between employer and employee. Also, persons who had exactly or less than three years away from retirement as at June 23, 2004, and had been enrolled in the preexisting pension structure are not part of the new scheme. An important aspect of the Reform Act is the payment routein which individuals receive direct payment in a Retirement Savings Account that was opened specifically for the purpose of pension. Hence, the scheme seems to have circumvented the bureaucratic bottlenecks of the old system. In effect, under the new scheme, pension management was effectively decentralized and privatized (Onyeonoru, Egharevba, & Imhonopi, 2013).

The new scheme has been analyzed from a number of critical standpoints. In a critical and extensive review of the contributory scheme, Casey and Dostal (2008) argued that Nigeria's adoption of the Chilean model is a great example of how not to learn or copy from others. They insist that the reform that ushered in the contributory pension scheme was embarked upon "at a time when initial enthusiasm was well past and disenchantment had set in" (Casey & Dostal, 2008). Their conclusion about the scheme is apt and worth quoting in full:

> Nigeria might have tried learning from Chile, but it learned from the wrong book. Moreover, not only was that book wrong, it was also becoming outdated. . . . Nigeria could learn useful lessons from abroad, but it should learn the latest, not the dated, lessons from Chile. (Casey & Dostal, 2008)

In other words, rather than being an exercise in peer-learning, Nigeria adopted the model whose original owners were ready to abandon for alternatives that can better deliver an inclusive, effective, and efficient pension service. Some scholars raised objections against the neoliberal foundation of the reform and criticized the scheme as being "a clever attempt to make government abdicate its social responsibility, particularly to the vulnerable classes" including the aged and retirees (Onyeonoru et al., 2013). Others complained about documentation issues, legislative/policy ambiguities, contribution compliance, and other remnants of the old, flawed scheme (Ahmed & Oyadiran, 2013; Eme et al., 2014). Apart from these, the new system generated new problems of its own. In the next section, we argue that the PRA 2014 is still weakened by critical governance issues which if unresolved will continue to diminish the utility of pension as dependable social security mechanism for Nigeria's aging and retired workers.

PENSION GOVERNANCE AND OLD AGE SUFFERING: DYSTOPIA AS A CONTEXT OF DISCONTENT

The discontent about government pension as a reliable form of social security cannot be fully understood without taking into account the dialectics of governance and experiences of suffering which define the reality of many Nigerian retirees. In this section, the "pension problem" in the Nigerian public service is not treated as something "out there" but as a reality which pensioners reckon and draw upon in their day-to-day narrative about life and suffering in retirement. The section isolates and discusses three key governance issues that are affecting the current pension regime. It synthesizes existing positions that focus on the three issues with a critical content analysis of "pensioners' stories" in Nigerian newspapers, focusing mainly on corruption, the fate of pensioners' interest under competitive and corporatist pension regime, and the inequality created by the rise of "elite pensioners."

CORRUPTION AND ITS USES IN SUFFERING STORIES

Realistically, issues of public service retirees rarely make newspaper headlines unless they are connected to more "sexier" topics such as politics, corruption, or death. Nevertheless, some popular newspapers[2] monitor retirees' stories as part of a general human interest topics, aimed principally at capturing and projecting the challenges of aging and the aged using the lens of "pension problem" and "suffering in retirement." In recent times, some of the popular captions in the dailies include *For federal retirees, rest is bitter after labour*; *Bauchi pensioners protest non-payment*; *Edo retirees protest unpaid pension arrears*; and *75-year-old pensioner slumps, dies during screening in Edo.*[3] A dominant theme in these reports, as in most others, is that public service retirees are "suffering" and "dying." As recently reported, the National Union of Pensioners (NPU) feels that "it is a curse to serve the government and retire in Nigeria because Nigerian pensioners begin their journey to sorrow, hardship and suffering after retirement" (Popoola, 2015a). Both individually and as a group, retiree subjects in pension reportage convey "retirement horror stories" which are mostly backed up by personal narratives. Some of the horror stories are reported in the media, as in the case of Pa Abraham who visited a popular newspaper to narrate his ordeal:

> Abraham Adigun, 70, used to work in the Federal Ministry of Works until his retirement nine years ago. In June 2015, he left his home in Osun State for the Pension Transitional Arrangement Directorate [PTAD] in Abuja to seek solution to the problem he encounters every month with regards to the payment of his pension. The payment of his pension stipend was stopped in 2010 without any explanation. . . . This old man had been weakened by illness but . . . embark on the risky road journey to Abuja since he could not afford any other means of transportation. Adigun had to rely on a walking stick on which he balanced his gaunt figure as he entered the pension office to lodge his complaint. "I was employed and posted to the Ministry of Works in 1980 and retired in 1998, after which I got my gratuity and the payment of my pension stipends commenced. But in 2010, my name was removed from the payroll for no reason and I have been lodging complaints ever since. I have been asked to fill several forms, yet my money has not been paid," he explains while wiping his brows with his right palm. While pleading with the officers he met at the PTAD office to pay what rightly belongs to him, he says life has been very difficult for him because he can no longer afford to eat good foods and pay his medical bills. The officers who attended to him in PTAD gave him a complaint form to fill. They obtained all his details and made a promise that his pensions would be paid the following month. This was just their polite way of sending away the senior citizens any time they approached the office with their worries.[4]

In talking about retirement sufferings, corruption remains a key and dominant theme. Since the Pensions Act of 1979, several reforms were initiated with corruption as one of the major concern. The PRA 2004 also had corruption reduction on its radar, given its interest in efficiency and blockage of leakages in pension management. Unfortunately, corruption continues to define post-2004 pension regime in Nigeria. Odo and Igbeka (2011) reported that 23,000 "fake names" were discovered on the payroll of the Nigerian Army. A substantial part of the several billions that the government allocate to pension payments end up in private pockets and it was common for a group within the pension management hierarchy to distort pension data in order to sustain the practice (Popoola, 2015a).

In the wake of a seemingly intractable corruption problem, the federal government introduced in 2010 a Pension Reform Task Team (PRTT), headed by Abdulrasheed Maina. Mr. Maina claimed that he detected about 73,000 fraudulent pension accounts which were controlled by a cartel in the public service. Essentially, this "pension cartel" ran an underground microbusiness venture in pension racketeering within government institutions, perhaps with tentacles all over the states of the Federation. This discovery underscores the fact that Nigeria's corrupt pension system is embedded in, and operates within, a much larger environment of fraud, spreading and coursing through departments and units in the ministries, agencies, and parastatals (Akanle, Olutayo, & Adebayo, 2014; Ijewereme, 2015), including those dealing with pension matters (Anyim et al., 2014).

Interestingly, Mr. Maina's revelation about "pension cartel," as well as other discoveries which led to the recovery of ₦221 billion, did not have much effect, at least from the standpoint of public accountability. For instance, the director of Police Pension Office who defrauded serving and retired policemen and women of ₦27 billion was offered a plea bargaining and directed by the court to pay ₦750,000 for his freedom. In February 2016, Mr. Maina himself was declared wanted by Nigeria's Economic and Financial Crimes Commission and the International Police Organization (INTERPOL). The criminal alert on Maina as a wanted fugitive is connected to the embezzlement of ₦2 billion pension fund (Punch Newspapers, 2016).

In popular press, the leadership of the NPU publicly challenged the integrity of the pension system and its managers. Particularly, they emphasized corruption as an underlying cause of suffering among retirees by declaring that the monumental fraud is making pensioners cry and continues to damage pension administration (Ejiofor, 2016). They complained further that the PRTT has worsened the pension situation while surmising that:

> there is no sincerity on the part of the people that have been trusted with the responsibility of solving this problem. They are not been [*sic*] sincere, they are selfish, and they use this pension money to enrich themselves at the expense of the rightful owners of the money who are the pensioners. (Ejiofor, 2016)

In the build-up to the 2015 general elections, the NUP organized mass rallies where they raised suspicion that the President Jonathan-led government was using pension funds for political campaigns (Udegbe, 2016) and condemn what they called "gross criminalities and inequities in the pension fund administration in the country" (Premium Times, 2013).

What stands out from the problem of corruption in the pension system is that retirees were able to situate it within the trope the suffering they are experiencing as ex-government workers. Not only this, they also connect pension corruption with the cycle of corruptive tendencies that play out among in-service employees. As put by one analyst in an online publication, the anxiety that is caused by a corrupt pension regime is leading in-service public servants to "engage in primitive acquisition of wealth while in active service so that by the time they retire, they won't have to go through the pain of waiting in vain for their pensions to be paid" (Udegbe, 2016).

COMPETITION FOR PROFITS AND PENSIONERS' INTEREST

The PRA 2004 which was repealed and replaced by the PRA 2014 made provision for the establishment and integration of new organizations into the pension system, including the National Pension Commission (PENCOM), Pension Fund Administrators (PFAs), and Pension Fund Custodians (PFCs). PENCOM is the lead agency responsible for regulating, supervising, and ensuring the effective administration of pension matters and retirement benefits in Nigeria while the PFAs manage pension funds, calculates benefits, and makes investment decisions about pension savings. The PFCs are to receive pension contributions from employers on behalf of PFAs, collect dividends, bonuses, rental income, commissions, and so on, and also execute proxies for the purpose of voting in relation to investments. PENCOM is a governmental agency which regulates and administers the operations of the pension system. The PFAs and PFCs are essentially privately owned, profit-oriented organizations who are empowered by law to collect, manage, and invest pension monies. Beyond the complex regulatory environment that has been created, employees are bonded to a forced marriage with business entities that have significant power in shaping the fortunes of their financial security during retirement years.

However, the pension operators, especially the PFAs, are competitors for pension funds and not necessarily concerned about the welfare of the owners of the funds, that is pensioners. Aborisade (2008) has argued that the reform was mainly interested in making cheap funds available to investors and less concerned with the care of retired persons at old age. In the newspapers, pensioners have also complained about being at the receiving end of an unhealthy competition between PFAs and insurance companies, the latest additions to pension system hierarchy (Popoola, 2015b). Upon retirement, retirees have the option of either making programmed withdrawal that is supplied by PFAs or purchase annuity which is offered by insurance companies. Interestingly, the two group of actors did not have equal standing within the pension system, even though pensioners will rely on them relatively equally when they retire. For instance, the law positions the PFAs to deal directly with workers once they enter the pension corridor, which gives them access to large amount of personal data. In addition, although PFAs are mandated by the same law to guide/advise retirees about retirement financing options, whether to settle with programmed withdrawal or annuity, the full range of options may not necessarily be presented to them (Popoola, 2015b). While this creates a "political economy of pension" in which different insurance companies compete among themselves, and against PFAs for the control of pensioners' economic futures, it may deny retiring/retired workers of their right and opportunity to choose and make informed decisions. What is more, the potential of pension as a credible and reliable social security/safety net guarantees in old age will depend on efficient market arrangements, competent PFAs/PFCs investment decisions, and a stable banking system, all of which are outside the control of pensioners. There is no doubt that much of what these actors do or fail to do (such as refusal to exercise due diligence in managing and investing of pension funds) has implications on the life chances of workers prior to and while in retirement.

INEQUALITY AND THE "ELITE PENSIONERS"

The provisions contained in the PRA 2004 were supposed to cover all employees in the public service of the Federation and the private sector. However, some categories of government employees were "exempted," including "1) Employees who have three or less number of years to retire and who, at the commencement of the new Act, are entitled to existing scheme; and (2) Judicial officers, particularly the Chief Justice of the Supreme Court and all Justices of the Supreme Court and the Court of Appeal" (Aborisade, 2008).[5] In the amendment that was undertaken in 2011, list of the "exempted" was expanded to include the Armed Forces of the Federation and members of the Intelligence and Secret Services. In addition to other changes that were introduced, and the goal of the PRA 2014 with respect to create a "uniform pension scheme" for the private and public sectors, the exemption clause was retained.

The lower and middle strata retirees perceived these exemptions as a "privilege." In agreement with Aborisade (2008) who argues that the "exemption privilege" is a proof of the reform's nonchalance toward equal welfare of all workers, retirees read it as an indication of injustices in the pension system. In a response to an editorial piece titled the *Nation's Wobbly Scheme Pains Pensioners*, a commentator was particularly emphatic about the entrenched injustices of "exemption privilege" when he observed thus:

> The so call [sic] Pension Reform Act/Law at state level is *discriminatory* as it exempt [*sic*] Permanent Secretaries from Contributory Pension scheme. Permanent Secretaries are workers. Their exempt from the contributory pension clearly shows Government insincerity about the true intention of the scheme as well as the *very low probability of its success*. All workers *including Permanent Secretaries* should participate to make it succeed. *The pension reform law must treat all employees equally*. That is Justice. (The Guardian, 2016)

In a way, the "exempted" are "elite pensioners" with strategic positionality in the public service and the state as a whole. Unlike the rest of the public servants, the positions that these elite pensioners occupied confer special power and respect. The pension law was crafted to sustain the privilege into retirement. This phenomenon is indicative of the unequal nature of the Nigerian pension regime.

Another way that elite pensioners have been created through the pension reform is not so obvious. Like most legislations, the pension law (as first amended and repealed) is not a self-contained legislation. As such, it would normally be read and interpreted in conjunction with other relevant laws. The Universities (Miscellaneous) Provisions Act 2012[6] (*hereafter Miscellaneous Provisions*) is one of the many laws that has bearing on the readings of the pension law. The Miscellaneous Provisions reviewed the retirement age of both university professors and nonacademic upward by five years, from 65 and 60 years respectively to 70 and 65 years. Before this review, all employees in the public service were required to proceed on compulsory retirement after 35 years of service irrespective of age. This limitation was also removed by the Miscellaneous Provisions, and the courtesy has not been extended to other segments of government workforce.

As a result of the changes to the Miscellaneous Provisions, which was pushed by the Academic Staff Union of Universities, one of the most powerful labor organizations in Nigeria, public service employees in the universities effectively joined the rank of elite pensioners. This happened in two ways: first, longer years of work life implies an opportunity to earn for much longer, which also improves employees' chances of earning promotions and better income, and, second, those who retire from top positions will probably earn more in retirement. Although university unions engaged in a very long battle and offered compelling reasons for a need to review the retirement age, it is not in doubt that they wielded a power which is only available to elite pensioners.

SOCIAL INSECURITY AND GOVERNANCE OF PENSION SYSTEM IN THE NIGERIAN PUBLIC SERVICE

In the absence of a coherent social security policy for the aged people in Nigeria, formal sector workers, including those who are employed in the public service, are believed to be a more "secured breed," given their access to pension in retirement. Having critically analyzed the Nigerian pension system, however, this view must be reconsidered and modified accordingly. In agreement with other scholars (Casey & Dostal, 2008, Onyeonoru, Egharevba, & Imhonopi, 2013), the chapter contests the viability of the current pension regime to deliver a socially and economically secured retirement life for a large segment of ex-public servants. As a source of social provisioning, pension system in Nigeria is at best fragile. The current pension system is still affected by some old challenges—corruption, mistreatment of retirees, and inequality. Definitely, the laws and procedures have changed, but the machinery of governance is immersed in corruption. The travails of retirees in Nigeria is reflected in the cases of misappropriations and frauds that have infected pension administration. The focus of subsequent reforms should therefore emphasize how corruption in the public service can be addressed is a sustainable way.

But more than this, within the context of other chronic governance inadequacies that we discussed, pension is becoming a less useful tool for countering insecurity among the growing population of aged retirees in Nigeria. As such, a comprehensive policy approach that aligns the need of retirees with the fate of several millions of working/aging/retiring/retired—but excluded—persons must be explored. In fashioning the policy for old age social protection, scholars have suggested the deployment of a social pension (Casey & Dostal, 2008; Onyeonoru et al., 2013). As both a philosophy and prudent public choice, social pension ensures that the government prioritizes citizens' welfare over profit while also qualifying as a conscious and sound response to a reality in which old people are working in order to provide for themselves and their dependent children and grandchildren—even long after retirement (Beedie, 2014, 2015; Elias & Isiugo-Abanihe, 2012; Togonu-Bickersteth & Akinyemi, 2014).

While state-level experiment with social pension is not unusual,[7] the approved 2016 budget also contained a social program package worth ₦500 billion, part of which will be deployed as conditional cash transfer to vulnerable groups. Even though challenges persist about who and how the so-called vulnerable groups will be identified and evaluated as "deserving," it is not guaranteed that the program will be sustained since there is no law which mandates the government to fund it annually.

In order to mitigate the vulnerabilities and address the insecurity that old people are facing, a social pension policy should be formulated for the country. A key step in this process is to revisit, review, and harmonize all pending bills on the subject. More than three draft laws, sponsored by different legislators, and all dealing in some ways with the social protection of older adult persons, have been presented at the National Assembly for passage and are now stuck at different stages of abandonment. Policy makers and those advocating for the welfare of old people must find a common ground upon which divergent interests can be harmonized in order to promote and facilitate the passage of a much stronger legislation on social pension for the aged. As Nigeria's demographic shift unfolds over the next couple of decades, such legislation would ease anxiety about old age insecurity, not just among government workers but also among those who operate outside the current pension regime.

NOTES

1. Instances of commissions set up are the Tudor Davis Commission (1945–46); Morgan Commission (1963); Eldwood Commission (1966); Adebo Commission (1971); Udoji Public Service Commission (1974); Dotun Phillips Civil Service Reform Commission (1988); Allison Ayida Civil Service Reform (1995); Civil Service Reform (2004); Steven Oronsaye Panel (2010–2011). Pension policies of the Nigerian government from 1951 onward include the Pension Ordinance of 1951; the National Provident Fund (NPF) of 1961; the Pension Act No. 102 of 1979; the Armed Forces Pension Act No. 103 of 1979; the Police and Other Government Agencies Pension Act No. 75 of 1987; the Local Government Pension Edict of 1987; the National Social Insurance Trust Fund scheme of Decree No. 73 of 1993 (replacing the NPF scheme before July 1, 1994). All of them made provisions meant to tackle loss of income in old age, invalidity, or death (Binuomoyo, 2010).

2. For instance, the *Punch Newspaper* is undoubtedly the most widely circulated and read newspaper in Nigeria. These online and offline publications are popular all over the country. Majority of the "stories" and narratives that we analyzed in this chapter were extracted from more recent online archives of the *Punch* and other online news platforms.

3. The Punch, 2015–2016.

4. Popoola, N. (2015–12–17). For federal retirees, rest is bitter after labor. The Punch Newspapers. Retrieved from http://www.punchng.com/for-federal-retirees-rest-is-bitter-after-labour/

5. Aborisade (2008, p. 98) argues that this provision was ambiguous, such that public service employees at the state and local government levels may be included in the "exemption" list.

6. Harmonized into the pension law through the PRA, 2014.

7. A good recent example was the Ekiti State Social Security Scheme, a social protection system initiated to address poverty and food security challenges of indigenes who are aged 65 years and above. The scheme involved monthly cash transfer and covered over 20,000 old people (Babatunde et al., 2013)

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