NON-CONTRIBUTORY PENSION SCHEME AND THE WELFARE OF RETIRED CIVIL SERVANTS IN EBONYI STATE, NIGERIA

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ABSTRACT

Pensioners in Nigeria face enormous challenges accessing their retirement benefits in the non-contributory pension scheme, which has negatively impacted on their welfare. This necessitated the introduction of contributory pension scheme in 2004. Ebonyi State is one of the states that are still operating the non-contributory pension scheme in Nigeria despite the challenges. A lot of studies on non-contributory pension scheme focused on corruption associated with the management of the scheme without examining other challenges and their effects on retirees' welfare. This study, therefore, examined the challenges and adequacy of the non-contributory pension scheme on the welfare of retired civil servants in Ebonyi State, Nigeria.

Social Exchange and Structural Functionalist theories provided the framework. Survey design was employed. Simple random sampling technique was used to select 400 retired civil servants out of 4,149 retirees on the payroll as at 2011 and 24 staff of pension department in the office of the Head of Service, 68 staff of Sub-Treasury in the office of the Accountant General spread across the 13 local government areas in Ebonyi State and 16 staff of Ebonyi State Audit where pensions are processed. Two sets of semi-structured questionnaire were used to collect data on demographic characteristics of respondents, adequacy of pensions in meeting retirees' welfare needs, retirees' coping strategies and challenges in the management of non-contributory pension scheme. In-depth interviews were conducted with three executive of the union of retired pensioners, six government officials, and two pensioners. Descriptive and inferential statistics (Chi-square at $p < 0.05\%$) were used to analyse quantitative data while qualitative data were content analysed.

The respondents' age was 55.2 ± 12.5 years, 69.7% were males while 26.2% had first degrees. About 80% of the retirees indicated that their pensions were not adequate in meeting their major welfare needs such as accommodation, adequate diet, health services and education for children. The most widely adopted coping strategies by retirees were investment of gratuities (45.5%) and relocation to family houses (32.3%). Major challenges faced by non-contributory pension scheme were lack of biometric data capturing machine (81.2%), high workload on staff processing pensions (61.2%), poor funding by the government (75.3%) and mismanagement of pension funds (54.2%). There was no significant relationship between monthly pensions of retirees and their welfare provisions ($X^2 = 4.07$). There was a positive relationship between monthly pensions of retirees and their household size ($X^2 = 52.91$). There was a significant relationship between educational qualifications of retirees and their monthly pension distribution ($X^2 = 379.13$). Inadequate preparations for retirement adversely affected the welfare of retirees, delay in the payment of retirement benefits, misappropriation of pension funds, bureaucratic delays and governments' unwillingness to review pensions were challenges confronting the non-contributory pension scheme.

Non-contributory pension scheme was inadequate in meeting retirees' welfare needs in Ebonyi State. There is the need to restructure the management of the non-contributory pension scheme in order to meet the needs of retirees in Ebonyi State.

Keywords: Ebonyi State pensioners, Non-Contributory pension scheme, Retirees welfare.

Word count: 492

CERTIFICATION

This is to certify that **Joshua Onuenyim NWEKE** with matric. Number 142117 carried out this thesis in the Department of Sociology, Faculty of the Social Sciences, University of Ibadan under my supervision.

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DEDICATION

This thesis is dedicated to God Almighty for His mercy, wisdom, protection and grace throughout my period of study. May His name be praised, now and forever more. Amen.

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AGIL: ADAPTATION, GOAL ATTAINMENT, INTEGRATION AND LATENCY

PAYGO: PAY AS YOU GO

CPS: CONTRIBUTORY PENSION SCHEME

PENCOM: NATIONAL PENSION COMMISSION

PFA: PENSION FUND ADMINISTRATOR

PRA: PENSION REFORM ACT

PTAD: PENSION TRANSITION DIRECTORATE

RSA: RETIREMENT SAVINGS ACCOUNT

TRSA: TEMPORARY RETIREMENT SAVINGS ACCOUNT

CHAPTER ONE

INTRODUCTION

1.0: Background to the Study

One index of a functioning society is how it cares for the elderly (Nwalo, 2007). One of the basic structures which modern society puts in place to weather the storm of old age among public servants is the pension scheme (Oviomo, 2007). Under this arrangement, a worker while in service sets aside an amount of money every month to be altogether paid upon retirement. This is called gratuity. The retiree or pensioner is also entitled to a monthly stipend called pension (Chizueze, Nwosu and Ogaboh, 2011 and Nweke 2014). Good pension guarantees employees comfort and commitment to the organization during their active years in service (Sule and Ezugwu 2009).

Over the years, the pension schemes of various governments in Nigeria revolved around two major types: non-contributory and contributory pension schemes (Dike, 2007). The non contributory pension scheme was introduced through the Pension ordinance of 1951 with retroactive effect from January 1, 1946, which provided public servants with both pensions and gratuities. Pension Decree 102 for the civil and public servants and Decree 103 for the military of 1979 were enacted with retroactive effect from April 1974 (Onwe, 2011).

In 1979, when the Pension Act 102 was signed into law, it became the main legislation guiding the entire public service. The Act specified that for a public officer to qualify for pensions, he or she must have served a minimum of fifteen (15) years. However, the public officer must put in a minimum of ten (10) years of service to qualify for gratuity payment. Later in 1992, the Act was amended to a minimum of ten (10) years of service for pension and five (5) years for gratuity (Nwalo, 2007).

Mismanagement of pension funds which resulted in non-payment of pensioners on time, non- availability of funds to service pension bills, corrupt practices among pension managers are problems associated with the non-contributory pension scheme in Nigeria. These have had far reaching negative effects on the welfare of civil service retirees. The establishment of the 2004 contributory pension scheme became inevitable in order to solve these problems. This opened a new chapter in the management of pension funds in Nigeria (Oviomo, 2007). The contributory pension scheme according to Dike (2007: 23) has the following benefits among others:

> *It gives assurance of retirement income. It increases employee productivity stemming from a better motivated workforce, reduces the tendency to embezzle funds because of uncertainty of pensions after retirement, provides funds for investment by Pension Fund Administrators, and the expansion in financing of projects by Federal Government of Nigeria. The scheme provides finance for mortgage financing and sustainable financing of infrastructural projects.*

Similarly, Adegoke (2006:79-80) identifies many advantages associated with the contributory pension scheme as follows:

> *It reduces financial burden on the employer on the payment of retirement benefits. It encourages prompt payment of retirement benefits. The scheme promotes savings for the benefit of retirees. It adopts major reform instead of cosmetic adjustment of the past. It ensures transparent and efficient management of pension funds. The pension scheme provides efficient regulatory and supervisory bodies. It establishes financially sustainable pension scheme for both public and private sectors. It empowers the worker to have control over the retirement savings account. It does not prevent the owner of account from changing of jobs and it promotes huge pool of long-term funds which are available for investment. It encourages investment and promotes economic development. It promotes specialist on retirement issues….*

The 2004 Pension Reform Act focuses on the federal government and not state government employees. However, the Act specifies that states governments could adopt it. The scheme provides for the establishment of Pension Fund Administrators (PFAs) who are charged with the responsibility of managing the retirement savings account of retirees and investing the pension funds under the supervision of the National Pension Commission (PENCOM). Employees are given the choice to appoint their Pension Fund Administrators. In this regard, employees appoint the Pension Fund Administrator's (PFA) of their choice, to manage the pension funds. In this process, workers are updated with information on the status of their savings (their 7.5% monthly contributions and also the 7.5% monthly contributions by the employer). In 2014, the Pension Reform Act of 2004 was reviewed to accommodate issues not contained therein. The Pension Reform Act 2014 reviewed upwards, the minimum rate of Pension Contribution from 15% to 18% of monthly emolument, where 8% will be contributed by employee and 10% by the employer. This will provide additional benefits to workers' Retirement Savings Accounts and thereby enhance their monthly pension benefits at retirement.

The implications of the mismanagement of pension funds under the non-contributory pension scheme and the problems faced by pensioners in Nigeria are numerous. While the problems of retirees keep increasing on daily basis, meeting up with their daily welfare needs become difficult. This has adverse consequences on retirees' welfare. It is on this basis that this study was designed. The study therefore focuses on addressing the influence of the non-contributory pension scheme on the welfare of post retirement life of civil servants in Ebonyi State Nigeria.

1.1: Statement of the Problem

All over the world, pension schemes are social security maintenance plan for workers after their disengagement from active service through retirement (Ilesanmi, 2006). Pensions and gratuities are the two major sources of livelihood for retirees (Ahmade, 2008). Retirees' access to welfare package is dependent on the nature of pensions available to them. Like other citizens, retirees need to have access to health services, food (balanced diet), accommodation, clothes for the household and education for children. In this light Rowland (2011) argues that in the face of high and nearly limitless needs, a significant amount of health care resources may need to be allocated to the elderly including retirees.

Olayinka (2012) identifies sources of retirement stress to include: insufficient financial resources, problem of managing surplus time at their disposal, stigma of being referred to as a retired person, the problem of managing irregular or non-payment of retirement benefit, learning new survival skills for post-retirement life, finding suitable accommodation at that age for their new status, adjustment to post retirement life style, coping with long idle hours with their partners, and problem of ageing as well as fear of imminent death. Denga (1980), Barnett and Whiteside (2002), Kolawole and Mallum (2004), Adegoke, (2006) and Nweke (2014) corroborated the above view.

It is often very difficult for retirees to cope with retirement stress and meet their welfare needs especially when their monthly pensions are far less than their monthly wages when they were in active service. Retirees' ability to survive is a great challenge. In the Nigerian situation, Nwalo (2005) observes that those who fail to prepare for their retirement never find the remaining part of their lives easy.

Rather than enjoy the dignity of life after active work, retirees are found to be involved in street demonstrations to protest against the neglect of their welfare by the managers of the non-contributory pension scheme (Oviomo, 2007). The high level of corruption, associated with the non-contributory pension administration in Nigeria, has worsened the situation. It has contributed to undue delays and denials of pensioners rights which have consequences on the lives of retirees (Uzoigwe, 1979; Ogunbameru and Bamiwuye 2004; Oshiomole 2009; Abu and Musari, 2012; Alli and Onogu, 2012; Adewole, 2012; Maina, 2012; Musari, 2012; Onyeonoru, *et al* 2013 and Nweke 2015).

The nature of social insecurity associated with retirement in Nigeria makes retirement unattractive to workers (Jonathan, 2009). In Nigeria, retirement is synonymous with suffering as if ageing is a curse rather than a blessing (Obasanjo, 2001).

In order to overcome the challenges of retirement discussed above, the 2004 pension reform Act was established in Nigeria in June 2004. However, Ebonyi state has not adopted the scheme after about 10 years of its commencement. Adegoke (2006) and Dike (2007) argue that public servants all over Nigeria feel protected by the new scheme while their counterparts in Ebonyi State are still grappling with the challenges of the non-contributory pension scheme. It is rather curious to think of why the Ebonyi State government would prefer non-contributory pension scheme with all the challenges and apparent failure to a contributory scheme which offers a better alternative by any rational socio-economic logic (Adegoke, 2006; Nwalo, 2007; Dike, 2007 and Nweke, 2015).

The effects of the continued implementation of the non-contributory pension scheme, the attendant deprivations and its implications on the lives of retirees are worrisome. Ebonyi State is one of the states that are still operating the non-contributory pension scheme in Nigeria despite the challenges. A lot of studies on non-contributory pension scheme focused on corruption associated with the management of the scheme without examining other challenges, their effects on retirees' welfare and coping strategies adopted by retirees in overcoming the challenges associated with the pension scheme. This study, therefore, examined the challenges and adequacy of the non-contributory pension scheme on the welfare of retired civil servants in Ebonyi State, Nigeria.

1.2: Research Questions

This study is guided by the following research questions:

1. How adequate is the non-contributory pension scheme in meeting the welfare needs of retirees in Ebonyi State?

2. What are the coping strategies adopted by retirees in overcoming their welfare challenges under the non-contributory pension scheme?

3. What are the challenges associated with the management of non-contributory pension scheme in Ebonyi State?
4. What are the factors that may account for the preference for the non-contributory pension scheme by Ebonyi State government?

1.3: Objectives of the Study

The broad objective of this study is to assess the influence of non-contributory pension scheme on post retirement life of civil servants in Ebonyi State. The specific objectives are to:

1. examine the adequacy of the non-contributory pension scheme in meeting the welfare needs of retirees in Ebonyi State.
2. investigate the coping strategies adopted by retirees in overcoming their welfare challenges under the non-contributory pension scheme.
3. investigate the challenges associated with the management of non-contributory pension scheme in Ebonyi State.
4. investigate the factors that accounted for the preference of the non-contributory pension scheme by Ebonyi State government.
5. examine the pre-retirement perceptions of serving civil servants regarding the effects of the non-contributory pension scheme on their future welfare.
6. ascertain the strategies adopted by civil servants in overcoming their future welfare challenges on retirement.

1.4: Significance of the Study

This study has empirical and policy significance. Empirically, this work contributes to the existing body of knowledge in the study of pensions especially as it affects pre and post retirement life of civil servants in Ebonyi State Nigeria. It becomes a reference material for researchers in the field of pensions.

In terms of policy, results from this study provide information that can be utilized in addressing systemic corruption under the non-contributory pension scheme and other policy flaws that led to the failures of pension schemes in Nigeria such as misappropriation of pension funds and delay in the payment of pensions. This will go a long way to addressing the welfare challenges of retirees arising from maladministration of the non-contributory pension scheme. The study also underscores the need to allow for the contributions of employees in policy formulation and management especially on issues affecting their welfare such as the pension scheme. Employees input will in no doubt help to foster harmonious work relationships in work organizations that are bound to increase organizational productivity.

1.5: Scope of the Study

This study focused on retired civil servants in Ebonyi State. This is a sector where government whose prime objective is to sustain the welfare of the citizens is itself the employer. The study had special interest in examining the non-contributory pension scheme and the welfare of retired civil servants in Ebonyi State, Nigeria.

1.6: Definition of Terms

The study has some terms/concepts which may have different meaning from their popular or everyday usage. Hence, there is need for their definitions as they suit the context of this research. These concepts are as follows:

Contributory pension scheme: This refers to a social protection package approved by the Federal Government of Nigeria by 2004 Pension Reform Act which allows employees and employers to make joint contributions of 7.5% of a worker's salary per month for the payment of pensions to employees towards their retirement era. For Armed Forces, employees' contribution is 2.5% while their employers contribute 12.5% respectively.

Non-contributory pension scheme: This is an employer-sponsored plan. The employer sets aside a given fund for the payment of retirement benefits (pensions and gratuities) to retirees. In Nigeria, this scheme was signed into law in 1979 as Act 102.

Pension Fund Administrators (PFAs): These are agencies licensed to open retirement savings accounts for employees, invest and manage the pension funds in fixed income securities listed and other instruments as the commission may from time to time prescribe, maintain books of accounts on all transactions relating to the pension funds managed by it, provide regular information on investment strategy to the employees or beneficiaries and pay retirement benefits to employees in accordance with the provision of the Act.

Pension scheme: A pension scheme is a social protection package for those who are out of work for one reason or the other. In essence, a pension scheme is a systematic plan for the provision of benefits for workers on cessation of employment due to change of jobs, invalidity, retirement or death.

Welfare: In the context of this study, welfare refers to retirees' access to health services, food (sustainable diet), shelter (accommodation), clothes and education for children.

1.7: Hypotheses

Hypothesis 1

Ho. There is no significant relationship level of monthly pensions of retirees and adequacy of welfare provisions.

Hypothesis 2

Ho. There is no significant relationship between monthly pensions of retirees and their household size.

Hypothesis 3

Ho. There is no significant relationship between educational qualifications of retirees and their monthly pensions.

CHAPTER TWO

LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.0: Types of Retirement Plans /Pension Scheme

Retirement plans /schemes are classified as defined benefit or defined contribution. The nature of each scheme is defined by how benefits are determined. A defined benefit plan calculates benefits using a fixed formula that typically factors in final pay and service with an employer, and payments are made from a trust fund specifically dedicated to the plan. In a defined contribution plan, the payment is dependent upon both the amount of money contributed into an individual account and the performance of the investment vehicles utilized.

2.0.1: Defined contribution plan

According to the Internal Revenue Code Section 414, cited in Jeffrey (2005), a defined contribution plan is an employer-sponsored plan with an individual account for each participant. The accrued benefit from such a plan is solely attributable to contributions made into an individual account and investment gains on those funds, less any losses and expense charges. The contributions are invested. For instance, in the stock market and the returns on the investment are credited to or deducted from the individual's account. Upon retirement, the participant's account is used to provide retirement benefits, often through the purchase of an annuity. Defined contribution plan has become more widespread in recent years and is now the dominant form of plan in the private sector.

2.0.2: Defined benefit plans

In a defined benefit plan, benefits are paid from a trust fund using a specific formula set forth by the plan sponsor. In other words, the plan defines a benefit that will be paid upon retirement. The statutory definition of defined benefit encompasses all pension plans that are not defined contribution and therefore do not have individual accounts. A defined benefit plan is similar to the non-contributory pension scheme which is the Pension Reform Act 102 of 1979 in Nigeria.

2.0.3: Hybrid and cash balance Plans

Hybrid and cash balance plans combine the features of defined benefit and defined contribution plans. In general, it is regarded as defined benefit plans for tax, accounting, and regulatory purposes. As with defined benefit plans, investment risk is largely borne by the plan sponsor. Plan benefits, in the defined contribution designs, are expressed in terms of a notional account balance and are usually paid as cash balances upon termination of employment. These features make them more portable than defined benefit plans and, perhaps, more attractive to a highly mobile workforce. A typical hybrid is the Cash Balance Plan. In Nigeria, the two pension schemes are not combined and run as a common pension plan. The non-contributory plan has distinguishing features from the contributory plan. The two are operated differently.

As contended by Riboud and Chu (1997), the pension scheme can be sub-categorized into the following: old age pension, invalidity pension, survivors' pension, social and service pensions. Nevertheless, the Nigerian non-contributory pension scheme contains most of the basic elements identified by Riboud and Chu (1997). For instance, if a retiree is dead, his /her survivor or next of kin becomes the beneficiary of the saved fund. Unlike the Nigerian case where pensions are to be paid to retirees, in countries like USA, Sweden, among others there are pensions for men over the age of 60 and women over the age of 55 (old age pension), sick persons who could not work receive validity pension, and there is also pensions for the disabled from birth. This is referred to as the social pension.

2.1: The Non-Contributory Pension Reform Act 102 of 1979 (PAYG) in Nigeria

The Colonial Administration introduced the pension system in Nigeria. The establishment of pension scheme in Nigeria dated back to 1951 with the Pension Ordinance; which was enacted and made retroactive from 1st January, 1946. The Pension Ordinance was largely designed for United Kingdom officers who were moved from post to post in the vast British Empire. The purpose was to ensure that they maintained continuity of service wherever they were sent to serve (Akhiojemi, 2004).

However, later on, the Pension Ordinance became applicable to indigenous staff; though it had limited application to the extent that it was granted at the pleasure of the Governor-General. Under the ordinance, pension was not an automatic right of Nigerians. It could be withheld at the flimsiest excuse (Akhiojemi, 2004). At independence, the Pension ordinance CAP 147 of 1958 Laws of Nigeria (effective 1/146) as revised by Legal Notices, obtained in the public Service up to 31st March, 1974. This was drastically amended and replaced by Decree 102 of 1979 (new Pension Act CAP 346 of 1990 Laws of Nigeria). This Law has a commencement date of 1st April, 1974. As at today, the Pensions Decree 102 of 1979 is the fundamental pension law from which other pension laws in the public service of Nigeria have developed (Akhiojemi, 2004).

In 1979, the Pension Act 102 was signed into law in Nigeria. The pension Act was meant to serve both private and public employees. The Act specified that for a public officer to qualify for pensions, he or she must have served a minimum of fifteen (15) years and a minimum of ten (10) years of service to qualify for gratuity payment. Later in 1992, the Act was amended to a minimum of ten (10) years of service for pension and five (5) years for gratuity. The Act is called Pay-As-You-Go defined benefits (Nwalo, 2007).

Major highlights of the Act include the following: Section 1(i)(b) of the Act states that "any period of service (other than war service) over six months and not included in a completed year shall, for the purposes of schedule I of the Decree as relates to officers entitled to pension count as one year". It must be pointed out that this approximation is applicable only after the officer has put in up to the qualifying service of ten years. In other words, one cannot approximate 9 years, 11 months, 29 days to be 10 years.

Circular with reference no B. 6334/XIII/879 of 29-6-92 states that where an officer has put in five years of service but not up to ten years, he should be entitled only to a gratuity but if he has put in ten years or more, he shall in addition to gratuity, be entitled to a pension in proportion to the number of years served. Section 3(6) states that pension is payable where an officer is compelled to retire before the attainment of 45 years of age, he shall qualify to draw pension immediately if he has put in up to 10 years of service or more, but those who withdraw or retire voluntary after serving for 10 years or more shall not be placed on pension payroll until they attain 45 years but they are entitled to be paid their gratuities immediately. The computation sheet of this class of retirees should be clearly stamped "subject to 45 years of age".

Section 5 of the Act deals with normal death in service which attracts death gratuity for officers who have not put in up to ten years (now five years) qualifying service. It should be noted that officers who served, even one day, before their deaths are entitled to one year salary as their death gratuities. But for those who have put in up to ten years of service, their death have the same effect as retirement and therefore qualifies their recorded next-of-kin to a gratuity and a guaranteed pension for five years.

Section 6 on the other hand, deals with death in the actual performance of an officer's duty. The Act stipulates "that where an officer dies in the course of his official duty and, without his own fault, there shall be paid to his recorded next-of-kin or designated survivors a gratuity to which the officer would have been entitled at the date of his death and in addition to the gratuity payable there shall be granted to his widow a pension for life at the rate of one-third ($^1/_3$) of the deceased officer's accrued pension at the date of his death if she remains unmarried and of good character. The children shall be paid one-ninth ($^1/_9$) of the deceased officer's last pay until each child attains the age of 18 years. The computing officer, in accordance with the above stipulations, shall itemize at the back of the computation sheet, benefits payable to the widow (if she remains unmarried and of good character) and the children (up to a maximum number of 6) indicating the age of each child. This is to guard against payment to children who are over 18 years of age or to married female children.

Section 7 deals with abolition of officer. Abolition of office may arise as a result of re-organization where some officers are abolished. If the holders of such offices cannot be transferred to another office, they will be retired. Those officers shall, in addition to the appropriate pensions paid to them, be entitled to 10 percent as compensation to pre-mature retirement. However, the total award shall not exceed 80 per cent for pension and 300 per cent for gratuity.

Section 11 of the Act states that, every retiree who qualifies for pension should be paid for a guaranteed period of 5 years. In cases of death, the family could elect to collect this 5 years pension en-bloc or spread it for the entire 5 years. Section 13(i) states that where an officer holding an un-established, temporary appointment transfers to a permanent one, the period during which he was on such un-established, temporary or contract appointment shall be pensionable provided that any allowance or extra pay in the form of contract addition to salary or contract gratuity which as granted to him while holding such temporary or contract appointment shall be refunded by him in full".

Section 13(ii) provides that "where an officer who retires or is required to retire from any public service other than on ground of ill-health or on abolition of his office, is qualified for the award of pension, he shall not be eligible for re-engagement on contract on temporary basis" (Pension Act 102 of 1979).

2.2: Pension and Gratuity Rates of Act 102 of 1979

The Act which established the non-contributory pension scheme provides the enabling guide/rate for the computation of retirement benefits: pensions and gratuities. Table 2.2.1 presents details of the computation rates.

Table 2.2.1: Pension and gratuity rates

Year of qualifying service	**Gratuity as % of final total annual emolument**	**Pensions as % of final total emolument**
5	100	-
6	108	-
7	116	-
9	124	-
10	100	30
11	108	32
12	116	34
13	124	36
14	132	38
15	140	40
16	148	42
17	156	44
18	164	46
19	172	48
20	180	50
21	188	52
22	196	54
23	204	56
24	212	58
25	220	60
26	228	62
27	236	64
28	244	66
29	252	68
30	260	70
31	268	72
32	276	74
33	284	76
34	292	78
35	300	80

Source*: Nwalo. (2007)*

Table 2.2.1 shows that a civil servant is qualified for pensions only when he/she had put in 10 years of active service and gratuity when he/she had put in up to 5 years in active service before retirement. Column one in the table contains the year of qualifying service, column two showcases the percentage of final total annual emolument that corresponds with each year of service while the last colum contains the total monthly emolument which is called pension. Using table 2.2.1, a retiree who had put in only 5 years in service before retirement is entitled to receive 100% of his or her total annual salary as gratuity and is automatically not qualified for pension. In the same vein, a retiree who had put in 11 years of service is entitled to receive 108% of his or her total annual salary as gratuity and 30% of his or her monthly salary as pension.

Thus, it is worthy of note that the Act 102 provides also that:

a. That payment of pensions should be correspondingly adjusted whenever there is a review of the salaries/ wages of serving officers.

b. An upward review of the level of benefits payable to some professional groups namely, University Professors, Head of Service, Permanent Secretaries, Armed Forces Service Chiefs and the Inspector-General of Police. These sets of officers are to be paid their salaries for life on retirement.

2.3: Assessment of the Pre- 2004 Pension Reform Act

The pre-2004 Pension Reform Act refers to as Pension Act 102 (PAYG) signed into law in 1979. The scheme was a failure in the public sector because those in the private sector introduced a contributory scheme that empowered them economically far above their counterparts in the public sector /the civil service (Nwalo, 2007).

World Bank(1994) reports that the system failed as a result of output contraction and rising system dependency ratio- the ratio between the population of age 65 and above to the population of age 15-64, reflecting both the decline in the number of contributors and the growth in the number of pensioners. Isiugo-

Abanihe (2014) maintains worldwide, both the number and proportion of people aged 60 years and over (otherwise called the elderly or the aged) are increasing, albeit, at different rates in different parts or regions of the world. Corroborating this view, Ani (2014) affirms that ageing is a global phenomenon and the population of the elderly, people aged 60 years and over, is growing rapidly. Evidently, the world's aged increased from 130 million to in 1950 to 419 million in 2000, a proportional share increase from 4 per cent to 7 per cent respectively (Waite, 2004). Nearly 10 per cent of the world's population or over 600 million persons are over the age of 60, and this is expected to double by 2050. About two-thirds of these 600 million persons live in developing countries (Schwarz, 2003). The United Nations in the 1990s projected that by 2025, the number of the aged in Nigeria would have risen from its 27th position in the 1959s to 11th position (United Nations, 1985).

Table 2.3.1: Comparative indices of older persons by development ranking

S/N	Country	% proportion of total population	Life expectancy	% population in future
1.	Nigeria (Low income)	3.2 (2006)	48.4	6 (2025)
2.	Kenya (Low income)	5.1 (2000)	55.6	10 (2050)
3.	Morocco (Mid. income)	8.1 (2000)	74.6	15.4 (2030)
4.	Philippines (Mid. income)	6	72.3	10.7 (2020)
5.	USA (High income)	12	79.6	17 (2020)
6.	Canada (High income)	12 (1998)	81	16.4 (2016)
7.	Japan (High income)	17.4 (2000)	80.2	29.5 (2020)

Source: Life Expectancy- Human Development Report 2010, UNDP Country Information on older persons (various countries).

Information in table 2.3.1 indicates that the high income countries have higher life expectancy and greater number of older persons in their population than the low income countries of which Nigeria is one. On this basis, Monye (2011) states that as the proportion of the older persons in the total population increases that of the younger population (0-16) decreases indicating higher life expectancy and better living standard for the entire population. From all these, there is the tendency that individuals will live longer than before in all countries. This is attributable to the fact that the world is focusing and recording improvement in peoples' quality of life (standard of living) which, in effect, is manifesting in longer life expectancy.

This agrees with the position of Makama (2011) when he posits that the population of the elderly in Nigeria is, expected to grow in future, both in terms of absolute number and the effects of demographic process of mortality and fertility. The Nigerian fertility, according to the Nigerian Demographic and Health Survey (NDHS, 2008), is showing signs of decline, and for this reason, the elderly population will also increase.

Olayiwola (2002), in his study, identifies several problems inherent in the Nigerian Pension Scheme. He states that the most critical problem confronting the Pension Schemes is demographic; arising from the increasing agedness of the working population. A minimal increase in fertility rate of about 6.4 % in 1994 and rising adult life expectancy rate from 39.5years in the 1960s to 51 years in 1990s have combined to produce a rapid increase at the apex of the population pyramid. The proportion of persons entitled to pension is, thus, rising and so is the volume of total pensions required to support these older people who, for a complex mix of social, economic and psychological factors, can no longer support themselves through participation in the labour market.

The second issue is the trend towards pension system maturity. Public pension based on PAYG principles, tends to be cheap to operate when new, since they have few beneficiaries. Over time, these ratios change and the costs rise. Costs can be temporarily contained by incorporating new groups of workers into the pension system, thereby expanding the contribution base. But once most of the population is covered, the scope for further expansion becomes minimal.

The third issue is the economic and political consequences of a global slowdown in the rate of economic growth. The expansion of public pension provision, since the 1960s, has been financed by largely public revenues generated by a higher overall level of taxation. Ageing and pension system maturity are together creating further pressures for tax increases to cover rising pension costs. But tax increases are politically more difficult to sustain when overall incomes are stagnant or falling than when they are rising. This was corroborated by Alo (2004) when he argues that many countries of the world are currently grappling with pension reforms in the face of pressures from ageing populations.

According to Fashoyin, (1990), there are problems of high payroll taxes and tax evasion. Under PAYG systems, when the population is young, small contribution, from the large number of workers, allows for payment of generous benefits to a few pensioners. As the population ages and the systems mature, however, pension scheme must charge higher taxes to pay the same benefits to the growing number of retirees. Payroll taxes for pensions are already over 7 percent of gross wages in Nigeria. As the population ages, over the next 20 years, the contribution rates will have to rise dramatically if the PAYG system and current benefits are to be retained. This implies that high payroll taxes mean less take home pay for workers still in service or more unemployment. High payroll tax rates that are linked to benefits, also lead to evasion. In Nigeria, the private sector accounts for over 45 percent of modern sector wage employment (Fashoyin, 1990).

If this trend continues, higher payroll tax would be needed to cater for the public sector retirees. This high tax rate can lead to evasion. This may be in form of labour force being diverted to the informal sector like in many Latin American countries such as Argentina. Evasion undermines the system's ability to pay pensions. It also further makes it necessary to raise payroll taxes, and hurts the economy since people who work in the informal sector are often less productive.

Misallocation of resources also constitutes problems to the Nigerian pension scheme. From 1990 to 1992, Nigeria's spending on recurrent expenditure on pensions and gratuities rose from 1.29% to 7.67%. Based on the 1991 National Population Census, these expenditures were being used to service the population that constituted the pensioners in these periods.

Using the same age structure of Nigerian population to project into the next 20 years; and given that the life expectancy of Nigerians will remain on the increase of an average of 37.6 per cent, this means that recurrent expenditure will be spent on pensions and gratuities to cater for I 9.8% of the population that would constitute the old-age people (World Bank, 1994). The problem is further compounded because, at the lower end, an increasing proportion of the population (32.4%) will not be workers but children in their schooling age. The burden of servicing the young and the pensionable old will definitely spill over to the general treasury as tax revenues earmarked for old-age pension will ultimately fail to cover the system's growing expenditure. High public pension-spending can hurt the economy if it squeezes out government spending on growth-promoting public goods such as infrastructure, education, and health services.

One other factor that led to the failure of the Scheme was systemic corruption. The Pension fund administrators or managers lacked fiscal discipline, financial irregularities, and diversion of pension funds (Bayo 2003). In confirmation of this, record reveals that the Military Pension Board (MPB) diverted over ₦1.25 billion of military pension funds to fixed deposit accounts with various commercial banks between 1999 and 2003. From this investment, an interest of more than ₦18 million was generated. Out of this sum, only N3.9 million was paid into the treasury, others went into pension officers' private account (Tell Magazine, 2004). This resulted in the non-settlement of pension and accrued arrears for military personnel. Some of them became beggars on the streets (Olori 2008).

Unlike some countries in Africa, Nigeria has not recovered from the lost decade. It has since 2004 been ranked among the top corrupt countries of the world (Transparency International 2008 and 2009). This is also an evidence of the country's weak institutional capacity – an issue that is germane to the success of the new pension scheme.

One major weakness of the PAYG scheme is lack of transparency by the managers. In their study, Chizueze, Nwosu and Ogaboh (2011) argue that prior to the introduction of contributory pension scheme in the Nigerian civil service, workers leave their jobs in the civil service to other well-paid jobs or to places where their retirement benefits are guaranteed. Corroborating this view, Akingbade (2006) observes that the high labour turn over in the civil service, especially among medical personnel, is not unconnected with payment of benefits including retirement entitlements to workers. In the same vein, Onwe (2011) argues that the non-contributory pension scheme suffered inherent, systemic problems which include funding, coverage, supervision, transparency, sometimes no budgetary allocations, mismanagement of funds, evasion of the scheme by most private sector employers, and many more. In line with this position, Onyeme (2001) posits that poor conditions of service and poor retirement benefits in the teaching profession are jointly responsible for the exodus of teachers to other juicy occupations.

2.4: Challenges of Effective Administration of Non-Contributory Pension Scheme in Nigeria

The main setback of the pension fund administration in Nigeria was the non-payment and/or delay in the payment of gratuity and pension by State and Federal. In many cases, the gratuity and pension due for retirees where owed them for many months. For instance, the pension backlog was put at about N2.56 trillion as at December, 2005. In fact, pension fund administration became a thorny issue with millions of retired Nigerian workers living in abject poverty and they were often neglected and not properly cater for after retirement (Orifowomo, 2006).

According to Odia and Okoye, (2012) 'retirees went through tough times and rigorous processes before they were eventually paid their pensions, gratuity and other retirement benefits. Some of the problems range from unavailability of money to pay benefits to Pension Fund Administrators not being available to meet retirees' needs. Basically, the old scheme has been beset with a lot of challenges and problems. Besides the aforementioned; other problems were: demographic challenges and funding of outstanding pensions and gratuities, merging of service for the purpose of computing retirement benefits. These problems coupled with the administrative bottlenecks, bureaucracies, corrupt tendencies and inefficiencies of the civil service, and the economic downturn have resulted in erratic and the non-payment of terminal benefits as at when due' (Odia and Okoye, (2012), Orifowomo, 2006; Abade, 2004).

Odia and Okoye, (2012) further enumerated the problems of the old schemes to include, but not limited to 'gross abuse of pensioners and pension fund benefits which were politically motivated in some cases, extended family and other traditional ways already broken down due to urbanization and increased labour and human mobility'.

Furthermore, taking into account the Statement of Accounting Standard (SAS) No. 8 "on accounting for employees' retirement benefits" the problems of the old pension scheme which led to the pensions reforms of 2004 include: wrong investment decision, wrong assessment of pension liabilities, arbitrary increases in pension without corresponding funding arrangements, non-preservation of benefits, some were mere saving schemes and not pension schemes, and serious structural problems of non- payment and non-coverage. There was no adequate safeguard of the funds to guarantee prompt pension and other benefits payments to retirees (Odia and Okoye, 2012).

The old scheme was characteristically defined benefits, unfunded mostly pay as you go, discriminatory and not portable. The employee was not entitled to pension benefits if he is dismissed from service. Also there was no adequate provision to secure the pension fund. Following the unsatisfying nature of the old scheme, the unpleasant experiences face by retirees and pensioners and the huge pension liabilities, it became apparent the need for reform and change (Odia and Okoye, 2012). Thus the need for a new pension scheme would ensure that workers need after retirement is adequately provided for.

Today, civil service pensioners are confronted with many challenges. These challenges often times hinder smooth pension administration. In this light, Oviomo (2007) argues that the daunting challenges range from embezzlement of pension funds, delay of government to pay pensioners, bureaucratic bottlenecks in processing retirement papers, payment of pension funds to individual accounts, fixed deposit accounts and wrong banks, short payment vouchers, privatisation of companies and parastatals, death arising from the exposure of pensioners to adverse weather conditions during screening exercises among others.To strengthen these challenges Akingbade (2006), posit that there is high labour turnover in the medical sector in Nigeria and that the movement of medical personnel to the countries of the West especially to the United States of America and the United Kingdom is not unconnected with the irregular and non-payment of retirement benefits.

(a) **Embezzlement of pension funds:** One major factor against good pension administration is embezzlement of funds meant for payment. For example, in Anon (2004), reports reveal that thirty days ultimatum was issued to the then President Olusegun Obasanjo by the National Association of Military Pensioners (NAMP) to pay their seven months arrears and 12.5% increment or they would unleash a terrible blow on the federal government. The paper reports that the President was accused of refusing to arrest detain and prosecute top generals and some banking institutions for allegedly embezzling about N22.2 million military pension funds.

In this light, Oviomo (2007) and Ajayi (2008) affirm that the situation of retired civil servants or pensioners is generally very disappointing, sad, pitiable and discouraging as a result of high level of corruption in the system. Abu and Musari (2012) state that Economic and Financial Crimes Commission seized property worth N4.5 billion of ex-pension boss-Dr. Sani Teidi Shuaibu over pension scam. In the same vein, Musari (2012) says that EFCC would seize assets of 31 persons involved in pension fraud of over N4.56 billion. Still writing on pension frauds, Musari (2012) reports on how a task force on Police Pension exposed N1.1 billion monthly frauds in Police Pension Office. The position of Alli (2012) is not far from this when he observes that detectives at the EFCC interrogated a Federal Permanent Secretary and two others for allegedly stealing N14.3 billion Police Pension fund.

(b) **Delay of government to pay pensioners:** Anon (2002) reports that over 15,000 Federal Civil Service Pensioners, residing in Lagos sent a save-our-soul message to the then President Olusegun Obasanjo to effect the payment of 142 per cent increase in pensions. In a statement issued by the Nigerian Union of Pensioners, 2002 the union expressed its concern over the delay members encounter whenever pension rates are reviewed by circular which are never paid until one or two years. Supporting this position, Onwe (2011) states, my banking Sojourn in four commercial banks had severally brought me face to face with miserable old retirees who crowd the banking halls eagerly waiting for their skimpy monthly pensions. In each case, I could see from the horrible looks on their faces that the money was all they hoped on for survival till the next payment. Some of them I interviewed said they were hopeless as the monies they were being paid was just for the settlement of old debts-the worst of it being that they did not know when the next payment would come.

(c) **Death of pensioners arising from their exposure to harsh weather conditions:** The Vanguard News paper in August 4, 2005 reveals that three pensioners of the Nigerian Railway Corporation (NRC) died while waiting for their pension arrears of 20 months. The umbrella body of the Nigerian Railway Corporation Pensioners Welfare Association alleged that 3,000 of its members had died since the pension crisis started. The association was, at that time demanding members 21 months' arrears of N3.7 million. A report in Business Day Newspaper in September 29, 2006 also reveals that in Britain, United States of America and other advanced countries, pensioners are called senior citizens and are accorded utmost respect and recognition they deserve. Here in Nigeria, the reverse is the case. Tens of thousands of pensioners have died because they had no money for food when they were hungry, or they had no money to buy drugs when they were sick, or they had no money to pay the education bills of their children. The pensioners had waited endlessly to collect their pensions which sometimes ran into arrears of up to 24 months of more. Corroborating this view, Adunwoke (2010) states that there is high death rate as a result of the exposure of pensioners to adverse weather conditions.

(d) **Payment of pensions fund to private account or in fixed deposit accounts and in unauthorized banks:** In Vanguard of 25th November 2004 p.35, a petition dated 18th August 2004 and signed by the National President of the Association of Military Pensioners of Nigeria-Benson Eromataun-was cited accusing the Obasanjo's regime of being insensitive to the problems of military pensioners, after the revelation that some generals and some banking institutions embezzled money meant for payment of 10 months pension arrears of the military pensioners. The government did not arrest, detain or prosecute them for fraudulently enriching themselves at the expense of their colleagues'. The Association threatened to disrupt fuel distribution around the country if Federal Government did not, within 30 days do something to alleviate their terrible conditions. Uwerunonye (2013) also states that Police Pension Reform Task Team was accused of looting N197 billion. The implications of the cases cited above show that pension administration, in Nigeria, is driven with frauds which has adverse effect on the life of pensioners and would be pensioners.

(e) **Privatisation of companies / parastatals by government:** The privatisation of government owned companies often has adverse effect on retirees. It exposes them to dangers of losing their pensions. This is the case that confronted the protesting workers and retirees of Delta Steel Company (DSC) when they shut down production and blocked the main entrance to the company for failure by the Federal Government to pay their entitlements following the sale of the company to Global Infrastructure by Bureau of Public Enterprise (Vanguard of 23rd April, 2003;9).

The lamentations of civil service retirees on the ugly treatment they received from the government they served up to thirty-five years as a result of the ineffectiveness of the old pension scheme in meeting their welfare demands was noted. Soyimbo (2010:3) summarised them as follows;

> *Tell the President and all these politicians, that this is not the way to treat elderly people... Tell them that they will also*

> *grow old and will be treated the way they have treated older people... Tell them that we have served this country with the whole of our youthful life, we deserve some respect... Tell them this pension is our entitlement, not a gift from their personal purses.*

In the same light, Omoyele (2012) states that there are twelve problems that face pension administration in Nigeria. He identified them as corruption, embezzlement, ghost pensioners, pensioners roaming the streets, pension cartel, falsification of cheques, impunity, obsolete administrative structure, irregularities including multiple bank accounts, manipulation of pensioners' data manual, inefficient accounting system, and non-availability of data for budget.

2.5: Welfare Challenges of Retirees and their Coping Strategies

Several welfare challenges confront retirees. These include: access to health services, access to comfortable accommodation, good food, clothing and access to good education for their children:

1. **Provision of health care services:** Barnett and Whiteside (2002) argue that a long term illness is likely to have impact on a household financially especially terminal disease like HIV/AIDS, cancer, kidney problems, tuberculosis, hypertension, diabetes, liver problems and so forth. The reason for this is that a long term illness increases the expenditure on medical care (medicines, transportation to obtain medical services, as well as allopathic and traditional medical treatment) and on food. An adult HIV-related illness, and death, is likely to reduce the household savings drastically. Studies have shown that HIV/AIDS has a great impact on the economic well-being of elderly people, particularly elderly women, and their households (Knodel, Watkins and Vanlandingham 2002; World Health Organization 2002). In their submissions, Lindsey *et al* (2003) maintain that not only do these elderly people lose a (potential) source of income when their HIV positive children become too sick to work, but they also have to spend the little they have on taking care of them, as well as paying for their funerals. In the study conducted in Zimbabwe, WHO (2002) found that

some of the elderly people lost the savings they had accumulated over a long period due to the long term illness of their adult children and the cost of taking care of their health needs before they eventually die.

Despite the non-availability of coping strategies such as buying on credit and joining a burial society the majority of these "near old" people, those over 60 years experienced adult illness and death in their households (Ogunmefun 2007). According to him, many people confirmed that it was financially difficult for them during the illness, eventual death, mourning, and funeral of their loved one they cared for. The few that did not have financial difficulty were either because a family member helped them or the deceased joined a burial society which assisted in the funeral. Rowland (2011) sums up the need for retirees access to good health as follows:

- *As life is extended and death postponed, the retiree (elderly) live longer, thus requiring more healthcare resources.*
- *As life is extended, the proportion of elderly within society increases thereby increasing the burden of care.*
- *You can't provide just some of the costs (e.g., dementia or hip fracture).*

2. Access to accommodation: Good accommodation is essential to the retirees. Adegoke (2006), states that most often, retirees may not have the opportunity to have good accommodations of their own. If they were senior staff, occupying well-furnished government quarters, or living in rented apartments, then it becomes a problem after retirement because retirees may find it extremely difficult to maintain big accommodations since their sources of income would have reduced. In agreement with this position, Isiugo-Abanihe (2014) states that in the absence of suitable and government-subsidized living accommodation, many senior citizens live in deplorable conditions and is scarcely or scantly provided for. As a copying strategy, Adegoke (2006) advised that retirees should go for comfortable, convenient, and cheaper accommodation that their income could afford. He further states that the best thing would be for retirees to save and acquire their own houses before retirement. He suggests that retirees could borrow from the bank or join the cooperative thrift and credit societies in their work places. Loans can be obtained from the cooperative society, the bank, from employer, or from the National Housing Fund. Any of these could assist employees build their houses before retirement.

3. Access to food: Good food (balanced diet) is essential in the lives of everyone especially the aged or retirees. In the views of Kemps and Buttle (1979) as cited in Ubangba and Akinyemi (2004), retirement is a transfer from one way of life to another. They note that many people suffer from retirement shock in the early period of their retirement as a result of deprivation. In the opinion of Olusakin (1999), retirement involves a lot of changes in values, monetary involvements and social aspects of life. He further notes that for some retirees, retirement leads to termination of a pattern of life and a transition to a new one. However, Billings (2004) describes retirement as the transition from first adulthood to second adulthood which is often a jarring and unsettling experience. The implication of this is that due to the change in the income status of retirees, their feeding pattern is automatically affected. There is great challenge in having access to good food for the household. Therefore there is need for adjustment in all aspects of life. On coping strategies, retirement studies have shown that responses differ on the basis of gender. Lokshin and Yemtsov (2004), for example find that 59.3% women sampled in their study reduced their expenditures on food consumption compared to 48.5% men. Similarly, 8% men reported that they found additional jobs to cope with poverty compared to 5.4% women. Denga (1996) maintains that retirement is known to affect income, residence, family structure or relationship between members, health, and economic viability of the retirees. None-the-less, the case is worsened when the retiree is not adequately prepared to face this ultimate phase of life.

4. Access to clothes for the retiree and his / her household: Good dressing is one of the needs of man. Due to the lean income of retirees, their ability to purchase new dresses for themselves and their household would be affected. Using panel data for the period 1996 and1998 and through logistic regression model run on a sample of 2,875 households in Russia, Lokshin and Yemtsov (2004) found that 63% of the respondents adopted cutting expenditure on clothes as a poverty coping strategy while less than 5% of the respondents turned to government agencies for assistance as a coping strategy. These findings show that about 66% of the respondents indicate that their spending on shoes and clothes was lower than in the pre-retirement period. Similarly, more than half of the respondents reduced their expenditure on food after retirement. The findings further indicated that 15% of the respondents cultivated their personal plot of land while 4% sold their belongings to cope with poverty. However, 5.1% of the respondents changed their place of residence, 18% of them sought help from relatives, 3.3% indicated that they merged in with other relatives and 7% turned to friends for assistance to cope with the changing reality of life.

When vulnerable people lack the opportunities to choose active coping strategies, this should be a source of concern to policy makers. The active coping strategies include: an increase in home production, change in place of residence, finding supplementary work or second job, formal borrowing from banks, petty trading, and others. Nevertheless, the failure of households to adopt active coping strategies is not only reflected in household consumption but also affects nutrition, health, and education (Dercon, 2002; Dercon, 2006; and Zimmerman and Carter, 2003). However, the weak strategies include: sale of assets (Dercon, 2006); promoting additional family members participation in the labour force, reducing consumption patterns, including restriction of food intake of family members, taking children out of school to reduce education expenditures, or postponing health care expenditures, relocating and/or restructuring households, for example by having several families living under one roof, drawing on outside help both in kind and in cash, including support from local communities, friends, relatives, and private institutions such as NGOs. In addition, Hicks and Wodon (2000) argue that the adoption of weak coping strategies by households may have permanent effects that will make it difficult, if not impossible, for them to be salvaged from falling into chronic poverty trap.

5. Access to education by retirees household: Good education is needed by both the young and the old. Retirees need to provide good education for their children or wards. For instance, Hicks and Wodon (2000) opine that substitution, between work and schooling reduces the human capital endowment of working children. This may occur because working children may expect, on average, a loss of about 7 percent of their discounted life-time earnings when they are put to work (Hicks and Wodon, 2000). The expected loss may be incurred even after taking into account their positive earnings when working as children and the higher level of experience accumulated because of work at an early age (Hicks and Wodon, 2000). Glaringly, the extent of the long-term losses due to child labour, as a result of withdrawal from school, calls for the design of programmes that help parents keep their children in school, especially during economic crises. Similarly, Dercon (2006) argues that selling off assets as a coping strategy is not costless for the fact that it may lead to low level of welfare in both the short and long-runs.

The hardship faced by most households engulfed with shocks, especially those headed by women in Nigeria, may be as a consequence of the adoption of weak coping strategies. As women continue to be the breadwinners of the households without any contribution from men, the affected households will find themselves vulnerable to economic and climatic shocks.

6. **Access to care givers and support:** the retirees need support and care. This is as a result of their conditions as elderly or senior citizens who have exhausted greater part of the energy during their active years. In this light, Aboderin (2004) in her findings argues that care and support have declined in two ways; the first is that older adults are left to fend for themselves as the extended families no longer provide care and support, and those provided by children are not enough. This was caused by scarce resources and rising cost of living which inform a rational

decision of placing priority on immediate family members comprising of self, spouse and children. In support to this, position, Isiugo-Abanihe, (2014) states that the breakdown of the extended family, which has accompanied industrialization, and urbanization in Nigeria, as in other countries, has reduced the amount and quality of care provided by the family to the elderly. In the absence of suitable and government subsidized living accommodation, many senior citizens live in deplorable conditions and are scarcely and scantly provided for.

However, family members were pivotal in providing care and support for the elderly (Unanka, 2003; Cattel, 1990). The extended family functioned effectively in providing care and support for the elderly. They provided emotional, social and financial support to the aged especially when they were facing widowhood and bereavement. Supporting this view, Wahab and Isiugo-Abanihe, (2008, 2010) argue that in traditional society, there was an upward flow of wealth that is wealth flow from children to parents. Based on this, a large household was maintained such that the status of the head of the household depended on the number of children. Children were also seen as an economic investment for parents in old age. This was partly responsible for having a large number of children on whom to depend on for sustenance in old age (Isiugo-Abanihe 1994).

In order to cope, the elderly in some developed countries continue to work even after age 65. In Japan, the labour force participation of the elderly aged 65 and above is high; about 85% of men aged 55-64 and one third of all elderly aged 65 and above continue to work (Kinsella and Gist, 1995) In Africa, about 30% of women and 50% of men continue to work even at age 65 and above and the majority of these are rural dwellers who coincidentally are farmers (Hatendi, 2014). In Nigeria and other developing countries, work participation of the elderly is higher than those of the industrialized nations due to the limitation of retirement coverage and social support (Kinsella and Gist, 1995). According to NPC (2009), most of the elderly in Nigeria continue to participate in the labour force even in their old age and towards the end of their lives. Isiugo-Abanihe (2014) affirms the above positions when he states that the characteristic inadequacy in care and support experienced by the elderly in Nigeria compel them to remain in active labour force for a long time, many years after retirement. Nevertheless, as the person ages, efficiency declines and the number of roles which he plays diminishes at the same time that the extent of his interaction with other also shrinks and changes in quality.

In summary, Kolawole and Mallum (2004) note that the typical retiree in Nigeria is confronted with the challenge of managing the following: (i) insufficient financial resources; (ii) problem of securing residential accommodation; (iii) the challenge of a new and low social status; (iv) difficulty in having access to good food and (v) challenges of deteriorating health.

Some scholars advocate re-engagement of retirees in paid jobs after retirements as a way to overcome some welfare challenges. In this light, Mustric (1980) declares that many times, it is wiser to physically engage in part-time jobs and to earn what one can under social security regulations, thus conserving one's health. Corroborating this view, Amadi (1991) states that a study conducted by the International Labour Organization (ILO) shows that the compulsion to continue work beyond the age of 65 is much more rampant in less technologically developed nations such as Nigeria. He further states that result indicates that out of 151 countries covered in the study, less than 10 per cent of the old people in economically advanced countries were found to be working. In Mozambique, 91 percent of men and 76 per cent of women aged 65 years and above were active in the labour force. In Tanzania, the comparable figures are 87 per cent of men and 60.7 percent for women. In 20 African countries, between 74 and 91 percent of old people of 65 years and above continue to work.

This implies that the continent of Africa has the largest number of old people who are compared by family and economic circumstances, to work well beyond the age 65. In the same vein, Uzoigwe (1997) states that a retiree who is physically and mentally fit can get a part-time job to earn more money to supplement his/her retirement incomes or to keep working instead of staying idle and bored to death during retirement because he/she enjoys working and or to have more time for other personal activities like community service, vocations, hobbies, more time with the family and so on. This was strongly supported by Nwalo (2005) when he states that apart from establishing his/her own business, a retiree can take a full-time employment on contract basis. At the cessation of the contract employment, he/she receives only contact gratuity but no more entitled for pension as a retired officer. He further states that a retiree can take post retirement contract if he/she is healthy, does not want to remain idle and to support his/her pension benefits. During retirement also, retirees who are capable can go into full-time politics. He /she can earn some money if appointed or elected to any post and saves him from the boredom of staying at home which is one of the various problems pensioners face in retirement.

Onwe (2011) advises would be pensioners to key into the new pension scheme because of its promises. He states that would be retirees should know the status of their Retirement Savings Accounts (RSA) periodically, they should get interested in knowing the latest regulations on pensions and how they affect them and in addition not to rely solely on pension to solve all their monetary problems in retirements.

2.6: Pension Schemes of Selected Countries

In view of the variations in the pension schemes of various countries, it is important to have a comparative review of some of them in order to determine their stability and viability. The countries their pension schemes were reviewed in comparison with Nigeria’s non-contributory pension scheme were drawn from two continents: Europe and South America. Ukraine was chosen from Europe and Argentina from South America. This is aimed at having a comparative global view of their pension schemes with that of Nigeria's non-contributory scheme. This affords the opportunity of appraising Nigeria's contributory pension scheme in the committee of nations. In this light, the existing relationships between them were identified.

2.6.1: Argentina's Pension Scheme

Olayiwola (2002) in his study observes that Argentina operates a Multi- Pillar System of pension scheme administration. In a multi-pillar system, the three functions of pension scheme are carried out by three pillars having separate administrative and financing mechanisms for redistribution and savings.

1. The first pillar is for mandatory savings, which would differ dramatically from most existing systems. It would be fully funded, would link benefits actuarially to costs, and would be privately and competitively managed through personal saving plans-or occupational pension plans. It is mandatory because it would require people to save for old age, which everyone should normally do but some are too short-sighted to do.

   It is privately managed with the basic aim of producing the best elevation of capital and the best return on savings. The World Bank (1994) study's data show that most publicly-managed pension reserves earned less than privately managed reserves, and in many cases, lost money because they were required to be invested in government securities or loans to failing state enterprises at low nominal interest rates that became negative during periods of severe inflation.

   In addition, publicly managed funds run the risk of encouraging deficit finances. In contrast, competitively managed funded pension plans would spur financial markets, promote private sector development, benefit from international diversification of investments, thereby reducing country-specific risks and enhancing economic growth.

In this arrangement, three caveats are essential. First, a country must learn to relate to more than one complementary capital market. Second, considerable government regulation is essential to avoid investments that are overly risky or managers who are fraudulent; and third, a public pillar is needed to provide a social safety net in case investments fail.

2. The second pillar is for redistribution. This is a public pillar that resembled existing public pension plans in that it would be publicly managed and tax financed. Unlike most current systems, the reformed public pillar would focus on redistribution, thereby providing a social safety net for the old particularly the old whose lifetime incomes are low or who's investment in the savings pillar have failed. To accomplish this, the benefit formula could be flat and means-tested, or could provide a minimum pension guarantee. However, the benefit formula should not be positively related to earnings as most public pensions-are today.

3. The third pillar is for voluntary saving, which offers additional protection through voluntary occupational pension or personal saving plans (possibly tax-advantaged), for people who wanted more income in their old-age.

The insurance function would be provided jointly by all three pillars. They would all provide annuities to protect the old against costs incurred. Comparing this with Nigeria, the three pillars under which Argentina's pension functions are the same with the contributory pension scheme in force in Nigeria today especially as it affects the first pillar for mandatory savings. The pillar for redistribution and voluntary savings make the great difference.

2.6.2: Ukraine's Pension Scheme

The social security system in Ukraine has many components that are carried over from the Soviet era. The benefits provided by the system include pensions, maternity, sickness, and other employee benefits. They also include unemployment insurance benefits and job search assistance for unemployed citizens; and allowances for the elderly and families with children. The pension package of Ukraine covers many people; both those who retired from active service and those who are less privileged. On this basis Ukraine can be addressed as a welfare state or nation. This is not the same with Nigeria. About 80% of benefits are financed through payroll taxes amounting to 52%, while the remaining is financed out of general revenues of the state or from local government budgets. By far, the most important programme is the pension system which represents about 8% of GDP and provides benefits to more than a quarter of the population (over 14 million Ukrainians in 1996) (Ribond and Chu, 1997).

The Ukraine pension system is similar to public pension schemes in many industrialized countries. It is based on the pay-as-you-go (PAYG) principle. Workers and their employers make contributions to the programme over their active careers. These contributions finance benefits to current pensioners. The present employers' contribution rate is 32.56% of workers' salaries while employees contribute 1% of their wages. The pension system currently offers pensions to more than 14 million beneficiaries (Riboud and Chu 1997).

2.7: Comparative Review of Pension Schemes of Ukraine and Argentina in Comparison with Nigeria's Non-Contributory Pension Scheme

In this segment of this review, care is taken to present basic indices associated with each country's pension scheme. Tables 2.7.1 contains indices such as their nature of benefits, taxation of funded scheme, social security components and their regulation of portfolio.

Table 2.7.1: Nature, taxation structure, social security contents and regulatory portfolio of the pension schemes of Ukraine, Argentina and Nigeria

INDICES	UKRAINE	ARGENTINA	NIGERIA

Nature of benefits for average member.	Publicly Funded PAYG System	Multi-Pillar System	Defined benefit plan/ Scheme
Taxation of funded scheme	Benefits are tax-free	Contributions and assess returns tax free, benefits taxes.	Pension benefits are not taxed
Social Security	High replacement ratio	High replacement ratio.	High replacement ratio.
Regulation of portfolios	Employers' contributions is 32% of workers' salaries and employees contributes 1% of the wage budget.	Majority are listed in long-term capital and insurance	Employers bear the burden of pensions a lone

(Sources: Riboud and Chu 1997 and modified by Nweke 2015).

Information in table 2.7.1 shows that Ukraine operates the PAYG pension scheme while Argentina is using a three pillar system. The Argentina's scheme has a mixture of both compulsory and voluntary savings. In the case of Nigeria, it is non-contributory or defined benefit plan. This scheme has been repealed with the introduction of 2014 Pension Reform Act for staff of the federal government of Nigeria and the Federal Capital Territory. The implication is that states and other formal work organizations not covered by the 2014 Act have the opportunity to adopt the scheme.

Ukraine's pension is funded by workers and managements/ employers of labour. Funds are generated by management /employers by their contribution of 32.56% of workers' salaries while employees on their part contribute 1% of their salaries.

With its contributory contents, this scheme is similar to the Nigeria's 2004 Pension Reform Act and as amended in 2014. It varies with the non-contributory pension scheme which is still in force in some states in Nigeria. Under non-contributory pension scheme, employers bear pension burden alone.

Argentina has three pillars that are publicly funded. In this case the first pillar is build by compulsory contribution while the second pillar is tax financed. It is a special scheme for the less privileged old citizens of the country. The third pillar is built by voluntary savings. People are encouraged to make savings they will gradually draw from when they are old and could no longer work. This offers additional protection to the old / the elderly since they will have more funds to take care of their welfare needs.

In Ukraine, pension benefits are tax free while in Argentina's contributions and benefits are taxed. In the Nigeria's case pension benefits are not taxed. The entire three pension schemes have high replacement ration in their operations.

Table 2.7.2 presents issues relating to their regulation of funding, maturity of funds, insurance benefits and portability associated with the pension schemes.

Table 2.7.2: Regulation of funding, maturity of funds, insurance benefits and portability associated with the pension schemes of Ukraine, Argentina and Nigeria

INDICES	**UKRAINE**	**ARGENTINA**	**NIGERIA**
Regulation of funding	52% contribution by payroll taxes and the remaining from the government budget	The First Pillar: 16% employers' contribution. Taxes and transfer from General Revenue. The Second Pillar 11% employers contribution rate	The plan sponsor (employer) has a defined structure of raising funds to sustain the scheme
Maturity of funds	Mature	Immature	Mature
Coverage of workforce (approx)	100% (Public) Unknown (Private)	60%	Currently its only applicable to some states that are yet to adopt the contributory pension Act of 2014 in which all federal government staff and the staff of the federal capital territory are keyed into.
Insurance benefits	Yes (Publicly guaranteed)	Yes (This is via the AFJP) Insurance Scheme	No insurance guarantee
Portability features	Vesting is 5 years. Lump sum benefits not transferable other than in the public sector.	Immediate Access to Minimum contributions. Imperfect vesting for employers' excess contribution.	Access to the package is on retirement as provided by the plan. Value of pension is grade according to rank and years put in active service.

(Sources: Riboud and Chu 1997 and modified by Nweke 2015).

The contents of table 2.7.2 indicate that Ukraine's and Nigeria's pension schemes are mature by status while that of Argentina is immature in terms of funding. Under Ukrainian provision, her pension scheme funds are pulled from payroll taxes (52%) while the remaining from government yearly budget. Argentina pulls funds from employees and from taxes too. The third pillar is voluntary savings sponsored. In the case of Nigeria, funds are pulled into it through budgetary allocation by states that are still operating it.

It is clear that 100% of work force in Ukraine is covered in their pension scheme. Other individuals who are not employed are also protected. The Argentina's scheme covers 60% of the work force population while Nigeria's scheme covers about 30% of states that are yet to key into the contributory pension scheme. In the main, all these pension schemes are guaranteed through insurance with the exception of Nigeria's non-contributory scheme. The implication is that Both Ukraine and Argentina's pension schemes have solid financial security while that of Nigeria does not have. It is also clear that access to any of the scheme by beneficiaries is at maturity.

It is important to look at the challenges that face these pension schemes. Information in table 2.1.3 shows the problems and constraints of the schemes.

Table 2.7.3: Problems and constraints associated with pension schemes of Ukraine, Argentina and Nigeria

INDICES	UKRAINE	ARGENTINA	NIGERIA
Problems	1. High level of spending 2. Pensions represent ¼ of the population 3. Pensions represent 8% of GDP	1. Low effective coverage 2. Low contribution rate 3. Low beneficiaries 4. Heavy operating loss 5. High operating cost	The scheme is open to corruption and other administrative flaws which have adverse effect on retirees.
Constraint	1. Revenue of the Fund declined 2. Number of the beneficiaries continues to grow	1. relatively new system 2. High switching of accounts between private and public pillar.	It is an old system which does not give workers enough funds in their retirement life.

(Sources: Riboud and Chu 1997 and modified by Nweke 2015).

Information in table 2.7.3 shows that all the pension schemes reviewed have daunting challenges. In Ukraine, there is a teaming population of pensioners. Pensioners constitute ¼% of her total population. This implies that ¼ % of her national income or budget should be targeted at the welfare of the elderly. In this light, pensions in Ukraine represent 08% of the total GBP.

Argentine's pension scheme has a challenge of low effective coverage, low contribution rate, heavy operating loss and high operating cost. This implies that there is heavy pension burden on the country which would likely affect the provision of welfare packages for other citizens.

However, in Nigeria, the non-contributory pension scheme is open to administrative flaws like corruption. This has adverse consequences on retirees. The non-contributory pension scheme is more expensive on all counts to a contributory scheme which offers a better alternative by any rational socio-economic logic (Adegoke, 2006; Nwalo, 2007; Dike 2007 and Nweke, 2015).

The major constraint to Ukraine's pension scheme is dwindling of funds. As payroll taxes reduce, these also affect pension funds. The numbers of pensioners keep increasing on daily basis. For Argentina, the major constraints are that the scheme is relatively new and there is high switching of accounts between private and public pillar. In Nigeria the scheme is assessed to have lasted since 1979. It has maturity status but it is associated with systemic flaws.

The last indices to critically look at now are the possibilities and indexations akin to the pension schemes reviewed. Table 2.7.4 contains the needed information.

Table 2.7.4: Possibilities and indexation of pension schemes of Ukraine, Argentina and Nigeria

INDICES	UKRAINE	ARGENTINA	NIGERIA
Possibilities	1. Reduced budget transfer 2. Shrinking benefits 3. Narrowing range of payment 4. reducing overall benefits	1. Compulsion 2. Right to choose between the public and private pillar 3. Right to select and change pensions fund management company.	1.It is not compulsory to public and private sector workers 2. It increases the risks of frauds in pension fund management.
Indexation	Mandatory	Indexation not compulsory but almost universal in practice	Indexation not compulsory

(Sources: Riboud and Chu 1997 and modified by Nweke 2015).

In table 2.7.4, the possibilities associated with Ukraine, Argentina and Nigeria's pension schemes very in their contents. Ukraine's has reduced budget transfer, shrinks benefits, narrows rang of payment and reduces over all benefits. Argentina's has the possibility of compulsion associated with the first pillar. Individuals have the option of choosing between the public and private pillars. The right to select or change pension funds managing company is also functional in Argentina's case. In Nigeria, the scheme is optional to state governments and other private sectors. It increases the risk of frauds in pension management. In their management, indexation for Ukraine is very compulsory while it is not in Argentina and Nigeria's though it's almost universal in practice.

2.8: The Nature of 2004 Pension Reform Act

The 2004 Pension Reform Act is an enactment of the Federal Republic of Nigeria's National Assembly. The Act provides a contributory pension scheme meant for payment of retired benefits of employees to whom the scheme applies.

In its objectives, the Act provides that every person who works in either the public service of the federation or in the private sector receives his/her retirement benefits as at when due. It also ensures that employees save in order to cater for their livelihood during old age. The Act equally establishes a set of uniform rules, regulations, and standards for the administration and payment of retirement benefits for both public and private sector employees. The Act specifies that the authentic age of an employee, entering the public service or any other employment, shall be that submitted by him/her on entering the service or taking up the employment.

In case of employee's death, his/her entitlements, under the life insurance policy, shall be paid to his retirement savings account. In view of this, the Act provides that it is the duty of Pension Fund Administrator to apply for this amount, under a will on behalf of the deceased, in favour of the beneficiaries of the deceased spouse or children. In the same vein, where an employee is confirmed missing, his/her case is to be treated as that of a dead person.

Section 9 of the Act provides the rate of employers and employees contribution to the scheme. In the case of the civil servants, a minimum of seven and half percent (7½%) contribution should be made monthly by its employer (the government) while a minimum of seven and half percent (7½%) should also be made by employees (the civil servants). It is also the responsibility of employees to make choice of Pension Fund Administrator. When this choice is made, the employee is mandated to open a retirement savings account with the administrator. Employees are allowed to transfer from one Pension Fund Administrator to another. The Act also provides for the establishment and composition of a body called the National Pension Commission. The commission is charged with the responsibility of regulating, supervising, and ensuring effective administration of pension matters in Nigeria. In the case of any fraud in the management of pension funds, the Act requires the Pension Fund Administrator or Custodian to report it to the commission. This can be done on monthly basis.

Evaluating further the emergence of 2004 Pension Reform Act, Dostal and Cassey (2007) argue that the Nigerian government saw the Chilean reforms (Chilean Model) to be emulated and copied but they failed to learn the lessons of Chile. In fact, at the time Nigeria established the 2004 Pension Reform Act, Chile was preparing for an alternative Social Pension Scheme. Again while the Nigerian government was beginning to give serious attention to pension reforms (using the Chilean Model) in 2005, the Chilean model was being criticized by supporters of the scheme and the World Bank had come to conclude that the Chilean reform model has not delivered the benefit that it was set out for from the beginning because of the too many assumptions made. Therefore, it was advocated that to realize the claims, other reforms were also required to complement or precede the pension reforms (Gill, Packard and Yermo, 2005, Holz and Hinz, 2005 World Bank, 2005).

2.9: Transitional Changes of 2004 Pension Reform Act to Pension Reform Act 2014

Several issues faulted the 2004 Pension Reform Act. This gave rise to the emergence of the Pension Reform Act of 2014. It is therefore, imperative to present the major highlights of the 2014 Pension Reform Act which repealed the 2004 Pension Reform Act.

2.9.1: Upward review of the penalties and sanctions

The sanctions provided under the Pension Reform Act 2004 were no longer sufficient deterrents against infractions of the law. Furthermore, there are currently more sophisticated mode of diversion of pension assets, such as diversion and/or non-disclosure of interests and commissions accruable to pension fund assets, which were not addressed by the Pension Reform Act 2004. Consequently, the Pension Reform Act 2014 has created new offences and provided for stiffer penalties that will serve as deterrence against mismanagement or diversion of pension funds assets under any guise. Thus, operators who mismanage pension fund will be liable on conviction to not less than 10 years imprisonment or fine of an amount equal to three-times the amount so misappropriated or diverted or both imprisonment and fine.

2.9.2: Power to institute criminal proceedings against employers for persistent refusal to remit pension contributions

The 2014 Act also empowers National Pension Commission (PenCom), subject to the fiat of the Attorney General of the Federation, to institute criminal proceedings against employers who persistently fail to deduct and/or remit pension contributions of their employees within the stipulated time. This was not provided for by the 2004 Act.

2.9.3: Corrective actions on failing licensed operators

The Pension Reform Act 2004 only allowed PenCom to revoke the licence of erring pension operators but does not provide for other interim remedial measures that may be taken by PenCom to resolve identified challenges in licensed operators. Accordingly, the Pension Reform Act 2014 now empowers PenCom to take proactive corrective measures on licensed operators whose situations, actions or inactions jeopardize the safety of pension assets. This provision further fortifies the pension assets against mismanagement and/or systemic risks.

2.9.4: Restructuring the system of administration of pensions under the defined benefits scheme (PTAD)

The Pension Reform Act 2014 makes provisions for the repositioning of the Pension Transition Arrangement Directorate (PTAD) to ensure greater efficiency and accountability in the administration of the Defined Benefits Scheme in the federal public service such that payment of pensions would be made directly into pensioners' bank accounts in line with the current policy of the Federal Government.

2.9.5: Utilization of pension funds for national development

The Pension Reform Act 2014 also makes provisions that will enable the creation of additional permissible investment instruments to accommodate initiatives for national development, such as investment in the real sector, including infrastructure and real estate development. This is provided without compromising the paramount principle of ensuring the safety of pension fund assets.

2.9.6: Enhanced coverage of the CPS and informal sector participation

The Act expanded the coverage of the Contributory Pension Scheme (CPS) in the private sector organizations with three (3) employees and above, in line with the drive towards informal sector participation.

2.9.7: Upward review of rate of pension contribution

The Pension Reform Act 2014 reviewed upwards, the minimum rate of Pension Contribution from 15% to 18% of monthly emolument, where 8% will be contributed by employee and 10% by the employer. This will provide additional benefits to workers' Retirement Savings Accounts and thereby enhance their monthly pension benefits at retirement.

2.9.8: Access to benefits in event of loss of job

The Pension Reform Act 2014 has reduced the waiting period for accessing benefits in the event of loss of job by employees from six (6) months to four (4) months. This is done in order to identify with the yearning of contributors and labour.

2.9.9: Opening of temporary RSA for employees that failed to do so

The Pension Reform Act 2014 makes provision that would compel an employer to open a Temporary Retirement Savings Account (TRSA) on behalf of an employee that failed to open an RSA within three (3) months of assumption of duty. This was not required under 2004 Act.

2.9.10: Consolidation of previous legislations amending the PRA 2004

The Pension Reform Act 2014 has consolidated earlier amendments to the 2004 Act, which were passed by the National Assembly. These include the Pension Reform (Amendment) Act 2011 which exempts the personnel of the Military and the Security Agencies from the CPS as well as the Universities (Miscellaneous) Provisions Act 2012, which reviewed the retirement age and benefits of University Professors. Furthermore, the 2014 Act has incorporated the Third Alteration Act, which amended the 1999 Constitution by vesting jurisdiction on pension matters in the National Industrial Court.

2.10: National Pension Commission (PenCom)

The National Pension Commission was established by the federal government as a regulatory body of all pension managers. This commission was established by 2004 Pension Reform Act.

2.10.1: Function of the commission

1. Regulation and supervision of the scheme established under the Act.
2. Issuance of guidelines for the investment of pension funds.
3. Approving, Licensing, regulating and supervising pension fund administrators, custodian and other institutions relating to pension matters as the commission may, from time to time, determine.
4. Establishing standards, rules and guidelines for the management of pension funds under the Act.
5. Ensuring the maintenance of a National Data Bank on all pension matters.
6. Carrying out public awareness and education on the establishment and management of the scheme.
7. Promoting capacity building and institutional strengthening of pension fund administrators and custodians.
8. Receiving and investigating complaints of impropriety leveled against any pension fund administrator, custodian or employer or any of their staff or agents.
9. Performing such other duties which, in the opinion of the commission, are necessary or expedient for the discharge of its functions under the Act.

2.10.2: Powers of the commission

The commission shall have the power to:

1. Formulate, direct and oversee the overall policy on pension matters in Nigeria.
2. Fix the terms and conditions of service including remunerations of the employees of the commission.
3. Request or call for information from any employer or pension fund administrator or custodian or any other person or institution on matters relating to retirement benefit.
4. Charge and collect such fees, levy or penalties, as may be specified by the commission.

5. Establish and acquire offices and other premises for the use of the commission in such as it may deem necessary for the proper performance of its functions under the Act.
6. Establish standard, rules and regulations for the management of the pension funds under the Act
7. Investigate any pension fund administrator, custodian or other party involved in the management of pension funds.
8. Impose administrative sanctions or fines on erring employers or pension fund administrators or custodian.
9. Order the transfer of management or custody of all pension funds or assets being managed by a pension fund administrator or held by a custodian whose license has been revoked under this Act or subject to insolvency proceedings to another pension fund administrator or custodian, as the case may be.
10. Do such other things which in its opinion are necessary to ensure the efficient performance of the functions of the commission under the Act. (Sources: 2009 National Pension Commission – PenCom).

2.11: Theoretical Framework

Two theories constitute the theoretical framework of this study. They are: the Social Exchange theory and the Structural Functionalism theory.

2.11.1: Social exchange theory

Social exchange theory is linked among others to the works of George Homans (Ritzer 2008). The theory "envisages social behaviour as an exchange of activity, tangible or intangible, and less rewarding or costly between at least two persons" (Homans 1961). It deals with the anticipated rewards associated with interpersonal relationships.

Blau (1964) took off from the micro perspective of Homans. He had a shift from this micro point of analysis (informal group relationship) to a complex organizational study (formal group). According to him, the main sociological purpose of studying processes of face–to-face interactions is to lay the foundation for an understanding of the social structures that evolve and the emergent social forces that characterize their development.

The two major ways in which social exchange has been conceptualized in organizational literature are a global exchange relationship between employees and the organization and a more focused dyadic relationship between subordinates and their superiors (Settoon, Benneth and Liden 1996). At the global level, employees form a global belief concerning the extent to which their organizations value their well-being. High levels of perceived organizational support are thought to create obligations within individuals to repay the organization and employees can do this by exhibiting several positive job attitudes. To further strengthen this, perceived organizational support is associated with the trust that the organization will fulfill its exchange obligations. This is usually demonstrated when trade unions enter into social contracts with their employers through collective bargaining and collective agreements. Each party holds the other on trust to the fulfillment of their agreements/ social contracts. Breach of this social contract leads to labour unrest or strike in formal work organisations like the Nigerian civil service.

Mullins (1996) observes that the relationships between employees and their employers (work organizations is built on the psychological contract). Psychological contract covers range of expectations of rights, privileges, duties, and obligations which do not form part of a formal agreement but still have an important influence on people's behaviour at work and outside work place. For instance, employees expect their organizations to:

1. Provide safe and hygienic work conditions,
2. Make every reasonable effort to provide job security,
3. Attempt to provide challenging and satisfying jobs and reduce alienating aspects of work,
4. Adopt equitable personnel policies and procedures,

5. Allow staff genuine participation in decisions which affect them,
6. Implement best practice in equal opportunity policies and procedures,
7. Provide reasonable opportunities for personnel development and career progression,
8. Treat members of staff with respect,
9. Demonstrate an understanding and considerate attitude towards personal problems of staff.

The expectations of employees above are not withstanding any statutory requirement placed upon the organisation. In return, organisations (employers) expect the employees:

a. To accept the ideology of the organization,
b. To work diligently in pursuit of organizational objectives,
c. Not to abuse goodwill shown by management,
d. To uphold the image of the organization,
e. To show loyalty,
f. Not to betray positions of trust and,
g. To observe reasonable and acceptable standards of dress and appearance.

The organizational side of the psychological contract places emphasis on expectations, requirements, and constraints which often differ from, and may be in conflict with, an individual's expectations. For example, French, Kast, and Rosenzweig (1985) suggest the following list of organizational expectations and requirements:

a. Achieving organizational goals that are different from the personal goals of individual members.
b. Having sufficient involvement, commitment, and initiative from organizational members.
c. Requiring individuals to take certain organizational roles.
d. Having people perform certain tasks effectively and efficiently.
e. Requiring participants to accept authority and to assume responsibilities.

f. Achieving the integration and co-ordination of activities.

g. Requiring adherence to policies, rules and procedures.

h. Attaining responsiveness to leadership and influence.

i. Developing sufficient loyalty to maintain the organization as a social system.

The implications of this contract are that: employees have needs that they depend on their employers' or organizations to service. Employers, on their part, have target goals that demand the role of the employees to accomplish. This implies that both organizations and employees need each other to survive. It is unlikely that all expectations of the individual or of the organization will be fully met. There is a continual process of balancing explicit and implicit bargaining. The nature of these expectations is not defined formally and, although, the individual and the organization may not be curiously aware of them, they still affect relationships between them which have influence on their behaviour (French, Kast and Rosenzweig 1985).

Ritzer (2008) states that, Blau believes that people are attracted to each other when they feel that their relationships offer them more rewards. Therefore, the more rewarding the civil service is, the more it will attract people in the labour market. The less rewarding it is, the less it will attract people.

Rewards that are exchanged can either be intrinsic (love, affection, respect, among others) or extrinsic (money and physical labour). Civil servants have the options of either to stay in their jobs on the basis that they have satisfaction on the rewards they receive from their employers or quit their jobs for another perhaps in other sectors that are more appealing and beneficial if they are dissatisfied with the rewards. It goes to suggest that the civil service may experience brain drain if workers anticipated rewards do not come as often as they are needed to compliment their inputs. It also means that the productivity of the serving civil servants is dependent on the degree of rewards awaiting them while in service and when they retire from service. In other words the rewards that compliment the value of the inputs of civil servants could be factors that motivate them to increase their productivity. These could be factors of attraction to those in the labour market. Government's inability to compliment the value of civil servants inputs, with good remunerations while in service and good pensions and gratuities as well as while they have retired may be the push factors. These are factors of repulsion to intending members in the labour market. This means that the stability of the civil service sector is dependent on the degree of efforts made by employers to reciprocate the value of employees inputs with good welfare packages in which pension is among. Thus, it is as a result of the anticipated unjust relations that the psychological and social contracts were established to help cement the relationship between employers and employees. This is the strands of this theory.

From the position of this theory, the welfare of civil service retirees should be of great interest to government their employer. Retirees' inputs, during their periods of active service, are to be reciprocated by providing them with their due pensions and other retirement benefits. Thus, the survival of government, at all level, is a product of the activities of civil servants. On the other hand, the survival of civil servants depends solely on their employer. It, therefore, means that there is mutual dependency between the two which must be maintained.

2.11.2: Structural functionalism: the Talcott Parsons model

Structural functionalism is an approach in Sociology which was developed at the wake of 19 century's industrial revolution. This theory was sociologically developed as an adequate tool for dealing with the interrelatedness of various traits, institutions, groups, and so forth, within the social system. Structural functionalism is as old as the history of sociology. This is evident in the works of the founding fathers of the discipline like Auguste Comte (1798- 1857) and Herbert Spencer (1820-1903). Coser (1976) attempts a definition of structural functionalism. He saw structure as referring to a set of relatively stable and patterned relationships of social units, while he perceived as referring function to the consequences of social activities which make for adaptation or adjustment of a given structure or its component parts.

The functional approach in Sociology was borrowed from the analogy of organism in the biological sciences in which it is known that all the body organs, in any living organism, have a kind of interconnectivity which links them together. Each of these organs plays a certain role for the survival of the organism. In any situation where any of the organs malfunctions, it is believed that this malfunctioning might affect the life of the organism. The functionalists, therefore, argue that the society is made up of groups and institutions which constitute the whole society. They state further that each of these institutions that form the society plays a part for the survival of the system (Onyeneke 1996).

From the foregoing, therefore, functionalists view society as a system, a set of interconnected parts which, together, form a whole. This makes society the primary unit of functional analysis. The focus of attention is how the basic parts of the society, that is, the various institutions, such as the military, religious, family, political, economic, legal, and educational institutions co-relate together and function for the survival of the society.

The main interest of the functionalists is the question of order. That is, how social order would be achieved and sustained for the smooth running of the society. The functional approach to the study of society tends to be conservative in nature because it seems, to a large extent, is against the theory of social change. Functional ideology believes that there are basic needs of a society, which must be met, for social life to go on.

These basic needs or necessary conditions of existence are known as functional prerequisites of society. Functional prerequisites refer to the fulfillments of the broadest conditions which are necessary for a system's existence and which, therefore, prevent its termination. To the functionalist school of thought, what constitute the basic needs of society must be identified and met before a society can survive.
In the position of Talcott Parsons, every system has four functional imperatives. They are: adaptation (A), goal attainment (G), integration (I), and latency (L) or pattern maintenance. This is known as the AGIL scheme. Each of these imperatives has implications in this study.

Adaptation: The system must cope with the external situational exigencies. It must adapt to its environments and adapt the environment to its needs. By implication, the ability of pensioners to survive in their external environments depends on their access to good accommodation, nutritious food, good clothes for their household, good health services, good education for their household, and their ability to meet up with other social responsibilities and adapt to the pressures in the socio- economic environment

.

Goal attainment: The system must define and achieve its primary goals. The political structures and systems established in the society, in which the civil service is a part have the mandate of setting target goals for the society. These goals are geared towards the maintenance of descent life styles and the dignity of the human person. Government also makes provision for the protection of retirees' welfare through the establishment of the pension scheme with its budgetary allocation to sustain the system. Thus, it is government's responsibility to protect and provide for the dignity of life for both retirees and civil servants.

However, it appears that government has failed to achieve these set goals. There is also government's failure in the protection of the dignity of labour. The civil service is, therefore prone to corrupt practices. Government's failure, in this regard, affects pensioners in the fulfillment of their social goals and responsibilities.

Integration: The system must regulate the interrelationship of its component parts. It must also manage the relationship among the other three functional imperatives (Adaptation, Goal attainment and Latency). Government's failure to protect the fundamental human dignity and other set goals triggers off, among individuals, behaviour which ran contrary to social order and social justice. For instance, crimes of varied magnitudes, corruption in the civil service sector, age falsification, and embezzlement of public funds among others are examples of anti-social behavior. Given the fact that the regulatory system is weak and inefficient, it creates room for deviant behaviour to be exhibited.

Latency (pattern maintenance): A system must furnish, maintain, and renew the motivation of individuals and the cultural patterns that create and sustain this motivation. Through education, social norms and values are inculcated into the lives of members of the society. Therefore, among the yet to be civil servants, these inculcated values affect them adversely. Anomic situations are, thus, created. There is deep corruption in the system as a coping strategy for survival. The post retirement life becomes uncomfortable since retirees found it difficult to meet up with the provisions of their basic needs. They are deprived access to good welfare provisions which have far reaching influence on their livelihood.

2.11.3: Synthesis of the theories utilized

Social Exchange theory and structural functionalism form the framework for this study. The interaction of both theories, in the study is very significant. While social exchange theory captures the need for government to value the inputs of retirees, while in active service, by reciprocating them with sustainable reward (pensions), the theory of structural functionalism sees the need to maintain order in the system. The roles of civil servants, in nation building, need to be valued and rewarded accordingly by the managers of state resources. Good pension scheme is, therefore essential to ensure the security of civil service job and a sustained productivity in the system. In this regard, both social and psychological contracts between civil service employers (government) and employees (civil servants) will be maintained. Michael (1981) argues that "the guiding force of interpersonal relationships is the advancement of both parties' self-interest". Good pension package would help retirees service their welfare needs. This would be a good motivation for potential retirees who are still serving.

2.12: Conceptual framework

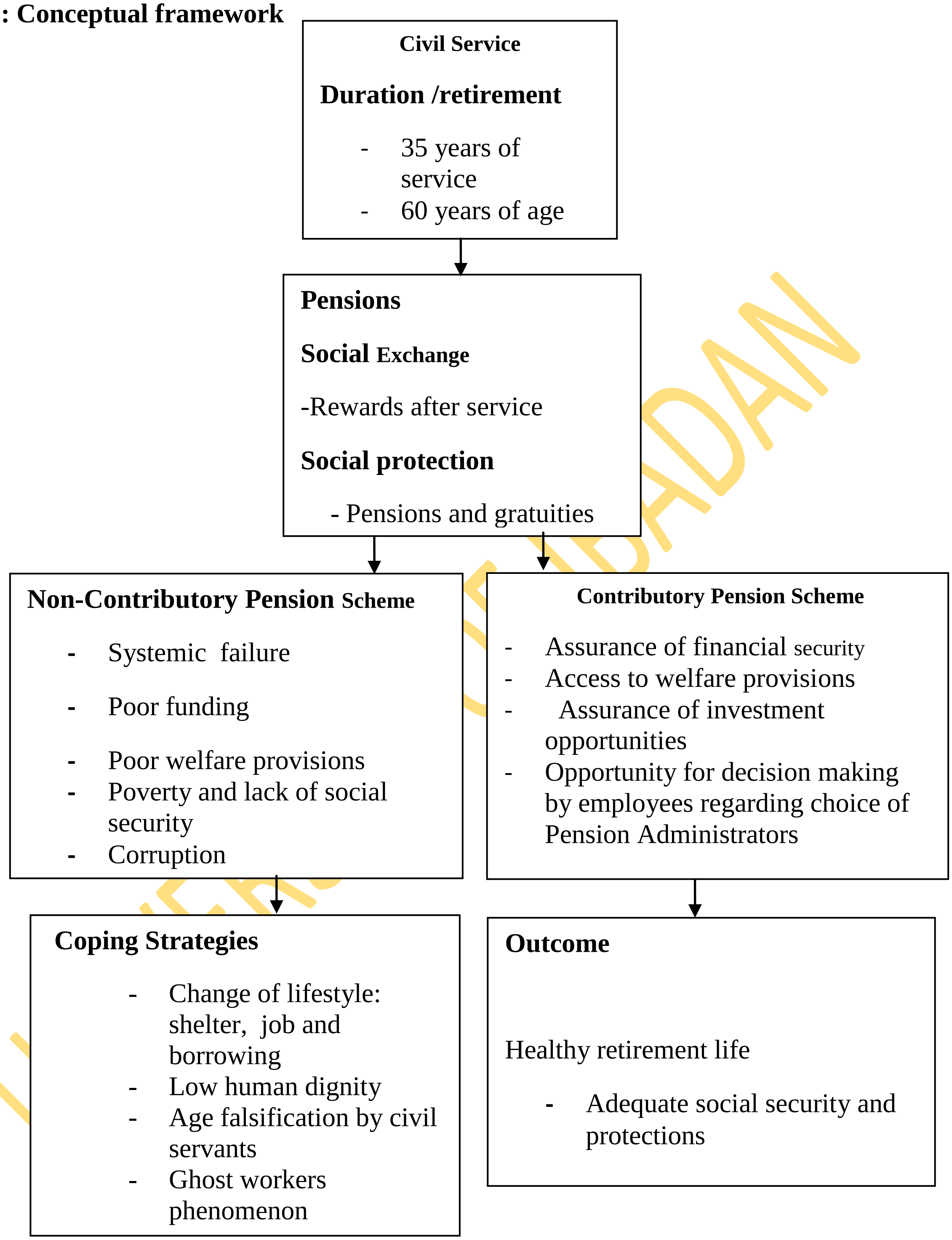

Figure I: *Conceptual Framework*

The conceptual framework, as shown above reflects the nature of the problem under study. The relevance of the study's theoretical framework, in understanding the work, is captured. Thus, services of government employees (civil servants) are very tasking and demand rewards especially after retirement. Retirees are, therefore, faced with varied challenges in meeting their welfare needs. They need to have access to good health services, good accommodation, good food (balanced diet), clothes and good education for their children. To service these welfare needs, government must reciprocate the value of labour put in by the retirees during their years in active service with good and sustainable pensions scheme.

The inability of government to reward retirees' efforts while in active service with good pension packages as seen in the mismanagement of the old pension scheme, has adverse effect on retirees' welfare. It makes life very difficult to them. Thus, they become less functional to the development of the society. Pensioners, and their dependent relatives, may experience poverty, hunger, insecurity and social deprivation. The new pension scheme offers a lot of promises. It offers retirees access to good welfare packages. This will lead to adequate social protection and healthy retirement life.

CHAPTER THREE

METHODOLOGY

The quality of any good research work greatly depends on the methodology. Methods here refer to the techniques, strategies, and tools that are used for data generation, interpretation and analysis.

3.0: Research Design

The design for this study is survey with the questionnaire as its major instrument. The questionnaire was used to elicit information from respondents on the topic of interest. Information was sought on respondents' demographic data and on thematic issues.

3.1: Area of Study

Ebonyi State is one of the states in the South Eastern Nigeria. The state was created on first October 1996 during the military regime of General Sani Abacha. The state is bounded in the North by Benue State and in the South East by Cross River State. It is bounded in the South by both Imo and Abia States and in the West by Enugu State.

Ebonyi State has thirteen (13) local government areas with population size of about two million people. The people of the area speak Igbo language. They have about fourteen (14) dialects. They are hospitable and accommodating.

Agriculture is the major occupation of the people of the State. Majority of the people are farmers while about 15% of the total population are public servants. The civil service retirees and pension staff that constitute the target population are found within the state. They live in all the thirteen local government areas of the state.

In the state is the presence of both private and public work sectors. In the public work sector, there exist state and federal ministries, parastatals and agencies where civil servants work and retire. This study is focused on the state sector of the public service (the retired civil servants). It is imperative to note that the welfare package of retirees is of paramount interest in this study and Ebonyi State is the study area.

3.2: Population of Study

The population of this study is made up of three categories. The first category is all the four thousand, one hundred and forty nine (**4,149)** retired civil servants in Ebonyi State as at 2011 (source: Account Unit in the Department of Pensions, office of the Head of Service, Ebonyi State). The second category is made up of all the pension staff who are one hundred and forty nine (**149**) in number. These are the 33 staff of pension department in the office of the Head of Service, 94 staff of Sub Treasury in the office of the Accountant General spread across 13 Local Government Areas in Ebonyi State and 22 staff of Ebonyi State Audit where pensions are processed. The 3^{rd} category is made up of all civil servants in Ebonyi State. As at 2012, the population of Ebonyi state civil servants stood at eight thousand, six hundred and six (**8,606)** (Sources: Statistics and Planning Department, Ebonyi State Civil Service Commission).This brings the total population of this study to twelve thousand, nine hundred and four (**12,904**).

3.3: Sample Size

The sample size for this study was drawn from the study population of 12904 using Yaro (1967) formular of:

$$\frac{N}{1+N(e)^2}$$

Where N = total poplation, 1 = constant and e = error margin.

For the first category, the sample size therefore is 4149 /1+ 4149 (0.05 x 0.05) = **400** approximately (9.64% of retirees total population). In the same vein, the sample size for the pension staff category was also determined using the same formular above ie:149/1+ 149 (0.05 x 0.05) = **108** (72% of the total population of pension staff). The sample size for the civil servants category therefore was determined as 8606 / 1 + 8606 (0.05 x 0.05) = **382** approximatly (4% of civil servants total population). Therefore the total sample size for the study is 400 +108 = eight hundred and ninety (**890).**

3.4: Sampling Techniques

The total sample for the study was drawn from the retired civil servants and the pension staff/ managers in Ebonyi State. A multi-stage sampling technique was used to draw the samples. First, retirees were drawn from the three senatorial zones of the state ie: Ebonyi North, Ebonyi Central and Ebonyi South. This gave a total representation of retirees across the state. Secondly, from each senatorial zone, two Local Government Areas with more concentration of retired civil servants were purposively selected. Therefore, six Local Government Areas were used to draw samples of retirees for the study. The four hundred (400) retirees, who were still alive, were purposively sampled. See table 3.4.1 for details.

Table 3.4.1: Selected sample for retired civil servants category

S/No	Senatorial Zone	Local Government Area	Population	% of total pop.	Sample Size
1.	Ebonyi North	Abakaliki	410	17.2	69
2.		Ebonyi	338	14.1	57
3.	Ebonyi Central	Ikwo	360	15.1	60
4.		Ezza South	401	16.8	67
5.	Ebonyi South	Afikpo North	420	17.6	70
6.		Ohaozara	460	19.2	77
		Total	**2389**	**100 %**	**400**

For the second category, all the 108 pension staff ie; 24 staff of pension department in the office of the Head of Service, 68 staff of Sub Treasury in the office of the Accountant General spread across 13 Local Government Areas in Ebonyi State and 16 staff of Ebonyi State Audit where pensions are processed were sampled. In addition, snow balling procedure was used for in-depth interviews on pension union executive, other pensioners and stakeholders of government in pension administration in Ebonyi State. See table 3.4.2.

Table 3.4.2: Selected sample for pension staff / managers category

S/No	Department/Unit	Population	% of total pop.	Sample Size
1.	Sub-treasury	94	63	68
2.	Department of Pensions, office of the Head of Service	33	22	24
3.	State Audit	22	15	16
	Total	**149**	**100**	**108**

The sample of the civil servants category was drawn using a multi-stage sampling technique. First, was the selection of all the ministries and non ministerial departments, units, agencies, boards and commissions in Ebonyi State. This was done in order to give a true representation of civil servants who were potential retirees. The second stage was the random selection of the civil servants. A total of three hundred and eighty two (382) civil servants were used for this study. Details are in table 3.4.3.

Table 3.4.3: Selected sample for the civil servants category

S/N	MINISTRY/UNIT/COMMISSION/ PARASTATAL	POPULATION	% OF POP.	SAMPLE SIZE
1.	Ministry of Works and Transport	180	2.1	9
2.	Ministry of Land, Survey and Housing	131	1.5	6
3.	Ministry of Environment	23	0.2	1
4.	Ministry of Culture and Tourism	39	0.4	2
5.	Ministry of Agric and Natural Resources	521	6.0	23
6.	Ministry of Health	340	4.0	15
7.	Ministry of Education	117	1.3	5
8.	Ministry of Finance and Economic Planning	141	1.6	6
9.	Ministry of Local Govt. and Chieftaincy Affairs	83	1.0	4
10.	Ministry of Justice	64	0.7	3
11.	Ministry of Public Utility	120	1.4	5
12.	Ministry of Border Security and Conflict Resolution	20	0.2	1
13.	Ministry of Women Affairs	85	1.0	4
14.	Ministry of Commerce and Industries	121	1.4	5
15.	Ministry of Youths and Sports	82	0.9	4
16.	Ministry of Information and State Orientation	159	1.8	7

Sources: Statistics and Planning Department, Ebonyi State Civil Service Commission

Table 3.4.3: Selected sample for the civil servants category continues

S/N	MINISTRY/UNIT/COMMISSION/ PARASTATAL	POPULATION	% OF POP.	SAMPLE SIZE
17.	Ministry of Economic Dev. and Poverty Reduction	17	0.2	1
18.	Women Development Center Ebonyi State	35	0.4	2
19.	Ebonyi State Civil Service Commission	49	0.6	2
20.	Head of service Ebonyi State	47	0.5	2
23.	Ebonyi State House of Assembly	230	2.7	10
21.	Secretary to Ebonyi State Government	174	2.0	8
22.	Board of Internal Revenue Ebonyi State	139	1.6	6
23.	Ebonyi State Newspapers and Publishing Company	60	0.7	2
24.	Principal Secretary to the Governor Ebonyi State	247	2.9	11
25.	Ebonyi State Local Government Audit	104	1.2	5
26.	Judicial service commission	24	0.2	1
27.	Office of the Deputy Governor Ebonyi State	43	0.5	2
28.	Auditor General Ebonyi State	162	1.9	7
29.	Ebonyi state planning commission	90	1.0	4
30.	Customary Court of Appeal Ebonyi State	438	5.1	19
31.	Ebonyi State independent electoral commission	103	1.1	5
32.	Ebonyi State Sports Council	45	0.5	2
33.	Ebonyi hotels ltd Abakaliki	55	0.6	2

Sources: Statistics and Planning Department, Ebonyi State Civil Service Commission

Table 3.4.3: Selected sample for the civil servants category continues

S/N	MINISTRY/UNIT/COMMISSION/ PARASTATAL	POPULATION	% OF POP.	SAMPLE SIZE
34.	Ebonyi State Hospital Management Board	469	5.4	21
35.	Ebonyi State Broadcasting Service	82	0.9	4
36.	Office of the Surveyor General Ebonyi State	58	0.6	3
37.	Ebonyi State Rural Electrification Board	104	1.2	5
38.	Ebonyi State Council for Arts and Culture	62	0.7	3
39.	Ebonyi State Water Co-operation	170	2.0	8
40.	Ebonyi State Housing Dev. Co-operation	26	0.3	1
41.	Ebonyi State Environmental Protection Agency	30	0.3	1
42.	Ebonyi State Investment Company	30	0.3	1
43.	Ebonyi State Secondary Education Board	2953	34.3	131
44.	Ebonyi State Hotels Afikpo	23	0.2	1
45.	Ebonyi State Cabinet Office	57	0.7	3
46.	Office of the Accountant General Ebonyi State	215	2.4	10
	GRAND TOTAL	**8606**	**100 %**	**382**

Sources: Statistics and Planning Department, Ebonyi State Civil Service Commission

3.5: Methods of Data Collection

Relevant data for this study were generated in two ways: primary and secondary sources. The primary sources of data were questionnaire administration and in-depth interviews.

Questionnaire administration

The questionnaires were both structured and unstructured. The structured aspects were used to capture the expected responses on thematic issues. On the other hand, the unstructured questions helped to know, without prejudice, the opinions of respondents on pension matters and other challenges confronting post retirement lives of civil servants.

Three categories of questionnaire schedules were designed. The first questionnaire schedule was meant for retired civil servants, the second was for all the selected pension staff/managers in Ebonyi State civil service while the third category was for all the civil servants in Ebonyi State.

The questionnaire, for the retired civil servants, was divided into two sections. Section "A" dealt with socio demographic data of respondents while section "B" handled pension matters. In like manner, the questionnaire schedule for the second category was also packaged in two sections. Section "A" took care of the demographic data of respondents while section "B" handled challenges in pension administration. For the last category, the questionnaire was divided into two sections. Section "A" dealt with socio demographic data of respondents while section "B" handled the perception of civil servants on non-contributory pension scheme and their plans to overcome future retirement challenges.

In-depth interviews

In-depth Interviews were conducted with 3 executive of the union of retired pensioners, 6 government officials, and 2 pensioners. The interviews were necessary because they helped to elicit information that was not possibly given by other respondents through questionnaire administration. For instance, to realize the purpose of objective four demands the responses of stakeholders in government. In the course of our interactions, classified information was revealed.

The secondary sources of data were: the information obtained from libraries and documents dealing on civil service and pension matters. In addition, works on pensions were generally sourced for and reviewed accordingly.

3.6: Data Analysis

Both qualitative and quantitative data were collected for this study. In view of this, the analysis is both qualitative and quantitative in nature.

Qualitative data: Responses from respondents, as were generated through interviews, were subjected to content analysis.

Quantitative data: The quantitative components of data generated were analysed at two levels: univariate and bivariate levels. At univariate level, data wre presented using frequencies and percentages. Also, at bivariate level, cross-tabulations were used to show associations between some variables. These associations between variables were tested with chi-square and Pearson correlation statistics.

Table 3.6.1: Matrix showing specific objectives and methods of data collection and tools of analysis

Objective	Questionnaire	In-Depth Interview	Analytical Tool
One	✓	✓	Inferential statistics such as cross tabulation
Two	✓	✓	Descriptive statistics such as tables, frequency, mean and percentages
Three	✓	✓	Descriptive statistics such as tables, frequency, mean and percentages. Also, inferential statistics such as cross tabulation
Four	✓	✓	Descriptive statistics such as tables, frequency, mean and percentages
Five	✓	✓	Descriptive statistics such as tables, frequency, mean and percentages. Also, inferential statistics such as cross tabulation
Six	✓	✓	Descriptive statistics such as tables, frequency, mean and percentages

3.7: Justification of Tools of Analysis

In the matrix table, tools used to analyse data obtained for each objective was explained. However, it is important to note that a 5 point Likert scale was used to measure the extent to which respondents: retirees, civil servants and pension administrators agreed to the various variables applicable to them in the questionnaire. For instance, in objective one, adequacy was measured using 5 points Likert scale and the frequency of agreement to the adequacy of the welfare needs enlisted in the study. The agreement level depends on the capacity or ability of the pensions of the retirees to provide the basic welfare needs to them.

The graduation of the scale include; strongly agreed, agreed, uncertain, disagreed and strongly disagreed to the adequate provision of the welfare needs through the pension of retirees. Again, ordinal values were assigned to each level of response so as to obtain a mean response level for each welfare need. The ordinal values assigned to them are:

1. Strongly agreed - 5
2. Agreed - 4
3. Uncertain - 3
4. Disagreed - 2
5. Strongly disagreed - 1

The mid-score for each of these responses is given as $\frac{5+4+3+2+1}{5}$

$$= \frac{15}{5} = 3.0$$

The mean-score is obtained from the frequency of responses made by the retirees.

Mean-score = $\frac{EFX}{EF}$

Therefore, a welfare need becomes adequate when the mean response score is equal to or greater than mid-score. Any score that is equal to or greater than 3 implies that retirees confirmed that the particular welfare need is adequately met.

The coping strategies adopted by retirees in overcoming their welfare challenges as is the case of objective two were handled. The mean agreement from the frequency of each coping strategy was compared with the mid-score. A coping strategy becomes effective when the mean value is equal to or greater than the mid-value.

The same was applied in determining the administrative challenges confronting the management of the non-contributory pension scheme. An identified administrative challenge was rated through the frequency of its mean agreement compared with the mid-score. Administrative challenge becomes effective when the mean value is equal to or greater than the mid-value.

The same measure was used to assess the degree of reasons why Ebonyi State government had not adopted the new pension scheme. An identified reason is rated through the frequency of its mean agreement compared with the mid-score. A reason becomes acceptable when the mean value is equal to or greater than the mid-value (3.0).

Similarly, the perceptions of the civil servants of the old pension scheme were and their strategies to overcome their future welfare challenges (objectives 3 and 4) were also handled using the Likert scale. The mean agreement from the frequency of each variable was compared with their mid-scores. A perception and a strategy become effective when their mean values are equal to or greater than the mid-value respectively.

Consequently, strategies adopted by civil servants in overcoming anticipated future welfare challenges on retirement as is the case of objective five were handled. The mean agreement from the frequency of each strategy was compared with the mid-score. A strategy becomes effective when the mean value is equal to or greater than the mid-value.

3.8: Ethical Issues

In the course of this study, the researcher applied for ethical approval, from the University of Ibadan Ethics Committee before proceeding to the field. The questionnaire was structured in a way that the respondents would voluntarily respond to issues raised. Respondents had the choice to withdraw at any point they deemed necessary or felt uncomfortable with the process. Their identity was kept confidential.

CHAPTER FOUR

DATA PRESENTATION AND DISCUSSION OF FINDINGS

Data generated from the field, through primary research instruments: questionnaire administration and in-depth interviews are presented, analyzed, and discussed. Using the sample size indentified earlier, the questionnaires were distributed to eight hundred and ninety (**890)** respondents out of which eight hundred and thirty two (832) were returned and certified for the analysis. This is 93.4% return rate. Also eleven (11) in-depth interviews were conducted.

The respondents were in three categories. Category "A" constituted those respondents who were retirees, category "B" was made up of 24 staff of pension department in the office of the Head of Service, 68 staff of Sub Treasury in the office of the Accountant General spread across the 13 Local Government Areas in Ebonyi State and 16 staff of Ebonyi State Audit where pensions are processed. The third category was made up of all civil servants in Ebonyi state.

4.0: Socio-Demographic Characteristics of Retirees, Pension Staff/ Pension Managers and Civil Servants

Information concerning sex, marital status, religion, educational qualification and current age, years put in service; levels of monthly pension and the household size for retirees and pension staff were sought. Results generated on them are presented in tables 4.0.1 to tables 4.0.4.

Table 4.0.1: Data on retirees and pension staff's sex, marital status and religion

Variable	Retired Civil Servants category		Pension Staff Category	
1.Sex	**No of respondent**	**Per cent age**	**No of respondent**	**Per cent age**
Male	248	67.9	66	77.6
Female	117	32.1	19	22.4
Total	**365**	**100**	**85**	**100**
2. Marital Status				
Single	2	0.5	13	15.3
Married	289	79.2	68	80
Divorced	1	0.3	-	-
Widowed/ widower	73	20	4	4.7
Total	**365**	**100**	**85**	**100**
3.Religion				
Christianity	353	96.7	82	96.5
African Traditional Religion	10	2.7	-	-
Islam	-	-	-	-
Others	1	0.3	-	-
No response	1	0.3	3	3.5
Total	**365**	**100**	**85**	**100**

(Field survey 2013)

Findings in table 4.0.1 show sex distribution of respondents. Information indicate that respondents' who were retirees had 67.9% males and 32.1% females respectively. Among respondents who were pension staff, 77.6% were males while 22.4% were females. From the total study population, 69.7% were males. This implies that more male respondents were sampled than females. This shows that great number of males were in the civil service than the females. This confirms the position of Udegbe (1997) that women reproductive roles, socio-cultural beliefs, education, glass ceiling barrier are some of the likely reasons for the imbalance of women in the formal work sector.

Findings reveal that from retirees' category, 79.2% respondents were married while 0.5% respondents were single. On the other hand, 80.0% of pension staff was married while 4.7% were widows/widowers. Available finding reveals that among the respondents, only one was divorced which is 0.3%.

On religious distribution of respondents, findings indicate that in retirees' category, 96.7% respondents were Christians and 2.7% respondents were traditionalists. Among pension staff category, 96.5% respondents were Christians. Information gathered therefore, reveals that 96.6% respondents were Christians while only 0.6% belongs to other religions.

Table 4.0.2: Educational background of retirees and pension staff

Variable	Retired Civil Servants category		Pension Staff Category	
4.Educational Qualification	**No of respondent**	**Per cent age**	**No of respondent**	**Per cent age**
No Formal education	6	1.6	-	-
FSLC	62	17	4	4.7
WAEC/GCE	57	15.6	17	20
OND/NCE	91	24.9	19	22.4
HND/ First Degree	86	23.6	32	37.6
M.SC, PhD and Others	63	17.3	13	15.3
No response			-	-
Total	**365**	**100**	**85**	**100**

(Field survey 2013)

With respect to educational qualifications, data in table 4.0.2 shows that 24.9% of the retirees respondents had OND/NCE, while 17% had First School Leaving Certificates (FSLC).On the other hand, 37.6% of the pension staff had HND/B.Sc. while 4.7% had First School Leaving Certificates (FSLC). Results show that 30.6% of respondents total sample population had either HND/B.Sc. while higher degree holders were 16.3%. The implication is that greater numbers of respondents were educated up to first degree level. The current ages of respondents vary. Majority of the retirees were between 58 and 77 years (80.8%) while 40% respondents in the pension staff category were between the age bracket of 38 and 57 years.

Table 4.0.3: Retirees and pension staff age and years of active service

Variable	Retired civil servants category		Pension staff category	
5. Age	**No of respondent**	**Per cent age**	**No of respondent**	**Per cent age**
18-37 Years	4	1.1	32	37.6
38-57 Years	24	6.6	34	40
58-77 Years	295	80.8	12	14.1
78 Years and above	40	11	-	-
No response	2	0.6	7	8.2
Total	**365**	**100**	**85**	**100**
6.Years of active service				
10-16	3	0.8	-	-
17-23	32	8.8	-	-
24-30	79	21.6	-	-
31-36	250	68.5	-	-
No response	1	0.3	-	-
Total	**365**	**100**	**-**	**-**
0-10	-	-	43	50.6
11-21	-	-	24	28.2
22-32	-	-	4	4.7
33-35	-	-	5	5.9
No response	-	-	9	10.6
Total	**-**	**-**	**85**	**100**

(Field survey 2013)

The age distribution of respondents is presented in table 4.0.3. From results, the mean age for all the respondents was 55.2 ± 12.5 years. On the number of years put in service before retirement, 68.5% retirees' respondents had put in between 31 and 36 years in service while 0.8% had put in between 10 and16 years. This suggests that many of them had put in their maximum years in service before retirement. Those who put in between 10 and16 years or 17 and 23 years only were those who retired as a result of age, ill health, and voluntary or compulsory retirement.

Table 4.0.4: Retirees' monthly income and household size

Variable	Frequency	%
7.Monthly pension		
Less than N20,000:00	75	20.5%
N21,000:00 - N30,000:00	149	40.8%
N31,000:00- N40,000:00	51	14%
N41,000:00- N50,000:00	71	19.5%
N51,000:00 above	13	3.6%
No response	6	1.6%
Total	**365**	**100%**
9. Household size		
1 -5 persons	95	26%
6 -10 persons	213	58.4%
11 -15 persons	43	11.8%
16 persons and above	11	3%
No response	3	0.8%
Total	**365**	**100%**

(Field survey 2013)

Result in table 4.0.4 indicates that 40.8% of retirees' respondents received between N21, 000: 00 and N30, 000: 00 monthly pensions. Those who received N51, 000: 00 and above were only 3.6% respondents. Generally, data reveal that majority of retirees received low income per month as pensions. This affects their ability to meet their basic welfare needs.

This confirms the positions of Chizueze, Nwosu and Ogaboh (2011) when they observe that the income of civil servants is rarely adequate to enable them fend for themselves in the pre-retirement era. This condition may account for age falsification, ghost worker phenomenon and other fraudulent practices among civil servants in order to prolong their stay in offices.

Regarding retirees household size, 58.4% respondents had between 6 and 10 family members under their care while 3.0% had 16 persons and above. Some of the respondents in this group earned between N21, 000: 00 and N30, 000: 00. The implication is that most of the respondents had sizable dependants under their care. In view of this, it could be difficult for them to meet their welfare needs due to lean financial resources.

In like manner, information generated on socio demographic characteristics of civil servants like their sex, marital status, religion, educational qualification, current age, their monthly income and their family size are hereunder presented in tables 4.0.5, 4.0.6, and 4.0.7.

Table 4.0.5: Civil servants respondents' sex, marital status and religious distributions

Variable	Frequency	%
1.Sex		
Male	210	55
Female	172	45
Total	**382**	**100**
2. Marital Status		
Single	74	19.4
Married	301	78.8
Widowed/ widower	7	1.8
Total	**382**	**100**
3.Religion		
Christianity	378	99
Others	4	1
Total	**382**	**100**

(Field survey 2013)

Table 4.0.5 shows sex distribution of respondents. In this table, 55% respondents were males while 45% were females. This implies that more male respondents were sampled than female. It is also shows that the females were greater in number in the civil service than the females. Results reveal that 78.8% respondents were married while 1.8% respondents were widows/widowers. On religion, 99% respondents were Christians. Also respondents' educational qualification and age distributions were sought for. Information on these is contained in table 4.0.6.

Table 4.0.6: Distribution of civil service respondents' on their educational qualification and age

Variable	Frequency	%
4.Educational Qualification		
No Formal education	2	0.5%
FSLC	1	0.3%
WAEC/GCE	83	21.7%
OND/NCE	35	9.2%
HND/ First Degree	221	57.9%
M.SC, PhD and Others	36	9.4%
No response	4	1%
Total	**382**	**100%**
5. Age		
18-37 Years	187	49%
38-57 Years	185	48.4%
58-60 Years	5	1.3%
No response	5	1.3%
Total	**382**	**100%**

(Field survey 2013)

With respect to educational qualification, result in table 4.0.6 indicates that 57.9% respondents had HND / B.Sc., and 9.2% had OND/NCE. The implication is that greater numbers of respondents were educated up to first degree level. The current ages of respondents vary. Out of the total sample population, 49% respondents fell within the ages 18 and 35 years while the least were those who fell between ages 58 and 60 years which is 1.3% respondents. The implication is that 1.3% respondents were approaching their retirement age which is 60 years of age by civil service Act. Information was sought from respondents on their monthly income and household size. Findings generated on this are presented in table4.0.7.

Table 4.0.7: Distribution of respondents' monthly income and house hold size

Variable	Frequency	%
8.Monthly income		
N18,000:00-N30,000:00	170	44.5%
N31,000:00-N40,000:00	74	19.4%
N41,000:00-N50,000:00	48	12.6%
N51,000:00-N60,000:00	26	6.8%
N61,000:00 above	62	16.2%
No response	2	0.5%
Total	**382**	**100%**
9. Household size		
1 -5 persons	170	44.5%
6 -10 persons	164	42.9%
11 -15 persons	28	7.3%
16 persons and above	11	2.9%
No response	9	2.4%
Total	**382**	**100%**

(Field survey 2013)

Findings in table 4.0.7 shows that 44.5% respondents' monthly income fell between N18, 000: 00 and N30, 000: 00, while those who earn between N51, 000: 00 and N60, 000: 00 were 6.8%. This implies that majority of the civil servants respondents earned low monthly income which may not be sufficient in meeting their basic welfare needs.

This confirms the positions of Chizueze, Nwosu and Ogaboh (2011) that the income of civil servants is rarely adequate to enable them fend for themselves in the pre-retirement era. Regarding their household size, 44.5% respondents had family size of between 1 and 5 persons. The respondents whose number in their family was between 16 persons and above were 2.9%.

4.1: Adequacy of Pensions in Meeting the Welfare Needs of Retirees

Objective one sought to determine the adequacy of pension earnings in meeting the welfare needs of retirees. Results generated on this are presented in table 4.1.1.

Table 4.1.1: Retirees responses on the adequacy of pensions in meeting their welfare needs

Variable	Perceived Adequate	Perceived Inadequate
Accommodation	3.8% (14)	96.2% (351)
Balanced diet	12.9% (47)	87.1% (318)
Clean clothes for the household	12.6% (46)	87.4% (319)
Health services	4.9% (18)	95.1% (347)
Education for children	9.9% (36)	90.1% (329)
Meet financial obligations in their communities	4.4% (16)	95.6% (349)
Meet financial obligations in their religious groups	15.1% (55)	84.9% (310)
Meet financial obligations in their extended families	7.4% (27)	92.6% (338)

(Field survey 2013)

Table 4.1.1 shows adequacy of pension earnings in meeting retirees' welfare needs. On accommodation, 96.2% respondents perceived their pensions to be inadequate to provide them with decent accommodation while 3.8% perceived it as adequate. By this position, retirees disagreed that their pensions were adequate in providing them good accommodation. This confirms the position of Adegoke (2006) who states that due to lean resources of retirees, they most often may not have the opportunity of having good accommodation.

On balanced diet of three quality meals per day with the following minimum requirements: protein, vitamins, carbohydrate, fat and oil, and minerals, 87.1% respondents perceived their pensions as inadequate in providing them balanced diet while 12.9% respondents perceived their pensions to be adequate. Retirees therefore disagreed that their pension income is adequate in giving them balanced diet.

Findings indicate that 87.4% respondents perceived their pension to be inadequate in providing them good clothes for their household. Only 12.6% felt otherwise. This implies that retirees disagreed that their pension is adequate in providing them and their household good clothes.

On the provision of good health services, 95.1% respondents disagreed that their pension income was adequate in meeting their medical/health needs while only 4.9% respondents agreed. Therefore, retirees generally disagreed that their monthly pension income was adequate in giving them good health services. In the same manner, Lindsey *et al*. (2003) maintain that not only do retirees lose (potential) sources of income when their HIV positive children become too sick to work, but they also have to spend the little they have on taking care of them, and paying for their funerals. In the study conducted in Zimbabwe, WHO (2002) found that some of the elderly people's households lost the savings they accrued over a long period due to the long term illness of their adult children and the cost of taking care of their health care needs before they eventually die.

On the provision of good education for retirees' children, 90.1% respondents disagreed that their pensions could provide them enough fund to give their children good education. On the other hand9.9% respondents perceived their pensions as adequate to enable them provide good education for their children. On a general note, retirees disagreed that their pension income was adequate in meeting their children's educational needs.

On fulfillment of retirees' financial obligations in their communities, 95.6% respondents perceived their pension as inadequate while 4.4% perceived it as adequate in meeting their community obligations. This shows that retirees disagreed that their pension income was adequate in meeting their financial obligations in their various communities.

On the adequacy of their pension income in meeting their financial obligations in their extended families, 92.6% respondents disagreed while 7.49% respondents perceived it as adequate. This means that retirees disagreed that their pension income was adequate in meeting their financial obligations to their extended families. This was attested to by the President, Nigerian Union of Pensioners, Ebonyi State chapter.

> *Pensions will be adequate if they are reviewed periodically as approved by law and payments, to this effect, are made accordingly. A case in point is where Ebonyi State government owes the pensioners 67 months arrears of payment, out of 142% bonus payment since the year 2000. Normally, whenever there is increase in workers' salary, pensions are to be reviewed upward. Nevertheless, law provides that pensions should be reviewed upward in every four year but this is not observed in Ebonyi State. Frankly speaking, it is currently not enough to enable me maintain my household, fuel my car, provide good food for my children, give good education to them and pay my other bills.* ***IDI/Male / President, Nigerian Union of Pensioners, Ebonyi State chapter /Abakaliki 2013).***

Inferring from the position of the President of the Nigerian Union of Pensioners, Ebonyi State Chapter, provisions of the non-contributory pension scheme would meet the welfare needs of retirees if government would oblige to the provisions of the law concerning the management of the scheme. The enabling law establishing the scheme provides for an upward periodic review of the scheme by the government. This is aimed at ensuring that the level of pensions of retirees would be able to meet up with their welfare demands in the midst of economic challenges. Thus, the daunting challenges pensioners face under non-contributory pension scheme therefore were as a result of the unwillingness of Ebonyi State government to fulfill their obligatory responsibility in the management of the scheme. A case in point is where Ebonyi State government owes the pensioners 67 months arrears of payment, out of 142% bonus payment since the year 2000.In this instance, retirees would be managing to live. This invariably would have far reaching negative effect on retirees' welfare provisions.

Information was also sought from retirees' on whether the non-contributory pension scheme provided them access to minimum welfare needs. Information generated on this are presented in table 4.1.2.

Table 4.1.2: Responses of retirees on whether non-contributory pension scheme provides them access to minimum welfare needs

(Field survey 2013)

Variable	Inadequate	Adequate
Minimum health services	177 (48.5%)	188 (51.5%)
Minimum food for the household	170 (46.5%)	195 (53.5%)
Minimum education for their children	129 (35.3%)	236 (64.7%)
Minimum income for their household	157 (44%)	208 (56.0%)
Minimum clothes for their household	182 ((49.9%)	180 (50.1%)

(Field survey 2013)

Table 4.1.2 indicates that 51.5% respondents stated that their pensions were adequate in providing them access to minimum health services, whereas 48.5% respondents stated otherwise. This implies that retirees certified that their pensions would help them have access to minimum health services. Result also indicates that 53.5% respondents were of the view that their pensions would provide them access to at least minimum basic food for their household while 46.5% respondents said that their pensions were not adequate.

Record also reveals that 64.7% respondents stated that their pensions were adequate to provide them access to minimum funds to take care of their children's educational needs, while 35.3% respondents stated otherwise. This means that retirees certified that their non-contribution to the scheme would help them have access to minimum funds to take care of their children's educational needs. On access to minimum income for the upkeep of their household through the non-contributory pension scheme provisions, 56.0% respondents were of the view that their pensions were adequate whereas 44% were on the contrary. Retirees therefore confirmed that their non-contribution to the scheme would help them have access to minimum income to take care of their household needs.

Significantly, 50.1% respondents were of the view that their pensions were sufficient to provide them access to minimum clothes for their household while 49.9% respondents stated otherwise. The general notion therefore, is that retirees' non-contribution to the funding of the scheme provides them minimum funds to provide minimum clothes for their household. Another issue raised is whether the non-contributory pension scheme is prone to corruption or not. Views of respondents on this are contained in table 4.1.3.

Table 4.1.3: Responses of retirees on whether the non-contributory pension scheme is prone to corruption

Variables	**Disagreed**	**Agreed**
Non contributory pension scheme is filled with corruption	80 (22%)	285 (78%)
Corruption affects negatively retirees level of income	33 (9%)	332 (90.9%)
Deprive retirees' access to adequate health services	73 (20.1%)	292 (80%)
Deny them of good food	67 (18.4%)	298 (81.6%)
Deprive retirees' access to decent accommodation	57 (15.6%)	308 (84.4%)
Prevent pensioners from giving their children good education	97 (26.5%)	268 (73.4%)
Deprive them of getting good clothes for their household	93 (25.4%)	272 (74.5%)

(Field survey 2013)

In table 4.1.3, majority of the respondents, were of the opinion that there is corruption in the management of the non-contributory pension scheme. This is the view of 78% respondents while 22% respondents stated otherwise. This result agrees with the views of several scholars that pension funds have been embezzled at different levels of government. For instance, Oshiomole (2009) and Onyeonoru (2011) argue that an impediment like embezzlement of pension funds is the major characteristic of non-contributory pension scheme in Nigeria. In the same perspective, Uwerunonye, (2013) states, that Police Pension Reform Task Team was accused of looting N197 billion.

On the effects of corruption in the scheme, 90.9% respondents certified that corruption affects retirees' level of income negatively while 9% respondents decertified. This shows that the retirees confirmed that corruption, in the scheme, affects their level of income which has adversely effected the provision of their welfare needs.

On whether corruption in the scheme deprives them access to adequate health services, 80% respondents confirmed this while 20.1% respondents did not. The implication is that retirees lack access to medical services as a result of corruption in the system. The general view of retirees was that there is corruption in the management of the scheme which affects their access to adequate health services. In addition, 81.6% respondents stated that corruption in the scheme deprived them access to good while 18.4% were against this view. This implies that the retirees were of the opinion that corruption in the scheme affects their level of access to good food.

On the provision of decent accommodation, 84.4% respondents confirmed that corruption in the management of the scheme denies them access to good accommodation while 15.6% respondents stated otherwise. This is an indication that retirees agreed that corruption in the scheme denies them access to good accommodation.

On the provision of good education, 73.4% respondents certified that corruption in the system deprives their children from having access to quality education, while 26.5%

were on the contrary. This means that retirees stated that corruption in the scheme denies them the opportunity of sending their children to good schools.

It is important to note that 74.5% respondents attested to the fact that corruption in the scheme, prevents them from having access to good clothes for their children while 25.4% did not confirm this. This indicates that corruption in the management of the non-contributory pension scheme has adverse consequences on the lives of retirees. Retirees are, thus denied access to their welfare needs since they are denied access to sufficient funds. Buttressing this view, Onani (2013) reveals that a Federal High Court, in the Federal Capital Territory, Abuja, sentenced the Assistant Director of Police Pension Board, Mr. John Yakubu Yusuf, to two years imprisonment or an option of N175, 000:00 fines for embezzling N33 Billion Naira police, pension funds.

Similarly, information generated from respondents on whether there is delay in the payment of pensions in the state is presented in table 4.1.4.

Table 4.1.4: Responses of retirees on whether there is delay in the payment of their pensions

Variable	**No**	**Yes**
There is delay in the payment of pensions	56 (15.4%)	309 (84.6%)

(Field survey 2013)

Finding in table 4.1.4 shows that 84.6% respondents certified that there is delay in the payment of pensions. This is against the position of 15.4%. In line with this result, Soyimbo (2010:3) summarises the perceived plights of retirees when he quoted a statement by a retiree in an interview as follows;

> *Tell the President and all these politicians, that this is not the way to treat elderly people... Tell them that they will also grow old and will be treated the way they have treated older*

> *people... Tell them that we have served this country with the whole of our youthful life, we deserve some respect... Tell them this pension is our entitlement, not a gift from their personal purses...*

This statement from a pensioner is affirming the obvious about the state of the welfare of retirees. It is a demonstration of the fact that pensioner are in deep pains. Their welfare is in jeopardy under the non-contributory pension scheme. Pensions are not paid in time to enable retirees take care of their welfare needs. For instance, those who were sick may find it difficult to attend to their health needs. It would also be difficult for retirees to provide the needed food and descent accommodation for their household with the level of pensions under non-contributory pension scheme.

4.2: Retirees Coping Strategies

Objective two was designed to identify and discuss the coping strategies retirees adopted in overcoming their welfare challenges. The first issue raised here was the desire to know the strategies adopted by the retirees in overcoming their welfare challenges. Respondents' responses are presented in table 4.2.1

Table 4.2.1: Retirees responses on coping strategies adopted to overcome their welfare challenges on the provisions of the non-contributory pension scheme

Variables/coping strategies	Did not adopt	Adopted
Invested their gratuities	136 (37.2%)	229 (62.7%)
Depended on their children	159 (43.6%)	206 (56.5%)
Depended on investments made while in service	87 (23.9%)	278 (76.1%)
Started their personal business	111 (30.4%)	254 (69.2%)
Got another paid jobs	211 (57.8%)	154 (42.2%)
Relocated to their family houses	142 (39%)	223 (61%)
Changed from orthodox to traditional medicine	246 (67.4%)	119 (32.7%)
Depended on charity	254 (69.6%)	111 (30.4%)
Continued in training their children	146 (39.9%)	219 (60%)
Been able to provide minimum food for their families	109 (29.8%)	256 (70.1%)
Provided clothes for their household	117 (32%)	248 (67.9%)

(Field survey 2013)

Information emanating from table 4.2.1 reveals that various strategies were adopted by the retirees in coping with post retirement stress. In this light 62.7% respondents declared that they invested their gratuities while 37.2% stated otherwise. This is a strong indication that retirees confirmed that they invested their gratuities. Proceeds from this investment could be a source of sustenance for many of the retirees.

Out of the sampled population, 56.5% respondents said that they depended on their children for survival while 43.6% were on the contrary. This implies that retirees were of the view that they depended on their children for sustenance. In this regard, scholars differ radically from the position of this result. In her findings, Aboderin (2004) argue that care and support have declined in two ways; the first is that older adults are left to fend for themselves as the extended families no longer provide care and support, and those provided by children are not enough. This was caused by scarce resources and rising cost of living which inform a rational decision of placing priority on immediate family members comprising of self, spouse and children. Supporting this position, Isiugo-Abanihe (2014) states that the breakdown of the extended family which has accompanied industrialization and urbanization in Nigeria, has reduced the amount and quality of care provided by the family to the elderly. In the absence of suitable and government subsidized living accommodation, many senior citizens live in a deplorable condition and are scarcely and scantly provided for.

Family members were pivotal in providing care and support for the elderly (Unanka, 2003; Cattel, 1990). The extended family functioned effectively in providing care and support for the elderly. They provided emotional, social and financial support to the aged especially when they were facing widowhood and bereavement. Supporting this view, Wahab and Isiugo-Abanihe, (2008, 2010) argue that in traditional society, there was an upward flow of wealth that is wealth flow from children to parents. Based on this, a large household was maintained such that the status of the head of the household depended on the number of children. Children were also seen as an economic investment for parents in old age. This was partly responsible for having a large number of children on whom to depend on for sustenance in old age (Isiugo-Abanihe 1994).

Those who attested that they depended on their investments while in active service were 76.1% while 23.9% stated otherwise. Those who were on the contrary could not make much savings and did not invest while in active service. This implies that majority of the retirees agreed that they depended on the investments they made while in active service for survival.

A greater percentage of the respondents (69.2%) certified that they started their personal business as a coping strategy while 30.4% respondents stated otherwise. This shows that majority of the retirees confirmed that they started their personal business after retirement. The position was supported by a respondent in a session of an IDI interview. She states:

> *I am old and sickly now. I do not embark on anything except petty trading on ice fish and crayfish. Life as a retiree is not easy. You will miss your friends in the work place and remain idle especially when you are too old and cannot do much work.*
>
> *Frequent auditing of pensioners, dragging incapacitated pensioners to distant centres for screening or whatever they call it is not fair. We are already old and should be allowed to rest.* ***(IDI/Female interviewee who retired in 1990 from the Ebonyi State civil service)***

From the position of the above interviewee, it is evident to note that retirees face several welfare challenges in life. The challenge of health associated with old age, the challenge of associated with frequent auditing of pensioners, dragging incapacitated pensioners to distant centres for screening and so forth. These affect the welfare of retirees.

Among the retirees' respondents, 57.8% said that they were not engaged in another paid job. On this basis, 42.2% respondents said they were already engaged in another paid jobs as their means of survival. Inferring from this findings, it means that retirees generally confirmed that they did not engage in another paid jobs on retirement. This differs from the arguments of authorities like Mustric (1980) who declares that many times, it is wiser to physically engage in part-time job and to earn what one can under social security regulations, thus conserving one's health. Corroborating this view, Amadi (1991) states that a study conducted by the International Labour Organization (ILO) shows that the compulsion to continue work beyond the age of 65 is much more rampant in less technologically developed nations such as Nigeria. He further states that result indicates that out of 151 countries covered in the study, less than 10 per cent of the old people in economically advanced countries were found to be working. In Mozambique, 91 percent of men and 76 per cent of women aged 65 years and above were active in the labour force. In Tanzania, the comparable figures are 87 per cent of men and 60.7 percent for women. In 20 African countries, between 74 and 91 percent of old people of 65 years and above continue to work. This implies that the continent of Africa has the largest number of old people who are compelled by family and economic circumstances, to work well beyond the age 65.

In the same vein, Uzoigwe (1997) states that a retiree who is physically and mentally fit can get a part-time job to earn more money to supplement his/her retirement incomes or to keep working instead of staying idle and bored to death during retirement because he/she enjoys working and or to have more time for other personal activities like community service, vocations, hobbies, more time with the family and so on. This was strongly supported by Nwalo (2005) when he states that apart from establishing his/her own business, a retiree can take a full-time employment on contract basis. At the cessation of the contract employment, he/she receives only contact gratuity but no more entitled for pension as a retired officer. He further states that a retiree can take post retirement contract if he/she is healthy, does not want to remain idle and to support his/her pension benefits. He can also go into full-time politics. He /she can earn some money if appointed or elected to any political position. This saves him/her from the boredom of staying at home which is one of the various problems pensioners face in retirement.

The elderly in some developed countries continue to work even after age 65. In Japan, the labour force participation of the elderly aged 65 and above is high; about 85% of men aged 55-64 and one third of all elderly aged 65 and above continue to work (Kinsella and Gist, 1995) In Africa, about 30% of women and 50% of men continue to work even at age 65 and above and the majority of these are rural dwellers who coincidentally are farmers (Hatendi, 2014). In Nigeria and other developing countries, work participation of the elderly is higher than those of the industrialized nations due to the limitation of retirement coverage and social support (Kinsella and Gist, 1995). According to NPC (2009), most of the elderly in Nigeria continue to participate in the labour force even in their old age and towards the end of their lives. Isiugo-Abanihe (2014) affirms the above positions when he states that the characteristic inadequacy in care and support experienced by the elderly in Nigeria compel them to remain in active labour force for a long time, many years after retirement. Nevertheless, as the person ages, efficiency declines and the number of roles which he plays diminishes at the same time that the extent of his interaction with other also shrinks and changes in quality.

This is contrary to the advice one of the interviewees, a staff of the Sub-Treasury Ebonyi State, said they use to give to retirees. His words:

> *When they retire, they don't get their benefits on time. This subjects them to hardship. We do advise some of them whom we know are still able to seek for new jobs elsewhere in order to keep life moving and to avoid being idle.* ***(IDI/Male /H.O.D. Pension Department/Abakaliki 2013)***

Also, the opinion of another IDI with the President, Civil Service Pensioners Union, Ebonyi State Chapter is not in favour of the result too. Here are his words:

> *Yes, it's God who has been seeing me through. I am engaged currently as the President of our Customary Court of justice. This is the secret behind my survival. Ebonyi State government decided to re-engage some of us (retirees) as customary court judges and we are being paid.* ***(IDI/Male /President, Pensioners Union /Abakaliki 2013)***

Inferring from the interview report above, it is evident to note that most retirees get contract jobs to enable them get sustained. Some of them are engaged as customary court judges and so forth. This helps retirees to have income to provide for their welfare.

Regarding the strategy of relocating to their family houses as a means to avoid high rent after retirements, greater number of respondents said they relocated accordingly. A total of 61% respondents confirmed this while 39% stated otherwise. Finding reveals that those that relocated to their family houses were those retirees whose pensions were not big enough to maintain decent rented apartments. Among them are those who relocated to the accommodations they built while in active service. This suggests that retirees agreed that they relocated to their family houses on their retirement.

On the issue of medical care, 67.4% respondents said that they did not change from orthodox to traditional medicine. On the contrary 32.7% said they did change. It implies that a greater per cent of retirees still receive medical care through orthodox medicine. Retirees therefore were of strong opinion that they did not change from orthodox medicine to traditional medicine on retirement.

Concerning whether retirees depend on charity for survival, majority of the respondents (69.6%) stated that they did not depend on charity for survival. Finding indicates that it's only 30.4% respondents that stated that they depended on charity for survival. Some of those who depended on charity were among those who live in old people's homes or depended on charity organizations like churches, Islamic organizations among others. This is an indication that if aids did not come from somewhere, this set of respondents was more likely to face difficulties. This means that the retirees disagreed that they depended on charity for sustenance.

On their ability to continue training their children with their pensions, 60% confirmed this. They said that they had not relented in training their children despite their welfare challenges. On the other hand, 39.9% stated otherwise. To this group of respondents, it was not possible for them to continue in training their children due to their merger pension income. Available information reveals that retirees generally confirmed that they continued in training their children despite their lean resources and welfare challenges.

Feeding the family at a minimal level was another great challenge that confronted retirees. On this premise, 70.1% respondents stated that despite their meager pension income that they were able to provide minimum food to their family members while 29.8% stated otherwise. In coping with further retirement stress, majority of the retirees (67.9%) confirmed that they were able to use their little pension income to provide minimum clothes needed by their household while 32% were on the contrary.

4.3: Administrative Challenges of the Non-Contributory Pension Scheme

Objective three was designed to find out the challenges that pension staff encounter in the management of non-contributory pension scheme. Information generated from the respondents (pension staff) is presented in table 4.3.1.

Table 4.3.1: Frequency distribution of pension staff on the challenges encountered in the management of the non-contributory pension scheme

Variable	Disagreed	Agreed
Lack of adequate staff	35 (41.2%)	50 (58.9%)
There is no biometric data capturing machines	13 (15.3%)	72 (84.7%)
Too many pensioners are on the payroll	33 (38.8%)	52 (61.2%)
Some retirees don't know how to fill data	26 (30.6%)	59 (69.4%)
There are some ghost pensioners	34 (40.1%)	51 (60%)
Some pensioners are too old to come around	22 (25.9%)	63 (74%)
Government does not release enough pension funds	21 (24.6%)	60 (75.3%)
Most times pension funds are embezzled	33 (38.9%)	52 (61.3%)

(Field survey 2013)

Table 4.3.1 shows that, 58.9% respondents declared that lack of adequate staff is the major challenge encountered in the management of the non-contributory pension scheme while 41.2% did not attest to this. Also, 84.7% respondents believed that one other challenge is the non-availability of biometric data capturing machines while 15.3% did not confirm this. This implies that respondents certified that one major challenge they face in the management of non-contributory pension scheme is the non availability of biometric data capturing machines. Result also indicates that respondents 61.2% said that there are too many pensioners in the payroll while 38.5% were on the contrary. This result shows that respondents certified that the number of pensioners on the payroll were much and beyond the working capacity of the available pension staff to manage.

Available finding also shows that 69.4% respondents contended that some retirees do not fill their bio-data very well and this brings confusion in the system's management while 30.6% did not attest to this. This is an indication that respondents confirmed that some retirees find it difficult to fill in their bio-data very well. This can be as a result of old age. It invariably affects the process and results in the delay to certify their payment of pensions.

In line with available information, 60% respondents reveal that there are too many ghost pensioners in the payroll while 40.1% respondents did not attest to this. The implication is that many ghost pensioners are in their payroll which is responsible for the high pension bills recorded in the system.

Finding also reveals that 74% respondents said some retirees are too old to visit pension offices to collect their benefits while 25.9% were on the contrary. This implies that the respondents confirmed that some pensioners are too old to go about the rigors inherent in processing their retirement benefits.

In another view, 74.3% respondents were also of the view that government does not release pension funds on time to pay retirees. However, 24.6% respondents said otherwise. Thus, government non release of pension funds on time could be as a result of high pension bills it bears every month which might be as a result of influx of ghost pensioners in the payroll.

Available information indicates that 61.3% respondents revealed that pension funds are embezzled while 38.9% respondents did not attest to this statement. Confirming these results, one of the interviewees, submitted that:

> *The challenges we face as pension managers are as follows: (a) Cash payment was very risky before now. Though, this is already a story with our current e-payments through the banks. (b) We have too many pensioners to manage. (c) We have insufficient staff to manage the teaming population of pensioners.* ***(IDI/Male /H.O.D. Payroll Sub-Treasury/Abakaliki 2013)***

The submissions of the Sub-Treasurer Payroll Unit of the Ministry of Finance and Economic Planning, Ebonyi State are glaring. They point straight to the challenges they face as pension managers. First was the challenge of carrying cash to pay retirees their pensions. In this regard, they were undertaking serious risk of dealing with cash. By implication, they were at the risk of losing the funds/ cash to armed robbers. With the introduction of electronic payment system, this risk was averted. It was a big relief to the staff under whose unit pensions are paid.

One other challenge was too many pensioners they had to manage. As at 2011, they had 4,149 pensioners in the payroll. This figure keeps increasing on daily basis. This teaming population of pensioners becomes worrisome to pension managers or staff. The pension staff face the problem of managing them by processing their retirement benefits and making payment of their pensions. They expressed difficulty in doing this owing to the few staff whose responsibility it is to handle pension matters. Accordingly, the workload of the pension staff was much.

Findings are also presented on the perception of the respondents on how the administrative challenges, associated with non-contributory pension scheme would be overcome. Table 4.3.2 shows the information generated.

Table 4.3.2: Responses from pension staff on ways to overcome administrative challenges associated with non-contributory pension scheme

Variable	Frequency	Per cent ages
Equip offices with biometric data capturing machines	23	27%
To train more staff to know the demands of their jobs	18	21%
Employ stringent measures to overcome the administrative flaws	15	18%
Change to contributory scheme	15	18%
Employ more staff to handle crowd of pensioners	9	10.5%
Provide good welfare scheme for pension managers	2	2%
Neutral	3	3.5%
Total	**85**	**100%**

(Field survey 2013)

Findings in table 4.3.2 show that 23 or 27% respondents are of the view that one of the measures to adopt in order to overcome administrative challenges is to equip pension managers' offices with biometric data capturing machines. This would ease off the problem they usually encounter in the collection and documentation of retirees bio-data. On the need to train more staff to know the demands of their jobs, 21% respondents supported the idea. In addition, 18% respondents suggested employing stringent measures to ensure that those who flout rules and embezzle pension funds are punished. Similarly, 18% respondents advocated for a change from non-contributory pension scheme (the old pension scheme) to contributory pension scheme (the new pension scheme). When the issue of employing more staff was raised, 10.5% supported the idea for effective management of pensioners. Also, 2% respondents opined that there is need to provide good welfare scheme for pension managers in other to boost their morale and preserve civil service rules.

4.4: Why Ebonyi State Government has not adopted the 2004 Pension Reform Act

Objective four was designed to ivestigate reasons why Ebonyi state government has not adopted and implemented the 2004 Pension Reform Act (Contributory Pension Scheme). Varied responses were generated from respondents and they are presented in table 4.4.1

Table 4.4.1: Responses from pension staff on reasons why Ebonyi State has not adopted the contributory pension Scheme of 2004

Variables	**Disagreed (%)**	**Agreed (%)**
It is to avoid workers bearing 7.5% pension burden	42 (49.4%)	43 (50.6%)
It will give heavy pension burden on government	65(76.5%)	20(23.5%)
The bill has not been passed by State Assembly	41(48.3%)	44(51.8%)
It is difficult to manage the new pension scheme	37(43.5%)	48(56.5%)
Government will lose full control of pension funds	40 (47%)	45(53%)
It's because employees will appoint PFA	44 (51.8%)	41(48.2%)
Government will lose control of their workers	45 (53%)	41 (47%)
There is lack of needed technology	41 (48.2%)	44 (51.8%)
The old scheme is preferred to the new one by workers	39 (45.9%)	46 (54.1%)
There is too much bureaucracy in the new scheme	34 (40%)	51 (60%)
Workers do not know the accrued benefits of the new scheme	22 (25.9%)	63 (74.2%)
Workers do not have strong union	23 (27%)	62 (73%)
Government anticipate fraud in managing the new scheme	33 (37.8%)	42 (61.2%)
State pension managers will lose control of pension funds	38(44.7%)	47 (55.3%)
7.5% contribution of government is very worrisome	60 (70.6%)	25 (29.4%)
Non establishment of civil service pension board is responsible	45 (52.9%)	40 (47.1%)

(Field survey 2013)

The contributory pension scheme provides for 7.5% monthly contribution from both the civil servants and the government. This amount constitutes the bulk sum that will make up retirees pensions emolument on retirement. Table 4.4.1 shows that 50.9% respondents confirmed that one of the major reasons why the contributory pension scheme is not in use in Ebonyi State is because it will allow workers to start bearing financial burden of pension. On the other hand, 49.4% respondents stated otherwise. This implies that the respondents disagreed that government is not willing to introduce the new pension scheme because the civil servants would be obliged to contribute to its funding.

In the same vein, 76.5% respondents detested the fact that the non implementation of the scheme in the state is as a result of the fact that it would put heavy financial burden on government. To this set of respondents, the financial burden of pension will not be heavy on government since employees would also contribute. On the contrary, 23.4% respondents stated otherwise. This implies that the respondents did not confirm the fact that the non-contributory pension scheme would put heavy financial burden on government.

Result indicates that 51.8% respondents certified that the new pension scheme is yet to be adopted for use in Ebonyi State because the State House of Assembly has not passed the bill into law while 48.3% stated otherwise. It implies that respondents stated that the non passage of the bill at the state house of assembly is one of the major reasons why it is not being used in Ebonyi State. This result confirms the position of Nwalo (2007) when he notes that one major fault of the 2004 Pension Reform Act is that section 1 (2) limits its application to all employees in the public service of the Federation, Federal capital territory and private sector. This implies that it does not apply to the workers in the employ of states and Local Governments.

Some respondents are of the opinion that non-contributory pension scheme is financially easier to manage than the contributory pension scheme. This is the position of 56.5% respondents while 43.5% respondents were on the contrary. This is an indication that respondents had a general view that non-contributory pension scheme is financially easier to manage than the contributory. This probably may be the reason why Ebonyi state government was not willing to adopt the contributory pension scheme.

Findings also shows that 53% respondents stated that government will lose control of the pension funds by the introduction of the contributory pension scheme while 47% stated otherwise. This implies that Ebonyi State government has the fear that it will lose control of the pension funds; hence it's unwillingness to adopt the contributory pension scheme.

The contributory pension scheme provides that employees will approve and appoint their Pension Fund Administrators (PFA) of their choice. The PFA appointed will manage the accumulated pension funds for the employees and pay same with accumulated interest to employees on retirement. In this process employers will automatically lose control of the funds. The issue of interest here is that there is a notion that the state government is not willing to introduce the new pension scheme because it did not accept the appointment of PFA by employees. Result also indicates that 51.8% respondents did not attest to this notion while 48.2% attested to this. This implies that respondents generally did not certify that one of the reasons why government is not willing to adopt the new pension scheme is because it did not accept employees' appointment of the PFAs.

In another development, it is believed that one other reason for the non adoption of the scheme, in the state is that it will make government to lose control of its workforce. This is the view of 47% respondents while 53% stated otherwise. This implies that respondents did not confirm the fact that one of the reasons why government is not willing to adopt the new pension scheme is because it will lose control of its workers.

It is also a strong opinion, among the respondents, that government cannot introduce the scheme because it lacks the required technology like the biometric capturing machines. Information gathered reveals that 51.8% respondents strongly certified this opinion, while 48.9% were on the contrary. This implies that majority of the respondents were of the view that one of the reasons why government is not willing to adopt the new pension scheme is because it did not possess the required technology like biometric data capturing machine.

However, findings confirmed that civil servants preferred non-contributory pension scheme more than the contributory scheme. This is the position of 54.1% respondents while 45.9% respondents stated otherwise. This implies that majority of the respondents affirmed that civil servants preferred non-contributory pension scheme to contributory and that is one of the reasons why Ebonyi State government is not willing to adopt the new pension scheme. This position is in line with the views of one of the interviewees in a session of IDI. He states:

> *The non-contributory pension scheme is better than the contributory pension scheme. I prefer the old pension scheme to the new one because civil servants are not being paid enough salaries and should not be required to contribute to the pension scheme. Government should bear the burden alone. After all, we are working for the government and not for ourselves.* ***(IDI/Male interviewee in the Ebonyi State Ministry of Justice)***

The above view was corroborated by another interviewee when he states:

> *The non-contributory pension scheme is profitable, but the process of administering payment is slow, poor and over delayed. It needs serious improvement.* ***(IDI/Male interviewee in the Ebonyi State Ministry of Lands, Survey and Housing)***

The submissions of the two interviewees above are clear demonstrations of the fact that respondents totally preferred non-contributory pension scheme to contributory pension scheme. Even though the contributory pension scheme has several promises, the respondents strongly believed that it is the responsibility of government to bear pension burden alone. Accordingly, non-contributory pension scheme is profitable, but the process of administering payment is slow, poor and over delayed. This process needs an improvement.

Finding reveals that 51 (60%) respondents said that there is too much bureaucracy in the 2004 pension scheme while only 34(40%) opposed this view. What it means is that respondents affirmed that too much bureaucratic process associated with the contributory pension scheme is responsible for the unwillingness of Ebonyi State government to adopt the scheme.

Some respondents argued that the non adoption of the new scheme is as a result of workers inability to keep abreast of its accrued benefits. In this light, finding indicates that 74.2% respondents confirmed this while only 25.9% respondents stated otherwise. This implies that the respondents agreed that one of the reasons why Ebonyi State government has not adopted the new pension scheme is because workers are not yet exposed to the benefits of the new pension scheme. This confirms the statement of the H.O.D. Payroll, Sub-Treasury, Ebonyi State Ministry of Finance in a session of IDI. When he was asked whether he preferred the old pension scheme to the new scheme, he replied:

> *I do not have much knowledge of the contributory pension scheme.*

When he was further asked why he had no much knowledge of the new pension scheme, he states:

> *The old scheme is good. I like it far better than the so called contributory. There is security of pensions in the old scheme. Retirees are sure of their pensions. The computations of retirees' benefits are clear. You cannot cheat anyone. In contributory you are paid through an agent who may embezzle the money.* ***(IDI/Male /H.O.D. Payroll Sub-Treasury/Abakaliki 2013)***

Further to the position of respondents on whether they prefer non-contributory to contributory scheme, the H.O.D. Payroll in Sub-Treasury affirmed the fact non contributory pension scheme was better than the contributory pension scheme on the ground that there is security of pensions under the contributory pension scheme rather than the contributory pension scheme. According to him, retirees are sure of their pensions. The computations of retirees' benefits are clear and no pensioner would be cheated. In contributory retirees are paid through agents who may embezzle their money.

However, the H.O.D. Pension Department, office of the Head of Service Ebonyi State responded to this question this way:

> *Yes, I have knowledge of the contributory pension scheme. It was established by the federal government of Nigeria in the year 2004.*

When he was further asked whether he preferred the non-contributory pension scheme to the contributory scheme, he stated thus:

> *No. This is because there are lots of benefits in the new/ contributory pension scheme. For instance, you are paid promptly when you retire. The scheme does not provide for gratuity but you are paid half of your whole contributions on retirement. That alone replaces gratuities.*
>
> *Two major means of payment of pensions in the new scheme are: programme withdrawal and annuity. For programme withdrawal, payments of pensions are made to pensioners through their Pension Fund Administrators. This payment depends on the remaining balance after the pensioner may have been paid half of the total sum contributed at once. The remaining is shared in a given ratio and paid monthly as pensions to retirees'. In this case, if the money gets exhausted, the payment stops. By implications, the individual will seize to be pensionable.*
>
> *On the contrary, annuity payment is made by certified insurance company. The process is that immediately the individual retiree is paid half of his /her contributions, the remaining balance is sent to the certified insurance company who has the authority to invest the money, make profits and pay pensioners for life. Annuity payment is the best in contributory pension schemes.* ***(IDI/Male /H.O.D. Pension Department/Abakaliki 2013)***

Inferring form the submissions of the interviewee above, they are contrary with that of other interviewees. Here, the interviewee strongly stated that he preferred the contributory pension scheme to the non-contributory pension scheme. He affirmed the security of funds though certified insurance companies.

Further findings reveal that 73% respondents were of the view that the civil service does not have a strong labour union to discuss the issue of implementing the contributory pension scheme with the state government. On the other hand, 23 27% were on the contrary. This shows that the respondents agreed that one of the reasons why Ebonyi State government has not adopted the new pension scheme is because there is no strong civil service union that would interact with government on the need to adopt and implement the contributory pension scheme.

Findings also reveal that 61.2% respondents were of the opinion that government anticipates fraud in the management of the contributory pension scheme while 37.8% stated otherwise. This means that the generality of the respondents were of the view that one of the reasons why government has not adopted the new pension scheme is because government anticipates fraud in the management of the new pension scheme.

Similarly, 55.3% stated that one of the reasons why government has not adopted the new pension scheme is because state pension managers or administrators would be denied control of pension funds. Contrary to this view were the opinions of 44.7% respondents. This shows that respondents agreed that there is serious fear that pension managers would be denied access to manage the pension funds.

Available information also shows that 70.6% respondents did not support the view that government is worried about its expectation to contribute 7.5% of each worker's salary every month to the worker's contributory savings account. On the contrary, 29.4% respondents stated that Ebonyi state government is very much worried about the 7.5% of each civil servants salary it is expected to contribute every month in other to compliment workers own 7.5% monthly contribution to sustain the scheme. This implies that respondents' general opinion is that government is not worried about its expected monthly contributions of 7.5%.

Furthermore, 52.9% respondents said that the non establishment of civil service pension board is not the major hindrance to the adoption of the contributory pension scheme by Ebonyi State government while 47.1% stated otherwise. Drawing from this, it could be concluded that the non establishment of civil service pension board is not the major reason for the non adoption of the contributory pension scheme. This opinion was contrary to the position of the President, Ebonyi State Pensioners Union in an IDI. These are his words:

> *On a general note, I would like to state without missing words that: Ebonyi state has no State Pension Board that operates in nearly over 30 states in Nigeria including Abuja in the Federation. The Local Government Staff Pension Board in Ebonyi State is made up of civil servants. There is a pensioner as a member of the board. Logically Ebonyi has no Local Government Pension Board. There is no befitting office for the state pensioners.* ***(IDI/Male /President, Pensioners Union /Abakaliki 2013)***

In another submission by the H.O.D. Pension Unit, office of the Head of Service Ebonyi State, in an IDI session on the reasons why the state government is yet to adopt the new pension scheme, states:

> *Government anticipated fraud in the new scheme. Government is afraid that it's not going to cope with its own aspect of the monthly contributions. Most importantly, government is not properly briefed on the benefits of the new scheme. Although in the year 2005, government set up a five (5) man committee to fashion out the federal government version of the contributory pension law for use in Ebonyi State. I was a member of the committee. We sat and came up with a bill. The bill went to Executive Council and it received the blessings of the council because it met the demands of the state government. The bill was meant to be forwarded to the*

state House of Assembly for passage into law. That is where the bill ended.

In the year 2010, we re-visited the matter since we did not hear from the State House of Assembly. I was mandated to prepare another bill and sent to the State Anthony General and Commissioner for Justice. The commissioner was to vet the bill and submit same to State House of Assembly. I quickly obliged to the directive knowing its importance, but up till date the same bill is yet to be sent. There is undue delay. ***(IDI/Male /H.O.D. Pension Department/Abakaliki 2013)***

The summary of the above interviewees report is that Ebonyi State government could not adopt the contributory pension scheme because it does not have a state Pension Board that operates in nearly over 30 states in Nigeria including Abuja in the Federation. Also it is their position that government is afraid that it's not going to cope with its own aspect of the monthly contributions.

Most importantly, government is not properly briefed on the benefits of the new scheme. In the same line of thought, the President, Ebonyi State Pensioners Union in an IDI session has this to say:

It is laxity on the state government not to implement the new scheme's package. I know that all states were asked to adopt the scheme without delay. Perhaps, I learnt that was why the federal government seized the monthly allocation to the state of recent. ***(IDI/Male /President, Pensioners Union /Abakaliki 2013)***

Contrary to the above submission, the Director, Sub-Treasury, Ebonyi State Ministry of Finance in an IDI session states:

Yes we are operating the non-contributory pension scheme. Currently, the state government is making great efforts to ensure that the new pension scheme is adopted. I know that government is processing the necessary document on this. Very soon, the new scheme will be on course. ***(IDI/Male /Director Sub-Treasury/Abakaliki 2013)***

4.5: Perception of Civil Servants over the Non-Contributory Pension scheme

This objective was aimed at identifying the perception of the civil servants regarding the non-contributory pension scheme. Information gathered on this are presented in table 4.5.1.

Table 4.5.1: Distribution of responses from civil servants regarding their perception of the non-contributory pension scheme

Variables	Not certified / confirmed	Certified / confirmed
The scheme improves retirees welfare	211(55.3%)	171 (44.7%)
It gives much income to retirees	249 (65.2%)	133 (34.8%)
The administrative procedure is easy	231 (60.4%)	151 (39.6%)
Retirees experience delays in getting paid	90 (23.6%)	292 (76.4%)
The scheme is prone to administrative flaws	152 (39.8%)	230 (60.3%)
It lacks transparency	171 (44.8%)	211 (55.2%)
It does not seek retirees opinion	101 (26.4%)	281 (73.5%)
It does not allow accumulation of high pension bills	234 (61.2%)	148 (38.8%)
Many retirees die before their pensions are paid	127 (33.3%)	255 (66.7%)
It leaves endless queues during payment of pensions	128 (33.5%)	254 (66.5%)
It helps retirees train their children	187 (48.9%)	195 (51.1%)
It is good because government bear its financial burden a lone	193 (50.5%)	189 (49.5%)
It is good because it does not involve retirees contribution	172 (45%)	210 (54.9%)
It is risky to rely on	102 (26.7%)	280 (73.3%)
It creates anxiety and I do not wish to retire from service	213 (55.8%)	169 (44.3%)

It will help retirees build their own houses	231 (60.5%)	151 (39.5%)
It creates uncertainty about the future	162 (42.4%)	220 (57.6%)

(Field survey 2013)

Information in table 4.5.1 shows that 55.3% respondents were of the opinion that the non-contributory pension scheme does not improve the welfare of retirees' while 44.7% respondents reaffirmed the fact that the provision of non-contributory pension scheme would improve the welfare of retirees. This implies that respondents disagreed that the scheme would improve their welfare when they retire. On whether the scheme gives much income to retirees, 65.2%respondents said it does not while 34.8% respondents were of the view that the scheme gives much income to retirees. This is an indication that the respondents did not confirm the fact that the scheme would improve the generation of their monthly income when they retire.

On the administrative procedure of the scheme, 60.4% respondents certified the fact that the scheme's procedure is not easy while 39.6% were on the contrary. This implies that respondents were of the view that the administrative procedure is complex and not easy to go by. Therefore, retirees do not find it easy to process their documents and get paid. This could be the reason why they are seen in queues often times during screening exercises, auditing and payments.

Findings indicate that non-contributory pension scheme is prone to administrative flaws. This is the position of 60.3% respondents while 39.8% stated otherwise. This confirms the position of Omoyele (2012) when he argues that there are twelve problems that face pension administration in Nigeria. He identified them as corruption, embezzlement, ghost pensioners, pensioners roaming the streets, pension cartel, falsification of ages, impunity, obsolete administrative structure, irregularities including multiple bank accounts, manipulation of pensioners' data manual, inefficient accounting system, and non-availability of data for budget.

Information generated reveals that 55.2% respondents confirmed that the scheme lacks transparency. On the contrary, 44.8% said it did not. This result confirms the position of Vanguard Newspaper of November 25, 2004, p 35 which reveals that the corruption in the management of the non-contributory pensions affected the life of retirees' negatively. Corroborating this result, Oviomo (2007) and Ajayi (2008) affirm that the situation of retired civil servants or pensioners is generally very disappointing, sad, pitiable, and discouraging as a result of high level of corruption in the system. In the same light, Onwe (2011) argues that the old Pension scheme suffered inherent, systemic problems which include funding, coverage, supervision, transparency, sometimes no budgetary allocations, mismanagement of funds evasion of the scheme by most private sector employers, and many more.

The H.O.D. Pension Unit in the Office of the Head of Service, Ebonyi State, in an IDI session, has this to say:

> *The scheme is good but, at times, there is fraud in the system. There was a period when money meant to be paid to pensioners was embezzled by those who were responsible. They paid the money into their personal accounts and this had serious negative consequences on pensioners.* ***(IDI/Male /H.O.D. Pension Department/Abakaliki 2013)***

In this vein majority of the respondents, that is 73.5%, were of the view that the scheme does not give retirees the opportunity to air their views while 26.4% stated otherwise. This is an indication that respondents certified that the scheme does not give retirees the opportunity to air their views. In view of this finding, it shows that because retirees do not have a say in the management of the scheme, it becomes difficult for their problems to be solved.

Findings reveal that the scheme allows for the accumulation of high pension bills. This is the position of 61.2% respondents while 38.8% were on the contrary. Therefore the scheme allows accumulation of high pension bills. This result could be one of the reasons why there are delays in the payment of pensions and other retirement benefits to retirees.

Information generated also reveals that many retirees die before they are paid their pensions. This position was confirmed by 66.7% respondents while 33.3% respondents said it was not true. In line with this result, Sunday Vanguard of August 4, 2005 reveals that three pensioners of the Nigerian Railway Corporation (NRC) died while waiting for their pension arrears of 20 months.

Findings also reveal that there are endless queues of retirees during screening exercises, auditing, and payment of pensions. This is the position of 66.5% while 33.5% stated otherwise. This implies that there are endless queues of retirees during screening, auditing and payment of pensions. In one of the IDI sessions, the H.O.D. Pension Unit in the office of the Head of Service, Ebonyi State assessed the plights of pensioners as follows:

> *There is no payment of retirement benefits on time. There is always delay in processing retirement benefits. There are bureaucratic bottle-necks in the whole process which makes it tedious for both the pensioners and the managers.* ***(IDI/Male /H.O.D. Pension Department/Abakaliki 2013)***

The plight of pensioners under non-contributory was seen to be pitiable because there is no payment of retirement benefits on time. There is also delay in processing retirement benefits. This has adverse negative consequences on retirees. This view was supported by the H.O.D, Payroll, Sub-Treasury, Abakaliki in a session of IDI. These are his words:

> *Formally the pensioners were paid cash by hand. This constituted a very big problem to us and the pensioners too. The pensioners queue up for days to be paid and they also run the risk of carrying cash about. Perhaps, some of them may have lost their money to hoodlums. Also some of them spend days before being paid. To us as pension managers, it was*

> *a big risk carrying millions of naira all the time we want to make payments to pensioners. Now we pay them through banks. They opened accounts in banks and we credit their accounts at ease with their pensions. They are now happy.* ***(IDI/Male /H.O.D. Payroll Sub-Treasury/Abakaliki 2013)***

On whether the scheme will help them train their children when they retire, 51.1% respondents certified this while 48.9% respondents stated otherwise. This is an indication that the scheme will help them train their children when they retire.

Information gathered indicates that 50.5% respondents were of the opinion that the pension scheme is not good to them because it's only the government that bears the financial burden alone. This is because at their retirement, their retirement benefits will be minimal and such cannot take adequate care of their welfare needs. Also, this set of respondents, do not like the way government bear pension burden alone. This could have adverse effect in the management of pension funds and may result in the accumulation of high pension bills. In same light, 49.5% were on the contrary, hence its non-contributory structure. It implies that respondents disagree that the non-contributory pension scheme is appreciated because government bear the pension burden alone.

In another dimension, the study sought to know whether civil servants appreciate non-contributory pension scheme because it does not involve retirees' contribution. Findings indicate that 54.9% said it is true while 45.0% respondents refused to believe this. Accordingly, those who did not believe this did not appreciate the non-contributory nature of the old pension scheme. On the whole, respondents certified that they like the non-contributory pension scheme because civil servants/retirees do not contribute to its funding. On whether the scheme is risky to rely on, 73.3% respondents believed that it is very risky while only 26.7% were on the contrary. This is an indication that respondents confirmed that the scheme is risky and should not be relied upon.

Furthermore, 55.8% respondents strongly believed that the anxiety created by the non-contributory pension scheme would not in any way make them to be apprehensive and therefore wish not to retire from active service. On the other hand, 44.3% respondents were on the contrary. To this set of respondents, they would not want to retire from active service due to the anxieties associated with non-contributory pension scheme. They do not wish to retire to face difficulties associated with retirement especially in the face of the non-contributory pension scheme. Nevertheless, information generated indicates that respondents' general opinion was that the scheme does not create anxiety that would make them not wanting to retire from active service.

On whether the provisions of the scheme would help civil servants build their own houses when they retire, 60.5% respondents said it is not possible while it's only 39.5% said it could be possible. The implication is that the non-contributory pension scheme would not in any way help retirees build and own houses.

Moreover, 57.6% respondents contended that the non-contributory pension scheme creates uncertainty about the future retirement life of civil servants while 42.4% stated otherwise. On the whole, there is future uncertainty regarding the contents of the non-contributory pension scheme.

Thus, civil servants have the fear that the scheme would not possibly provide them enough funds to take care of their future retirement needs.

4.6: Plans of Civil Servants to overcome their anticipated future welfare challenges on retirement

Here, information was gathered on the plans of civil servants to overcome their anticipated future welfare challenges on their retirement. Table 4.6.1 contains information generated.

Table 4.6.1: Responses from civil servants on their plans to overcome their anticipated future welfare challenges on retirement

Variable	Not applicable	Applicable
I wish to maintain my official age	300 (79%)	82 (21%)
I will invest my gratuity	59 (15%)	323 (85%)
I am working to save for the rainy days	60 (16%)	322 (84%)
I will go extra miles to raise funds for my family	328 (86%)	54 (14%)
I will build a house before my retirement	49 (13%)	333 (87%)
I am investing in my children's education now	31 (8%)	351 (92%)
I am investing in different business now	98 (26%)	284 (74%)
I will take loan from the bank and invest	203 (53%)	179 (47%)

(Field survey 2013)

Following the assessment of the scheme by civil service respondents, they gave varied opinions on their future retirement plans. Information in table 4.6.1 shows that 79% respondents did not affirm that they would maintain their official age which could be different from their real age in order to stay long in active service while 21% respondents stated otherwise. This finding contradicts the submission of Ogunbameru and Bamiwuye (2004) that the deplorable social conditions of retirees tend to generate pre-retirement anxiety among civil servants. They further argue that these situations may account for age falsification, ghost worker phenomenon, and other fraudulent practices associated with civil servants in Nigeria.

In another result, 85% respondents said they would invest their gratuities on profit making ventures to sustain them in their post retirement life. Those who said they would not invest their gratuities were 15% respondents. This implies that respondents confirmed that there would be need to invest their gratuities.

Findings also reveal that 84% respondents said they would work to save for the rainy day (save for their retirement periods). Those who said they could not save for their retirement days were 16% respondents only. The general opinion therefore is that respondents said they would save for their retirement days. In like manner, 86% respondents were of the view that they would not like to go extra miles in raising funds that would help them to take care of their families on retirement. Contrary to this opinion, 14% respondents stated that they would do everything possible to raise funds that would be used to support their families on their retirement. This implies that respondents disagreed that there was need to go extra miles to protect their future retirement life.

Information generated from the study indicates that 87%) respondents attested to the fact that they would build their own houses before retiring from active service. This would help them gave accommodation when they retire and thus run away from payment of house rents. On the other hand, 13% respondents stated otherwise. They affirmed that it could not be possible for them to build their own houses before their retirement from active service. In line with this result, civil servants would like to have homes of their own before their retirement.

On whether they were investing in their children's education while in active service, 92% said yes while only 8% stated otherwise. This implies that respondents certified that they would train up their children academically before their retirement. When the issue on whether they were investing in different business while in active service, 74% said yes to this. It's only 26% that stated otherwise. Still on investment, 53% respondents were of the view that they would take loan from the bank to finance their investment interest while 47% were on the contrary.

4.7: Test of Hypotheses

Hypothesis 1

Hi. There is significant relationship between level of monthly pensions of retirees and adequacy of welfare provisions.

Ho. There is no significant relationship level of monthly pensions of retirees and adequacy of welfare provisions.

Table 4.7.1: Monthly pension distribution and welfare provision

Monthly Pension	**Welfare Provisions**		
	Adequate Welfare Provision	**Inadequate Welfare Provision**	**Total**
Less than N20,000 =	0 0.0%	75 100.0%	75 100.0%
N21,000 = to N30,000 =	0 0.0%	149 100.0%	149 100.0%
N31,000 = to N40,000 =	0 0.0%	51 100.0%	51 100.0%
N41,000 = to N50,000 =	1 1.4%	70 98.6%	71 100.0%
N51,000 = and above	0 0.0%	13 100.0%	13 100.0%
Total	1 0.3%	358 99.7%	359 100.0%

Chi-Square value = 4.068

Results in table 4.7.1 indicate that 100.0% (75) of retirees who earn less than N20, 000 = as monthly pension perceived their pension earning to be inadequate in providing their welfare needs. Among those that earn between N21, 000 = and N30, 000 =, 100.0% (149) perceived their pension income to be inadequate in meeting their welfare needs. Also, among retirees who earn between N31, 000 = and N40, 000 =, 100.0% (51) perceived their pensions to be inadequate in meeting their welfare needs. However, for retirees who earn between N41, 000 = and N50, 000 =, 98.6% (70) said their pensions were not adequate while 1.4% (1) said theirs were adequate. In the same light, retirees who earn between N51, 000 = and above, 100.0% (13) perceived their pensions to be inadequate. Therefore, this result confirms the fact that there is no significant relationship between levels of monthly pensions of retirees and adequacy of welfare provision.

Hypothesis 2

Hi. There is significant relationship between monthly pensions of retirees and their household size.

Ho. There is no significant relationship between monthly pensions of retirees and their household size.

Table 4.7.2: Association between monthly pension's distribution and household size

	Household size				
Level of monthly pensions	**1-5**	**6-10**	**11-15**	**16 above**	**Total**
Less than N20,000: 00	19 (25.7%)	36 (48.6%)	16 (21.6%)	3 (4.1%)	74 (100%)
N21,000: 00 – N30,000: 00	53 (35.6%)	84 (56.4%)	9 (6.0%)	3 (2.0%)	149 (100%)
N31,000: 00 – N40,000: 00	13 (25.5%)	26 (51.0%)	11 (21.6%)	1 (2.0%)	51 (100%)
N41,000: 00 – N50,000: 00	2 (2.9%)	58 (82.9%)	6 (8.6%)	4 (5.7%)	70 (100%)
N51,000: 00 above	7 (58.3%)	5 (41.7%)	0 (.0%)	0 (.0%)	12 (100%)
Total	94 (26.4%)	209(58.7%)	42 (11.8%)	11(3.1%)	356 (100%)

$X^2c = 52.907$

Inferring from table 4.7.2, information gathered shows that among respondents with less than N20, 000 =, 48.6% of them had a household size between 6-10 persons while only 4.15% had 16 persons and above. Also, 56.4% respondents whose pension is between N21, 000:00 and N30, 000:00 had a household size of between 6-10 persons while 2.0% respondents had16 persons and above. Findings show that 51.0% respondents who earn between N31, 000:00 and N40, 000:00 said that they had household size between 6 to10 persons while 2.0% respondents had between 16 persons and above. Findings also indicates that 58% respondents who earned between N41, 000:00 and N50, 000:00 monthly pensions had between 6 and 10 persons in their household while only 5.7% respondents had between 16 persons and above. However, 58.3% respondents who earned between N51, 000:00 and above, had between 1-5 persons in their household while 41.7% had between 6 and 10 persons under their care.

Findings show that there is significant influence between pensions of retirees and their household size. However, though from the X^2 value it did not show the direction of the association between income and household size, but from the table value it can be deduced that respondents with less income kept more persons in their household than those with higher income.

Hypothesis 3

Hi. There is significant relationship between educational qualifications and monthly pensions of retirees.

Ho. There is no significant relationship between educational qualifications and monthly pensions of retirees.

Table 4.7.3: Association between educational qualifications of retirees' and monthly pensions' distribution

	Educational qualification						
	No Formal Education	**FSLC**	**WAEC/ GCE/ NECO**	**OND/ NCE**	**HND/B. SC.**	**MSC and above**	**Total**
LESS than N20,000:00	6 8.0%	53 70.7%	7 9.3%	7 9.3%	2 2.7%	0 0.0%	75 100.0%
Between N21,000:00 and N30,000:00	0 0.0%	4 2.7%	35 23.5	75 50.3%	23 15.4%	12 8.1%	149 100.0%
Between N31,000:00 and N40,000:00	0 0.0%	0 0.0%	9 17.6%	3 5.9%	28 54.9%	11 21.6%	51 100.0%
Between N41,000:00 and N50,000:00	0 0.0%	3 4.2%	1 1.4%	5 7.0%	28 39.4%	34 47.9%	71 100.0%
N51,000:00 and above	0 0.0%	1 7.7%	0 0.0%	1 7.7%	5 38.5%	6 46.2%	13 100.0%
Total	6 1.7%	61 17.0%	52 14.5%	91 25.3%	86 24.0%	63 17.5%	359 100.0%

Inferring from table 4.7.3, findings show that among respondents with less than N20, 000 =, 53 respondents (70.7%) had First School Leaving Certificate while only 2 respondents (2.7%) had HND/BSC degrees. For those whose pension distribution is between N21, 000:00 and N30, 000:00, 75 respondents (50.3%) had OND/NCE while among those who earn between N31, 000:00 and N40, 000:00 28 respondents (54.9%) had their HND/BSc certificates, 11 respondents (21.6%) had their MSc degrees and above. Among this group, only 3 respondents (5.9%) possessed OND/NCE certificates.It is also very pronounced in the findings that among those who earned between N41,000 = and N50,000 = 34 respondents (47.9%) had their MSc degrees and above, 28 respondents (39.4%) had HND/BSc certificates while 1 respondent (1.4%) had his /her WAEC/GCE certificate. However, among respondents who earn between N51, 000 = and above, 6 respondents (46.2%) had MSc degrees and above, 5 respondents (38.5%) had HND/BSc certificates while 1 respondent each had OND/NCE and FSLC certificates respectively. Inferring from these findings in table 4.7.3 it is clear that there was a significant relationship between educational qualifications of retirees and their monthly pensions (X^2 = 379.13).

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0: Summary

In this study, findings indicate that pensions provided to retirees in the non-contributory pension schemes are very low. They do not adequately meet the welfare needs of the retirees. Findings also indicate noticed poor funding of non-contributory pensions by government, delay in the release of pensions and non- periodic review of pensions as approved by the enabling law as challenges confronting the management of the scheme. Pension funds are usually tampered with by some stakeholders. This affects the timely release of pensions and gratuities to retirees and it has far reaching negative consequences on their lives. Result also shows that there is association existing between pensions and the provision of retirees' welfare needs. This calls for great attention. Upgrading the pension income and timely release of pensions to retirees will help them overcome their welfare challenges. Findings further show that the non-contributory pension scheme has complex administrative structures associated with many administrative challenges which need to be addressed.

5.1: Conclusion

This study underscores the adequacy of pensions of retirees in meeting their welfare needs, the coping strategies adopted by retirees in overcoming their welfare challenges and the administrative challenges associated with management of non-contributory pension scheme. In addition, the study further examined reasons why Ebonyi state government is stuck with non-contributory pension scheme, the perception of serving civil servants regarding the non-contributory pension scheme and the coping strategies adopted by civil servants in overcoming anticipated welfare challenges on retirement. Findings in this study reveal that the levels of pensions of retirees under the non-contributory pension scheme are not adequate in meeting the welfare needs of retirees. In this regard, respondents certified that it is inadequate in providing them descent accommodation, some said it could not provide them clean clothes for their household and good medical services respectively, whereas some said it cannot afford them enough income to meet their financial obligations in their various communities while many others certified that it cannot help them meet their financial obligations in their various religious bodies. It was only few respondents who confirmed that their level of pensions under the non-contributory pension scheme could provide them good accommodation while only few others stated that it will be enough to give them good health services.

Findings also reveal that the management of non-contributory pension scheme is prone to corruption. This was the opinion of many respondents. Thus, majority of the respondents were of the view that the experienced corruption in the scheme has adverse negative consequences on retirees' income. In view of this, many respondents stated that it; deprived them access to descent accommodation, denied them access to good food and denied them access to good health services. On the other hand, only few respondents' were of the view that corruption in the scheme does not have negative effect on their level of income and that it does not deprive them access to descent accommodation.

Pension payment has been assessed to experience delay. This was the position of majority of the respondents. Regarding mechanisms designed by retirees to cope with retirement challenges, findings reveal that majority of the respondents said that they were able to surmount the challenges through their investments while in active service. Some said that they depended on investments made while in active service to survive. Others said they could cope with the challenges to provide minimum; food and clothes for members of their household. Some respondents stated that they started another business to keep life going, some depended on charity to enable them survive retirement ordeals while some got another paid job to enable them cope.

The major administrative challenges that confronted non-contributory pension scheme were lack of biometric data capturing machines, government's inability to release enough pension funds, the presence of too many old pensioners and many pensioners who do not know how to fill their data. On the other hand some respondents stated that they do not believe in the existence of ghost pensioners as a challenge. In addition, few respondents maintained that pension funds were not embezzled and as such did not pose any challenge to pension administration.

In view of the administrative challenges facing non-contributory pension scheme, respondents proffered alternatives. Among the alternatives proffered were that; government should provide biometric data capturing machines to cushion the effects of data processing, government should employ stringent measures to overcome administrative flaws and that government should employ more staff to cushion the effect of excess workload in pension administration. Nevertheless, only few respondents reported that government should provide good welfare scheme for pension managers as alternative to the problems inherent in the administration of the non-contributory pension scheme.

On why Ebonyi State is still stuck to the non-contributory pension scheme, respondents were of the view that; Ebonyi civil servants do not know the accrued benefits of the contributory pension scheme, workers do not have strong union to pursue the demand for the adoption of the contributory pension scheme by the state government and that the contributory pension scheme is associated with too much bureaucratic processes which makes the scheme to be complex in operation. According to respondents, government was worried over its expectation to contribute 7.5% of each workers monthly salary into the scheme as the reason why the scheme could not be adopted in Ebonyi state. It was affirmed that it will give heavy pension burden on government when implemented.

Civil servants in their own view expressed anxieties over the provisions of non-contributory pension scheme. In this direction respondents stated that; retirees experience delay in the payment of their pensions and other retirement benefits under non-contributory pension scheme and one major problem of the scheme is that it does not seek the views of retirees in its management. Hence, respondents argued that the scheme is very risky to rely on and due to the bureaucratic process of the scheme, many pensioners die before their pensions were paid. The scheme is said to make pensioners experience difficulty staying in an endless queues during payment of pensions. However, the scheme was assessed by civil servants respondents to lack transparency which creates uncertainty about the future.

Based on these perceptions by civil servants respondents on the contents of the non-contributory pension scheme, most of them identified ways through which they could overcome future retirement challenges. For instance, they were of the view that they would invest much in the education of their children while in active service. This became necessary since at retirement they may not have enough funds to take care of the educational needs of their children during their retirement periods. In like manner, respondents' stated that they would build their own houses before their retirement so that on retirement they could have a descent accommodation and run away from the high rent age. However, some respondents stated strongly that they would go extra miles to raise funds to take care of their family needs.

The results of this study gave a new understanding in the management of non-contributory pension scheme in Nigeria. Findings indicate that non-contributory pension scheme has a lot of influence on post and pre retirement life of civil servants especially in Ebonyi State. In this wise, pensions provided by the scheme are grossly inadequate in meeting welfare needs of retirees'. Nevertheless, pensioners adopted strategies to cope with retirement stress. Some invested their gratuities while some got another paid job. Majority of them depended on their children, some on charity while some relocated their accommodation to their family house. Thus, civil servant respondent perceived the scheme as being very risky to depend on since retirees face daunting challenges.

5.2: Recommendations

Drawing from the results of this study, the following recommendations were made:

1. Pension managers who embezzle pension funds should be punished in accordance with the enabling law. This will help to overcome some of the challenges in the administration of non-contributory pension scheme.
2. There should be the introduction of biometric data capturing machines. This will help to control the influx of ghost pensioners and ease the process. It will also help to control pension frauds.
3. Pension staff/managers should receive periodic training to equip them with the knowledge on the demands of their jobs. In doing so, pension staff will be acquainted with current technology and intricacies involved in the management of pensions funds.
4. The establishment of a civil service pension board by Ebonyi State government will help to put in place a permanent structure for the management of pension cases in Ebonyi State.
5. The adoption of the contributory pension scheme in place of the non-contributory scheme is essential. This is on the basis that it provides more funds for retirees and it is beneficial to government since funds contributed can be invested.
6. In addition, government should organize workshops at least once in a year, for civil servants to prepare them for their retirement life and equip them with coping strategies of retirement life.

5.3: Contributions to Knowledge

This study fills the lacuna in pension administration. It provided an added literature to the body of knowledge on pension administration in Nigeria especially as it affects the non-contributory pension scheme. The study empirically revealed the challenges retirees face in the management of their pensions under non-contributory pension scheme. The study also broadened our understanding of types of pension plans and went further to draw a comparative analysis between the pension schemes of other countries and the non-contributory pension scheme of Nigeria.

5.4: Limitations of the study

In the cause of executing this research, certain factors limited this study.

a. There was difficulty reaching the targeted respondents (retirees', pension staff and civil servants.

b. The research demanded serious funding. This became necessary since a lot of travels were made to reach the targeted population with the instruments and to conduct in-depth interviews as needed. In addition, research assistants were employed and paid within the research period and.

c. There was difficulty in receiving information from respondents. Some respondents were of the view that the research was heavily funded and as such each of them should be paid a big sum of money before their responses could be received.

5.5: Recommendations for further studies

This study recommends a comparative study of the non-contributory pension scheme and the contributory pension scheme using two or more states in Nigeria. Its results will help in assessing both schemes to determine their viability and potentials in meeting the welfare needs of retirees in Nigeria.

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APPENDIX ONE

QUESTIONNAIRE SCHEDULE FOR RETIRED CIVIL SERVANTS ON PENSION MATTERS

Department of Sociology,

Faculty of Social Sciences,

University of Ibadan,

Ibadan, Nigeria.

July, 2012.

Dear Respondent,

I am a Ph.D student of the above addressed Department researching on the Non-Contributory Pension scheme and its influence on pre and post retirement life of civil servants in Ebonyi State. In view of this, may I request that you should please respond to issues raised in this questionnaire. Your responses shall be strictly utilized for the purpose of this work only and shall be treated with the highest level of confidentiality it deserves.

Thanks for your anticipated co-operation.

Yours Sincerely,

Nweke, Joshua O.

SECTION A: SOCIO-DEMOGRAPHIC DATA OF RESPONDENTS

Instructions: Please fill in the spaces provided and tick (√) appropriately.

S/NO	QUESTIONS	EXPECTED RESPONSES	CODING
1	What is your Sex?	Male	☐ 1
		Female	☐ 2
2	What is your Marital Status?	Single	☐ 1
		Married	☐ 2
		Divorced	☐ 3
		Widow/Widower	☐ 4
3	What is your Religion?	Christianity	☐ 1
		Islam	☐ 2
		African Traditional Religion	☐ 3
		Others	☐ 4
4	What is your present educational qualification?	No formal education	☐ 1
		FSLC	☐ 2
		WAEC/GCE/NECO	☐ 3
		O.N.D/NCE	☐ 4
		H.N.D/First Degree.	☐ 5
		M.Sc. ,Ph.D and others	☐ 6

5	What is your current age?	18 -37 years ▭ 1 38 – 57 years ▭ 2 58 -77 years ▭ 3 78 years and above ▭ 4
6	How many years did you put in active service?	10 – 16 ▭ 1 17 – 23 ▭ 2 24 – 30 ▭ 3 31—35 ▭ 4
7	At this stage of your retirement, what is your monthly pension like?	Less than N20,000: ▭ 1 B/W N21,000: to N30,000= ▭ 2 B/w N31,000: to N40,000= ▭ 3 B/w N41,000: to N50,000= ▭ 4 B/w N51,000: and above= ▭ 5
8	What is the strength of your nuclear/immediate family now?	a. 1-5 persons ▭ 1 b. 6-10 persons ▭ 2 c. 11-15 persons ▭ 3 e. 16 persons and above ▭ 4
9	Please which year did you retire?	

SECTION B: PENSION MATTERS

Objective one

Instruction: Please tick (√) against your responses concerning the status of your pensions and your welfare needs. Please note that in the options provided: SA= strongly agree; A= agree; U= uncertain; D = disagree; SD= strongly disagree

S/N	VARIABLES	QUESTION	SD (1)	D (2)	U (3)	A (4)	SA (5)
10a.	Level (range) of pensions	a. Is your pension adequate to enable you own a home or rent a good accommodation for your household?					
10b.		b. Is your pension adequate to provide three quality meals per day (balanced diet) with the following minimum requirements: protein, vitamins, carbohydrate, fat and oil and minerals for your household?					
10c.		c. Is your pension adequate to enable you affords clean clothes for your household?					
10d.		d. Do you afford to get good health services from your pensions within a month?					
10e.		e. Does it enable you meet up with the educational needs of your children?					
10f.		f. Is your pension adequate to enable you meets up with the financial responsibility in your community?					

10g.		g. Is your pension adequate to enable you meets up with the financial responsibility in your religious groups and associations?					
10h.		h. Is your pension adequate to enable you meets up with the financial responsibility in your extended family?					
11a.	Government bear pension burden a lone	Do you think that your non contribution to the scheme provides you with enough income to enable you afford: A minimum monthly health services?					
11b.		A minimum food requirement for your household?					
11c.		A minimum education for your children?					
11d.		A minimum income for your household?					
11e.		Minimum clothes for your household?					
12	Corruption in the scheme	Do you think that the non-contributory pension you are part of is characterized by corruption?					
13a.		If you agree to question 12, than answer questions 13a to 13f. If you disagree, then skip to question 14. Does corruption noticed in the management of non-contributory pension scheme: Affect your level of pension (income)?					

13b.		Deprive you from getting a minimum health services?					
13c.		Deny you of getting good food required for your household?					
13d.		Deprive you of getting decent accommodation for your household?					
13e.		Prevent you from sending your children to good school?					
13f.		Deprive you of getting good clothes for your household?					
14		There is always delay in the payment of pensions					

15. What are the challenges you face in collecting your pension benefits? ---------------------------

16. Have you received your gratuity? a. Yes ( ) b. No ( ).

Objective two

Please respond accordingly on the questions regarding your coping strategies on your welfare challenges as a retiree. Please note that in the options provided: SA= strongly agree; A= agree; U= uncertain; D = disagree; SD= strongly disagree.

S/N	QUESTION / VARIABLE	SD (1)	D (2)	U (3)	A (4)	SA (5)
17.	I have been able to manage my meagre monthly pension					
18a.	Because my monthly pension is not adequate I: Invested my gratuity?					
18b.	Depend on my children for sustenance?					
18c.	Depend on the investments I made while in active service?					
18d.	Started a personal business?					
18e.	Got another paid job?					
18f.	Relocated to our family house to save house rents?					
18g.	Changed from orthodox medicine to traditional care to save cost?					
18h.	Depends on charity / relief					
19.	Since I retired, I have been able to continue in training my children educationally despite my meagre pension?					
20.	I have been able to feed my family comfortably with my meagre pension?					
21.	I have been able to provide good clothes for my household since I retired?					

22. Please what kind of job are you doing now? ---

23. What other strategies did you adopt which helped you cope with retirement stresses? ---------

APPENDIX TWO

QUESTIONNAIRE SCHEDULE FOR THE STAFF OF PENSIONS DEPERTMENT

Department of Sociology,

Faculty of Social Sciences,

University of Ibadan,

Ibadan, Nigeria.

July, 2012.

Dear Respondent,

I am a Ph.D student of the above addressed Department researching on the Non-Contributory Pension scheme and its influence on pre and post retirement life of civil servants in Ebonyi State. In view of this, may I request that you should please respond to issues raised in this questionnaire. Your responses shall be strictly utilized for the purpose of this work only and shall be treated with the highest level of confidentiality it deserves.

Thanks for your anticipated co-operation.

Yours Sincerely,

Nweke, Joshua O.

SECTION A: SOCIO-DEMOGRAPHIC DATA OF RESPONDENT

Instructions: Please fill in the spaces provided and tick (√) appropriately.

S/N	QUESTIONS	EXPECTED RESPONSES	CODING
1.	What is your Sex?	Male	☐ 1
		Female	☐ 2
2.	What is your Marital Status?	Single	☐ 1
		Married	☐ 2
		Divorced	☐ 3
		Widow/Widower	☐ 4
3.	What is your Religion?	Christianity	☐ 1
		Islam	☐ 2
		African Traditional Religion	☐ 3
		Others	☐ 4
4.	What is your present educational qualification?	No formal education	☐ 1
		FSLC	☐ 2
		WAEC/GCE/NECO	☐ 3
		O.N.D/NCE	☐ 4
		H.N.D/First Degree.	☐ 5
		M.Sc. ,Ph.D and others	☐ 6

5.	What is your current age?	a. 18 -37 ▭ years 1 b. 38 – 57 ▭ years 2 c. 58 -77 years ▭ 3 d. 78 years and above ▭ 4
6.	How many years have you worked in Pensions Department in the office of the Head of Service?	0 – 10 1 ▭ b. 11 – 21 ▭ 2 c. 22 –32 ▭ 3 d. 33 —35 ▭ 4

SECTION B: PENSION MATTERS

Objective three

Instruction: please tick (x) against the options that best appeals to you regarding the administrative challenges you have faced as a pension administrator or manager. Please note that in the options provided, SA= strongly agree ;A= agree ; U= uncertain ; D = disagree ; SD= strongly disagree.

S/N	OPTIONS	SD (1)	D (2)	U (3)	A (4)	SA (5)
7.	We lack adequate staff to handle the crowd of pensioners w have					
8.	Equipments like biometric data capturing machines are not provided to make our job easier					
9.	We have too many pensioners in our pay roll					
10.	Some retirees do not fill their data very well. This affect our job					
11.	There are some ghost pensioners discovered in our payroll					
12.	Some pensioners are too old to come to our office to process their retirement papers. This has serious negative effect on our job.					
13.	Government does not release enough fund to pay retirees their entitlements on time					
14.	Most times pension funds are embezzled by key players					

15. Please what other comments can you make on other administrative challenges you face as a pension manager

Objective four

Please tick (x) against the associated options as they appeal to you on factors that may account for the continued administration of non-contributory pension scheme in Ebonyi State instead of the 2004 contributory pension scheme. Please note that in the options provided, SA= strongly agree ;A= agree ; U= uncertain ; D = disagree ; SD= strongly disagree.

S/N	OPTIONS	SD (1)	D (2)	U (3)	A (4)	SA (5)
16.	The burden of pension rests on workers by 7.5% monthly deduction					
17.	The new pension scheme (2004 scheme) gives heavy financial pension burden to government					
18.	The inability of Ebonyi State House of Assembly to pass the bill adopting the new pension scheme.					
19.	The non-contributory pension scheme is easier to manage than the contributory scheme.					
20.	Fear of government loosing full control of the pension funds					
21.	Ebonyi State government will be in an unfavourable position on the appointment of Pension Fund Administrators by employees					
22.	Fear of government losing control of its workers					
23.	There is lack of the needed technology equipments like biometric data capturing machines, internet facilities etc					
24.	Civil servants prefer the old scheme to the new one					
25.	There is too much bureaucracy in the administration of the new pension scheme (the 2004 Pension Reform Act).					
26.	Ebonyi State workers do not yet know the benefits of the new scheme					
27.	Civil servants do not have strong union to open up discussions with government on the need to introduce the new scheme					
28.	Government anticipate fraud in the 2004 pension scheme					

29.	The new scheme will not give state pension managers the opportunity to manage pension funds.					
30.	The 7.5% anticipated monthly contribution by government is worrisome.					
31.	The non availability of Civil Service Pensions Board is affecting the introduction of the new scheme.					

32. Please what other reason(s) do you believe is (are) responsible for the continued implementation of the non-contributory pension scheme in Ebonyi State-------------------------------

APPENDIX THREE

QUESTIONNAIRE SCHEDULE FOR CIVIL SERVICE EMPLOYEES IN EBONYI STATE ON PENSION MATTERS

Department of Sociology,

Faculty of Social Sciences,

University of Ibadan,

Ibadan, Nigeria.

July, 2012.

Dear Respondent,

I am a Ph.D student of the above addressed Department researching on the Non-Contributory Pension scheme and its influence on pre and post retirement life of civil servants in Ebonyi State. In view of this, may I request that you should please respond to issues raised in this questionnaire. Your responses shall be strictly utilized for the purpose of this work only and shall be treated with the highest level of confidentiality it deserves.

Thanks for your anticipated co-operation.

Yours Sincerely,

Nweke, Joshua O.

SECTION A: SOCIO-DEMOGRAPHIC DATA OF RESPONDENTS

Instructions: Please fill in the spaces provided and tick (√) appropriately.

S/NO	QUESTIONS	EXPECTED RESPONSES	CODING
1	What is your Sex?	Male	☐ 1
		Female	☐ 2
2	What is your Marital Status?	Single	☐ 1
		Married	☐ 2
		Divorced	☐ 3
		Widow/Widower	☐ 4
3	What is your Religion?	Christianity	☐ 1
		Islam	☐ 2
		African Traditional Religion	☐ 3
		Others	☐ 4
4	What is your present educational qualification?	No formal education	☐ 1
		FSLC	☐ 2
		WAEC/GCE/NECO	☐ 3
		O.N.D/NCE	☐ 4
		H.N.D/First Degree.	☐ 5
		M.Sc. ,Ph.D and others	☐ 6
5	What is your current age?	a. 18 -37 years b. 38 – 57 years c. 58 -77 years d. 78 years and above	☐ 1 ☐ 2 ☐ 3 ☐ 4
6	How many years have you put in active service?	a. 0 – 10 b. 11 – 21 c. 22 – 32 d. 33 —35 e. 36 and above	☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5
7	At this stage of your service,	a. Between N18,000: to	N50,000=

	please what is your monthly income like?	1 b. B/W N31,000: to N40,000= 2 c. B/w N41,000: to N50,000= 3 d. B/w N51,000: to N60,000= 4 e. B/w N61,000: and above= 5
8	What is the strength of your nuclear/immediate family now?	a. 1-5 persons 1 b. 6-10 persons 2 c. 11-15 persons 3 e. 16 persons and above 4
9	Please which year are you due for retirement?	

SECTION B: PENSION MATTERS

Objective five

Please mark (x) against your perception / feeling about the non contributory pension scheme in Ebonyi State in meeting your future welfare needs on retirement. Please note that in the options provided: SA= strongly agree; A= agree; U= uncertain; D = disagree; SD= strongly disagree.

S/N	OPTIONS	SD (1)	D (2)	U (3)	A (4)	SA (5)
10.	The non contributory pension improves the welfare of retirees					
11.	The non-contributory pension scheme gives much income to retirees					
12.	The administrative procedures of accessing retirees entitlements in the non-contributory pensions are very good and easy to go by					
13.	Retirees experience delay in getting their pensions					
14.	The scheme is prone to serious administrative failures					
15.	It lacks transparency					
16.	The scheme does not seek the opinion of retirees					

17.	It does not allow the accumulation of high pension bills					
18.	Many retirees die before their pensions are paid					
19.	It leaves an endless queues during payments of pensions					
20.	It will improve my welfare when I retire					
21.	It will enable me train up my children as a pensioner					
22.	It is good because govt. bears the financial burden of pensions alone					
23.	It is good since it does not involve retiree's contribution					
24.	It is very risky for me to rely on the pension scheme so I can do anything in order to survive					
25.	The scheme creates anxiety that I do not even wish to retire from service					
26.	The scheme will enable me build a house of my own when I retire					
27.	It creates uncertainty about the future					

28. What is your general assessment of the non-contributory pension scheme? a. Fair ( ) 1,

b. Average ( ) 2, c. Good ( ) 3, d. Excellent 4, d. Outstanding ( ) 5

29. Please give any other comment regarding the non-contributory pension scheme------
----

Objective six

Please respond to the following questions regarding your plans to overcome future retirement stresses. Please note that in the options provided, SA= strongly agree; A= agree; U= uncertain; D = disagree; SD= strongly disagree.

S/N	PLANS FOR THE FUTURE	SD (1)	D (2)	U (3)	A (4)	SA (5)
30.	As a coping strategy, I wish to maintain my official age which is different from my real age to enable me stay longer in service and save more money for my retirement life					
31.	I will invest my gratuity on profit making business to enable me have a sustaining income during my retirement life					
32.	I am working very hard to save for the rainy day (retirement years)					
33.	I wouldn't mind going against the civil service rule to make sure that I generate enough fund that will help me in taking care of my family on my retirement					
34.	I am struggling to build my own house before I retire					
35.	I am investing in the education of my children now before my retirement					
36.	I am investing in different businesses now to enable me get financially equiped during my retirement years					
37.	I wish to take loan from either the bank or our cooperative society to enable me invest for my retirement					

28. What other plans do you have to protect your retirement future? ------------------------
----

APPENDIX FOUR

INTERVIEW GUIDE/SCHEDULE FOR THE RETIRED CIVIL SERVANTS

The major points under which respondents (retired civil servants union executive) shall be interviewed are as follows:

1. I may wish to know your work profile?
2. When did you enter the civil service?
3. When did you retire from active service?
4. At what age did you retire?
5. What do you think are the problems retired civil servants face in Ebonyi State?
6. Is your pension adequate in meeting your welfare needs?
7. If it is not, what are your coping strategies in overcoming these problems?
8. Did you re-engage yourself back into a paid job?
9. Do you have knowledge of the non-contributory pension scheme?
10. What do you think are the factors why the new pension scheme is not in force in Ebonyi State?
11. Do you think the new scheme will be an alternative to the challenges of the old pension scheme?
12. What are the good things about the non-contributory pension scheme?
13. What are the difficulties / problems the non-contributory pension scheme has?
14. In which ways have these difficulties affected the welfare of retirees?

APPENDIX FIVE

INTERVIEW GUIDE/SCHEDULE FOR STAKEHOLDERS OF GOVERNMENT IN PENSION ADMINISTRATION

The major points under which respondents (civil servants category) shall be interviewed are as follows:

1. I may wish to know your work profile?
2. When did you enter the civil service?
3. When are you going to retire from active service?
4. At what age are you going to retire?
5. What do you think are the general experiences of retirees like in the non-contributory pension scheme in Ebonyi State?
6. What are the challenges the old scheme is currently facing?
7. What are the coping strategies adopted by pensioners in overcoming their welfare challenges?
8. Do you have knowledge of the contributory pension scheme?
9. Do you prefer the new scheme to the old one?
10. If yes why?
11. If no why?
12. Can the new pension scheme be a solution to the challenges of the old scheme?
13. In your opinion, what do you think are the reasons why Ebonyi State government has not adopted the new pension scheme approved by the federal government?

APPENDIX SIX

PENSION MATTERS IN NATIONAL MIRROW NEWS PAPER OF MARCH 2012, PAGES 13 AND 14

Senate: Startling revelations at pension probe

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GEORGE OJI. 13/03/2012 03:56:00

Mark

Okonjo-Iweala

IGP Abubakar

Lamorde

The public hearing conducted by the Senate joint Committees on Establishment, Public Service, Local and State Governments to investigate the administration of pension funds in the country turned out to reveal astonishing details of how public

servants enriched themselves with funds meant for the nation's senior citizens, writes GEORGE OJI.

The media has been awash in the past four years with reports about the pitiable plight of the nation's retirees and how many of them have been through all forms of stress and in many instances lost their lives in the course of pursuing their pension entitlements. From the military to the police to the civil servants, the story has been the same.

In an apparent response to this, Senator Heineken Lokpobiri (Bayelsa West) in December last year sponsored a motion in which the plight of pensioners in Nigeria were extensively discussed and debated. The motion afforded the senators to freely expose the noticeable ills inherent in the administration of pension matters in the country. It was based on the sordid narratives that the Senate directed its joint Committees on Establishment, Public Service, Local and State Governments to conduct a comprehensive public hearing on the issue of pension administration in the country.

The public hearing, which had been conducted in the six geo-political zones of the country, was rounded off at the National Assembly, Abuja, last week. Senate President, David Mark, who declared the public hearing open, set the tone of the event when he remarked that pension fund managers who steal funds meant to pay pensioners are looters of blood money.

Speaking through the leader of the Senate, Senator Victor Ndoma Egba, the Senate President remarked that, "If your wealth is from people's pensions then that is blood money. It is blood money because you cannot take away the sweat, the entitlements of an old man or an old woman who is looking up just to that little appreciation from his country and believe that he will live in peace. You cannot because the prayers of those old men at home will not only follow you, it will also follow your children and children's children."

According to Mark, “Pensioners are pensioners because they have served their nation faithfully and on retirement must become a part of that vulnerable population that must be properly taken care of.”

Some of the people who appeared before the committee and made oral presentation included the former Heads of Service, Mr. Steven Oronsanye, Prof. Dapo Afolabi, Permanent Secretary in charge of establishment in the office of Head of Service (HOS), Mr. Michael Bonat, Chairman of the Economic and Financial Crimes Commission (EFCC), Ibrahim Lamorde among others.

However, of all the presentations made before the lawmakers, that of the Chairman of the pension task force team headed by Abdulrasheed Maina was most revealing. The pension reform team was set up in 2010 by the former Head of Service (HOS), Mr. Stephen Oronsanye and comprised representatives from the EFCC, State Security Service (SSS), Independent Corrupt Practices and other related offences Commission (ICPC), Office of the Auditor General of the Federation and Office of the Accountant General of the Federation to proffer solutions on how the existing rot in the pension scheme could be addressed.

Maina said the initial amount recovered from the 32 staffers of the pension department was N12 billion and that the amount had increased to N18 billion and is still growing.

Maina said his taskforce team found out that the 32 persons who are all staff of the pension department of the office of the Head of Service inserted names of primary school teachers in the pension pay rolls. He said the deal was that at the end of the month when these teachers receive the payments, they deducted 10 per cent of the amount as their own shares and returned the rest to members of the cartel.

“So many primary school teachers were used as conduit pipes to siphon pension funds. For instance, a primary school teacher in Kebbi was paid N3 million each month and he takes 10 per cent and refunds the rest to the pension staff,” Maina said.

He said his team in addition found out that officials of the pension office used falsified documents to withdrew N24 billion from the Budget Office for the payment of police pension that required only N3.5 billion.

He said already his team has recovered N21 billion of the money lodged in a first generation bank. He said that the team discovered two major accounts in Lagos where pension fund for the police was lodged and said one account had N21 billion while the other had N24 billion.

Maina said when he discovered that on daily basis various sums of money from N200 million to N300 million were being withdrawn, he applied to the Account General of the Federation for the transfer of the accounts.

He said in his application, since the headquarters of the Police pension was in Abuja, the accounts should be moved to new accounts to be opened in Fidelity and UBA banks but that the then Head of Service, Dapo Afolabi, told him to hands off the pension fund.

The committee consequently directed that Maina made available all relevant documents relating to the transactions including bank statements, cheque books and other documents that would assist the committee in arriving at drawing its report.

He said his team found out that through the process of falsifications the total number of pensioners were inflated to 141,790, which cost the Federal Government N1.3 billion monthly. He said after the biometric verifications carried out by his team, the number of genuine pensioners were reduced to 70,658 and the monthly budget also reduced to N825 million monthly. According to Maina, the 71,133 included the 44,320 genuine and eligible pensioners some of who retired as far back as 1968 who were captured by the team for the first time and not part of the 141,790.

Maina also alleged that his team found out during its investigations that the cartel collaborated with officials of the Nigerian Union of Pensioners (NUP) to also siphon part of the pension funds. For instance, the team found out that the bank account of the

NUP, where the monthly check off dues of the association used to be N15 million suddenly grew to over N2 billion. He said the extra amount was later transferred to the fraudulent 32 staffers at the office of the HOS who are currently facing prosecution.

The head of Task Force said his team also found out that whereas the HOS has an official figure of 141,790 in its pay roll, the team discovered that the actual number of pensioners at the budget office was 258,000

He said out of the N5 billion expended on pension payment monthly by the office of the HOS, N500 million was for death benefits, an unspecified amount was paid to states as reimbursement in cases of contentions, a certain percentage paid to the NUP while the remaining was for actual pension payment.

Maina said his team ascertained that a total of 42 pension offices were maintained by the pension department of the office of the HOS across the country and that between 2005 and 2011, the Federal Government expended between N250 million and N900 million annually to conduct verification exercise for pensioners. But after the biometric exercise by the task team, that level of cost was removed as there is no longer reasons why genuine and authenticated pensioners will have to go through such exercise.

Maina said his team also found out that there were multiple payments to single individuals by the pension office of the HOS. He said, for instance, some pensioners who retired as state workers had their names among federal civil servants, while the names of such persons also appeared in different parastatals of the government.

The task team boss further disclosed that when it became obvious that their assignment was going to dislodge staff of the pension office, officials of the NUP and other beneficiaries of the fraudulent pension scheme, these people began to sponsor series of campaign, including media campaigns, sponsoring fake pensioners to pose as real pensioners who have not been captured to create the impression that the data capturing device was a failure so that government would revert to the old system.

Maina said the original mandate of his team was to proffer solutions to the underlining challenges of the pension funds including, the non-payment of gratuities and death benefits to eligible beneficiaries, none enrolment of eligible pensioners into the payroll, for those on the existing payroll their payment was erratic, irregular and unstable. The other briefs of the team included the investigation of the non-payment of balance of dependable pension to next of kin, non-payment of accrued backlog of monthly pension arrears, omission and short payment of monthly pension and harmonization of pension as provided in section 173(3) of the 1999 constitution.

However, when Chief Superintendent of Police, Toyin Ishola appeared before the probe committee to testify on behalf of the Abuja Police Pension Office, he accused Maina of engaging in untoward activities ranging from fraudulent contract awards to the operation of secrete accounts in the course of the three verification exercise of the police pension funds.

A memo signed and submitted by Ishola on behalf of the Police Pension Office, Abuja to the probe committee claimed that Maina exceeded his mandate by engaging in frivolous and extravagant expenditure beyond his brief.

The petitioners alleged that Maina expended the sum of N240 million for the conduct of biometric exercise of 20 retirees in the Diaspora and another N220 million for local bio data. It also claimed that Maina split the award of contract for the purchase of N12.5 million contract meant for one company to several companies in order to avoid the issue of due process.

The police pension office further alleged that the task team within three months unilaterally opened three accounts in different banks without recourse to extant financial rules and approval from the Accountant General of the federation and the minister of finance.

In addition, the task force team chairman was accused of making it impossible for the police to operate as a legal entity and raising the false alarm by accusing the Director of

Police Pension Office, Mr. Y.K. Adeyemi of embezzling N119 million, which was later investigated and found to be false.

In the prayers accompanying the complaint, the petitioners appealed to the Senate committee to return the police pension office to its former glory by removing the task team in police pension office and com pelling him to hand over to the Head of Service with immediate effect. It also urged the committee to appeal to the Coordinating Minister of the Economy to lift the ban on all the accounts of the police pension office so that it can carry out its statutory functions to the retirees' next-of-kins and pensioners.

Unfortunately, Maina was not at the committee sitting the day Ishola levelled these accusations against him and as a result could not personally respond to the allegations. Quite expectedly, the police allegations were what most of the stakeholders, particularly those who had benefited immensely from the old pension arrangement needed to paint Maina black. Unfortunately also, members of the committee who all along appeared to have taken a particular position felt equally comfortable was to seek the permission of the President to freeze the accounts, and that is exactly what I did. We had to make sure that every activity regarding the accounts had to be stopped," she said.

According to the minister, KPMG, an auditing firm, was subsequently invited to audit the police pensions and a number of revelations were made. She said, "KPMG confirmed what Maina said that N1.5 billion goes to Police Pensions Office monthly when only about N500million was required. The firm also confirmed that N24 billion was kept in account meant for the payment of harmonization arrears.

"KPMG also confirmed that accounts were being opened and monies belonging to the Police Pensions were being moved around. It was discovered that every new management opened new accounts in banks and moved funds around. They confirmed that there was a struggle among the Head of Service, the Task Team and the Police Pensions for control over these accounts."

Okonjo-Iweala confirmed that there were irregularities in the administration of the police pensions before the appointment of the task team and that the irregularities continued during the period of the operation of the task team. She further noted that the total balance of the amount belonging to the pension office was N33 billion, but police pensioners were only paid after an authorization by the Minister of Finance following an approval from the President.

She said there was the practice of using pension funds for administration purposes, which was a breach of extant financial regulations, adding that KPMG confirmed that the payment of the N119 million to pensions was appropriately paid out contrary to the allegations raised by the Task Team.

Earlier, the EFCC chairman, Ibrahim Lamorde, appeared to explain his role in the conduct of biometrics in the police pensions office. His name had appeared on the list of persons travelling to Atlanta Georgia where over N240 million was paid out as estacodes. Lamorde denied that he embarked on the trip, saying he neither received any money from the police pensions to travel to the US.

Chairman of the Task Team, Maina, who was declared wanted by the committee on Thursday, appeared on Friday to answer questions on some of the allegations made against him. An obviously rattled Maina had problems explaining how the names of the EFCC chairman and the former Inspector General of Police found their way into the list of 15 persons who travelled abroad for biometric data capture of retirees in the Diaspora and yet did not make the trips and monies were said to have been paid to them.

Maina however raised objections as to the authenticity of the documents, and requested for the original copies of the document before he could make his defence. Maina insisted that he had saved the government N28 billion from the restructuring of the police pensions, citing records available at the police pensions.

With the conclusion of its public hearing, the joint committee will retire to write the report of its findings for submission to the entire Senate.

APPENDIX SEVEN

HIGHLIGHTS OF THE CONTRIBUTORY PENSION SCHEME IN NIGERIA

BACKGROUND

As is typical worldwide, the Pay As You Go Defined Benefit Scheme that is currently operated in Nigeria is burdened with a lot of problems and has increasingly become unsustainable. Against the backdrop of a huge deficit, arbitral increases in salaries and pensions as well as poor administrative structures, the need for pension reform became glaring.

ELEMENTS OF THE NEW CONTRIBUTORY PENSION SCHEME

The key objectives of the new scheme are to:

1. Ensure that every person who has worked in either the public or private sector receives his retirement benefits as and when due;
2. Assist improvident individuals by ensuring that they save to cater for their livelihood during old age;
3. Establish a uniform set of rules and regulations for the administration and payment of retirement benefits in both the public and private sectors; and 4. Stem the growth of outstanding pension liabilities.

The new pension scheme is contributory, fully funded, based on individual accounts that are privately managed by Pension Fund Administrators with the pension funds assets held by Pension Fund Custodians. There will be strict regulation of the process.

Contributory System

Under this system, the employees contribute a minimum of 7.5% of their Basic Salary, Housing and Transport Allowances and 2.5% for the Military. Employers shall contribute 7.5% in the case of the Public Sector and 12.5% in the case of the Military. Employers and employees in the private sector will contribute a minimum of 7.5% each. An Employer may elect to contribute on behalf of the employees such that the total contribution shall not be less than 15% of the Basic Salary, Housing and Transport allowances of the employees.

An Employer is obliged to deduct and remit contributions to a Custodian within 7 days from the day the employee is paid his Salary while the Custodian shall notify the PFA within 24 hours of the receipt of Contribution. Contribution and retirement benefits are tax exempt.

Fully Funded

The contributions are deducted immediately from the salary of the employee and transferred to the relevant retirement savings account. By so doing, the pension funds exist from the onset and payments will be made when due.

Individual Accounts

The employee opens an account to be known as a '**Retirement Savings Account'** in his name with a Pension Fund Administrator of his choice. This individual account belongs to the employee and will remain with him through life.

He may change employers or pension fund administrators but the account remains the same. The employee may only withdraw from this account at the age of 50 or upon retirement thereafter. This withdrawal may take the form of:

• A programmed monthly or quarterly withdrawal;

• A purchase of annuity for life through a licensed life insurance company with monthly or quarterly payments; and

• A lump sum from the balance standing to the credit of his retirement savings account: provided that the amount remaining after the lump sum withdrawal shall be sufficient to procure an annuity or fund programmed withdrawals that will produce an amount not less than 50% of his monthly remuneration as at date of his retirement. With any of the above options, there is an assurance that the pensioner has sufficient funds available to him for his old age. Although many have contended that at the end of the working period, they should be allowed to collect their savings in one lump sum, experience has shown that very few individuals have the discipline to manage funds effectively over a long period of time. The above was considered a better process than to allow the individual withdraw his accumulated savings at once, spend it all and then have no income when he is no longer in a position to work. 3

Life Insurance Policy

Every employer shall maintain life insurance Policy in favour of an employee for a minimum of three times the annual total emolument of the employee.

Privately Managed: Pension Fund Administrators and Pension Fund Custodians

The new scheme requires pension funds to be privately managed by Pension Fund Administrators (PFAs) and Pension Fund Custodians (PACs).

Pension Fund Administrators (PFAs) have been duly licensed to open retirement savings accounts for employees, invest and manage the pension funds in fixed income securities listed and other instruments as the Commission may from time to time prescribe, maintain books of accounts on all transactions relating to the pension funds managed by it, provide regular information on investment strategy to the employees or beneficiaries and pay retirement benefits to employees in accordance with the provisions of the Act.

Pension Fund Custodians are responsible for the warehousing of the pension fund assets. It is envisaged that at no time will the PFAs hold the pension funds assets. The employer sends the contributions directly to the Custodian, who notifies the PFA of the receipt of the contribution and the PFA subsequently credits the retirement savings account of the employee. The Custodian will execute transactions and undertake activities relating to the administration of pension fund investments upon instructions by the PFA.

ELIGIBILITY FOR THE SCHEME

The law makes it mandatory for all workers in the Public Service of the Federation and the Federal Capital Territory, and workers in the private sector where the total number of employees is 5 or more to join the contributory scheme at commencement.

EXEMPT INDIVIDUALS

Existing pensioners and workers that have 3 years or less to retire are exempted from the scheme. Also, exempted are the categories of persons under Section 291 of the

Constitution of the Federal Republic of Nigeria. However, they may join of their own volition. The existing Pensioners are also exempted. 4

TRANSITIONAL PROVISIONS FOR THE PUBLIC SECTOR

Existing Pensioners

There shall be established Pension Departments under the scheme to continue to administer the affairs of existing pensioners. The National Pension Commission will supervise the Departments. The responsibilities, funds, and assets of the relevant existing pension boards or offices shall be transferred and vested in the respective Departments. It is anticipated that these Departments shall cease to exist after the death of the last pensioner.

Retirement Benefit Bond

This is a bond that will be issued to those who are currently in employment of the Public Service of the Federation and the Federal Capital Territory where the schemes were unfunded, who are not exempted from the new scheme but have worked for a specified number of years, in recognition of their accrued rights under the defunct pension scheme. This bond recognizes government indebtedness to them; however, it is only due and payable when they retire. This is a significant benefit to the Government, as it will not have to furnish immediately the entire funds required to change to the new system, known as Transition Cost. Since Transition Costs are typically huge and in most countries pose as the major hindrance to pension reform, the use of Recognition Bonds goes a long way to allaying a lot of the fears of the workers who are nearing the end of their service. In this circumstance, the use of recognition bonds defers government liabilities and spaces it over a long period.

Retirement Benefits Bond Redemption Fund

A fund known as the Retirement Benefits Bond Redemption Fund is to be established and maintained by the Central Bank of Nigeria. The Federal Government will pay an amount equal to 5% percent of the total monthly wage bill payable to employees in the public service of the Federation and Federal Capital Territory. The total amount in this fund shall be used to redeem any retirement benefit bond issued and payments into this fund shall cease after all retirement benefit bonds have been redeemed.5

TRANSITIONAL PROVISIONS FOR THE PRIVATE SECTOR

Private Pension Schemes

Viable pension schemes in the private sector already in existence, shall continue to exist provided that they can demonstrate that they are fully funded at all times with any shortfall to be made up within 90 days; the assets of the company are fully segregated from the pension fund assets; the pension fund assets held by a custodian; and the company has the requisite capacity for the management of pension fund assets. The company must also show that they have managed pension schemes effectively for at least 5 years before the commencement of the new scheme. However, existing members shall have the option to join the new scheme. Where an employee exercises that option, the employer shall compute his retirement benefits to date and such amount will be transferred to his retirement savings account as maintained with a PFA of his choice.

A private pension scheme may retain all its existing investments subject to the regulations, rules and standards established by the Commission. Any employer managing pension fund assets of N500, 000,000 and above shall apply to the Commission for a licence as a Closed Pension Fund Administrator in order to manage such funds directly or through a wholly owned subsidiary dedicated exclusively to the management of such pension fund assets. On issuance of the licence, the Commission will supervise and regulate the activities of the closed PFA.

Where an employer is managing pension fund assets of less than N500, 000,000 and desires to maintain its existing scheme, such an employer shall have such pension scheme administered by a duly licensed PFA. NSITF has established and was granted licence to undertake the business of a PFA in accordance with the Provisions of the Act. Contributors under the NSITF Act shall, at least 5 years after the commencement of the Act, select a PFA of their choice for the management of Pension Fund standing to their credit.

However, the pension funds and assets held by NSITF shall be transferred to a Custodian. NSITF shall also be supervised and regulated by PenCom.

SAFEGUARDS FOR THE PENSION SCHEME

The importance of safety of the pension fund assets cannot be overemphasized as the success of the pension reform is hinged on the availability of funds to contributors when they retire. Since the pensioner will utilize the fund at the end of his working life, it becomes imperative that adequate measures be taken for its protection. Consequently, there are a number of stringent provisions contained in the Act with the singular objective of protecting the pension fund assets. The Act embodies a number of checks in order to preserve the pension fund assets. These include:

• **Separation of PFA and Custodian**

Although they both deal with pension fund assets, the functions of the PFA and Custodian are so clearly delineated that it is difficult for either to misuse the pension funds assets to the detriment of the contributor. At no time will the PFA have the custody of contributions of the employee. The contributions go directly from the employer to the Custodian. On the other hand, the Custodian will not invest the pension assets except to the order of the PFA.

• **Pension Fund Custodian Guarantee**

Applicant Custodian shall issue a guarantee to the full sum and value of the pension fund and assets held by it or to be held by it.

• **Government Pension Contribution**

Government contribution shall be a charge on the Consolidated Revenue Fund of the Federation.

• **Risk Rating Institutions**

These are institutions that will be responsible for rating the instruments that pension unds will be invested in. PenCom requires that these risk-rating institutions possess the professional capacity and are licensed to rate the risk of investment instruments.

• **Compliance Officers**

Every PFA shall employ a Compliance Officer who will responsible for ensuring compliance with the provisions of the law regarding pension matters as well as the internal rules and regulations of the particular PFA. They will be required to liaise with PenCom and the Board of Directors of the PFA with regard to the activities of the PFA.

• **Reporting Requirement for PFAs and PFCs**

In order to keep track of their activities, the licensed operators are required to make a regular report of its activities to. PenCom Many consider this an onerous requirement by PenCom but in view of the volume and nature of the funds the PFAs will handle, it becomes necessary to be able to spot any wrongdoing early. Besides this information is expected to be passed on to PenCom electronically and would not constitute a hardship for any fully automated operators.

• **Statutory Reserve Fund**

A PFA shall maintain a Statutory Reserve Fund, which shall be credited annually with 12.5% of the net profit after tax, or such percentage of the net profit as may be stipulated by PenCom to meet claims.

• **Sanctions**

Clear legal and administrative sanctions have been provided for non-compliance with rules and regulations.

• **Public Disclosure of Information**

PFAs and Custodians are required to disclose their rates on return and publish their audited accounts.

BENEFITS

Nigeria stands to benefit from the pension scheme. In the first instance, it addresses the pension liability by stemming its further growth and provides a platform for addressing this liability. Since the individuals own the contributions, the pensioner is no longer at the mercy of government or employer and is assured of regular payment of retirement benefits. Employee has up to date information on his retirement savings account. The scheme allows the contributor the freedom to choose who administers his retirement benefits account and this promotes competition among the PFAs. A major benefit of the scheme to the worker is that the individual accounts are portable and as such, the worker is able to change employment and still maintain the same account. He is merely required to provide the details of his account to the new employer.

The scheme imposes fiscal discipline on the nation and is a solid foundation for conomic development. There is an expansion of convertible funds, creation of a huge pool of long term funds and enhanced accountability. The scheme introduces clear legal and administrative sanctions and there is a separation of investment, administration and custody of assets. Transparency is also ensured by the requirements for published rate of returns, regular statements of contributions and earnings and annual audited accounts.

THE NATIONAL PENSION COMMISSION

The Scheme will entail the establishment of a National Pension Commission (PenCom), to regulate, supervise and ensure the effective administration of pension matters in Nigeria. The Commission will achieve the above by ensuring that payment and remittance of contributions are made and beneficiaries of retirement savings accounts are paid when due. **Above all, the Commission will ensure the safety of the pension funds by issuing guidelines for licensing, approving, regulating and monitoring the investment activities of Pension Funds Administrators.**

Under the contributory pension scheme, the National Pension Commission as the regulator of Pension matters shall receive and investigate any complaint of impropriety leveled against any Pension Fund Administrator, Custodian or employer or any of their staff or agents. Basically, PenCom stands as a watchdog, with the overriding objective of ensuring that all pension matters are administered with minimum exposure to fraud and risk. PenCom will employ the use of approved risk rating agencies to determine the viability of an investment instrument.

Governance Structure of PenCom

The Board of Directors is under the Chairmanship of Chief Oluwole Alani Adeosun, OON. The Executive Members of the Board include Mr. M. K. Ahmad (Director General/CEO), Dr. Musa Ibrahim (Commissioner Inspectorate), Miss. Eyamba T. Henshaw (Commissioner Technical), Mr. M. T. Mamman (Commissioner Administration), and Mr. Pius Akubueze (Commissioner Finance & Investment). Mrs. Chinelo Anohu-Amazu is the Commission Secretary/Legal Adviser. Other members of the Board of Directors representing various stakeholder organisations are Mr. Musa Al-

Faki (Director-General, Securities and Exchange Commission), Mr. C. D. Ghali (Representating Director-General, Budget Office), Mr. P.A.H Ataman (Representing Prof Charles Soludo, Governor of Central Bank of Nigeria), Dr. Sani Teidi Shaibu (Representing Permanent Secretary, Establishment and Pensions, OHSF), Mr. Segun Oshinowo (Director-General, Nigeria Employers Consultative Association), Alhaji Ali Abatcha (President Nigerian Union of Pensioners) and Mr. Ivor Takor (National Treasurer Nigeria Labour Congress).

Activities of PenCom

PenCom commenced operation in December 2004. In accordance with the powers vested on it by the Pension Reform Act 2004, the Commission has evaluated several applications for licences to operate as either Pension Fund Administrators (PFAs) or Pension Fund Custodians (PFCs). So far, twelve (12) PFA licences, four (4) for PFC licences and one (1) for Closed PFA licence have been issued. This has allowed employees that are covered by the new pension scheme to start opening RSAs with the PFAs of their choice.

In exercise of its regulatory role, the Commission has also issued regulations and guidelines for the supervision of the pension industry. PenCom had compiled and printed copies of 'Frequently Asked Questions' on the Pension Reform in English, Hausa, Yoruba and Igbo. These documents have been circulated all over the country and serialized in 'Gaskiya-Tafi-Kwabo', 'Irohin' and Daily Champion newspapers. The translation in to Pigin English has been concluded. The exercise is intended to educate the general public on the new pension scheme and the role of the Commission as the supervisor and regulator of the scheme. The Commission has conducted sensitization seminars for public and private sectors' employees and employers.

Many State Governments have started to implement the contributory pension scheme. In its efforts to extend the benefits of the pension reform programme to all levels of Government, the Commission had drafted a model 'State Pension Law', which is being made available to State Governments.

Sources: NATIONAL PENSION COMMISSION June, 2008

APPENDIX EIGHT

MAJOR HIGHLIGHTS OF THE PENSION REFORM BILL 2014

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MAJOR HIGHLIGHTS OF THE PENSION REFORM BILL 2014

The following are the major highlights of the Pension Reform Act 2014

Upward Review of the Penalties and Sanctions

The sanctions provided under the Pension Reform Act 2004 were no longer sufficient deterrents against infractions of the law. Furthermore, there are currently more sophisticated mode of diversion of pension assets, such as diversion and/or non-disclosure of interests and commissions accruable to pension fund assets, which were not addressed by the PRA 2004. Consequently, the Pension Reform Act 2014 has created new offences and provided for stiffer penalties that will serve as deterrence against mismanagement or diversion of pension funds assets under any guise. Thus, operators who mismanage pension fund will be liable on conviction to not less than 10 years imprisonment or fine of an amount equal to three-times the amount so misappropriated or diverted to both imprisonment and fine.

Power to Institute Criminal Proceedings against Employers for Persistent Refusal to Remit Pension Contributions

The 2014 Act also empowers PenCom, subject to the fiat of the Attorney General of the Federation, to institute criminal proceedings against employers who persistently fail to deduct and/or remit pension contributions of their employees within the stipulated time. This was not provided for by the 2004 Act.

Corrective Actions on Failing Licensed Operators

The Pension Reform Act 2004 only allowed PenCom to revoke the licence of erring pension operators but does not provide for other interim remedial measures that may be taken by PenCom to resolve identified challenges in licensed operators. Accordingly, the Pension Reform Act 2014 now empowers PenCom to take proactive corrective measures on licensed operators whose situations, actions or inactions jeopardize the safety of pension assets. This provision further fortifies the pension assets against mismanagement and/or systemic risks.

Restructuring the System of Administration of Pensions under the Defined Benefits Scheme (PTAD)

The Pension Reform Act 2014 makes provisions for the repositioning of the Pension Transition Arrangement Directorate (PTAD) to ensure greater efficiency and accountability in the administration of the Defined Benefits Scheme in the federal public service such that payment of pensions would be made directly into pensioners' bank accounts in line with the current policy of the Federal Government.

Utilization of Pension Funds for National Development

The Pension Reform Act 2014 also makes provisions that will enable the creation of additional permissible investment instruments to accommodate initiatives for national development, such as investment in the real sector, including infrastructure and real estate development. This is provided without compromising the paramount principle of ensuring the safety of pension fund assets.

Enhanced Coverage of the CPS and Informal Sector Participation

The Act expanded the coverage of the Contributory Pension Scheme (CPS) in the private sector organizations with three (3) employees and above, in line with the drive towards informal sector participation.

Upward Review of Rate of Pension Contribution

The Pension Reform Act 2014 reviewed upwards, the minimum rate of Pension Contribution from 15% to 18% of monthly emolument, where 8% will be contributed by employee and 10% by the employer. This will provide additional benefits to workers' Retirement Savings Accounts and thereby enhance their monthly pension benefits at retirement.

Access to Benefits in Event of Loss of Job

The Pension Reform Act 2014 has reduced the waiting period for accessing benefits in the event of loss of job by employees from six (6) months to four (4) months. This is done in order to identify with the yearning of contributors and labour.

Opening of Temporary RSA for Employees that Failed to do so:

The Pension Reform Act 2014 makes provision that would compel an employer to open a Temporary Retirement Savings Account (TRSA) on behalf of an employee that failed to open an RSA within three (3) months of assumption of duty. This was not required under 2004 Act.

Consolidation of Previous Legislations Amending the PRA 2004

The Pension Reform Act 2014 has consolidated earlier amendments to the 2004 Act, which were passed by the National Assembly. These include the Pension Reform (Amendment) Act 2011 which exempts the personnel of the Military and the Security Agencies from the CPS as well as the Universities (Miscellaneous) Provisions Act 2012, which reviewed the retirement age and benefits of University Professors. Furthermore, the 2014 Act has incorporated the Third Alteration Act, which amended the 1999 Constitution by vesting jurisdiction on pension matters in the National Industrial Court.

APPENDIX NINE

DEMOGRAPHIC TRENDS AND SOCIO-ECONOMIC SITUATION OF AGEING IN NIGERIA: A COUNTRY REPORT

A PRESENTATION

BY

CHIEF SAMU'ILA DANKO MAKAMA, CON

CHAIRMAN, NATIONAL POPULATION COMMISSION

AT

AN INTERACTIONAL SEMINAR ON CAPACITY BUILDING AND RESEARCH FOR WORKFORCE DEVELOPMENT IN THE FIELD OF AGEING IN NIGERIA

ORGANIZED BY

THE NATIONAL UNIVERSITIES COMMISSION (NUC)

IN COLLABORATION WITH

THE DAVE OMOKARO FOUNDATION (DOF)

DATE:	**JULY 12, 2011**
VENUE:	**IDRIS ABUBAKAR AUDITORIUM, NATIONAL UNIVERSITIES COMMISSION, MAITAMA DISTRICT, ABUJA**
TIME:	**10: 00 A.M**

DEMOGRAHPIC TRENDS AND SOCIO-ECONOMIC SITUATION OF AGEING IN NIGERIA: A COUNTRY REPORT

Outline

1. Introduction to population ageing in Nigeria
2. Demographic trends in ageing:
    (a) Population size

(b) Age – Sex Composition

(c) Marital status.

3. Socio-Economic situation of ageing in Nigeria:

(a) Older population in the labour force

(b) Living arrangement of the elderly

(c) Literacy and educational attainment of the elderly

(d) Disability among the elderly

(e) Age dependency ratio

4.Conclusions and Recommendations

1. **INTRODUCTION**

It gives me great pleasure to be invited to present this paper on **Demographic Trends and the Socio-Economic situation of Ageing in Nigeria.**

Let me begin by expressing my profound appreciation to the National Universities Commission, not only for extending this invitation to the National Population Commission, but for this seminar on ageing in Nigeria. As a research organization that has been involved in the generation of statistical information on the Nigerian population over the years and the monitoring of demographic trends, we are highly conscious and concerned about population ageing and what it portends for the socio-economic development of our country. As would be seen later, ageing is a population issue that must be addressed in much the same way as other population related issues like family planning, maternal and infant mortality, HIV/AIDS and literacy etc. A seminar on capacity building and research for workforce development that discusses ageing in Nigeria is therefore timely and crucial. It is on this premise that I wish to commend the National Universities Commission(NUC) for its foresight and being proactive in recognizing the need to develop a framework and build the capacity that will ultimately manage population ageing in Nigeria.

As mentioned earlier, my task is to speak on" Demographic Trends and the Socio-Economic situation of Ageing in Nigeria "under the following sub themes:

A) Conceptual framework and operational definitions

B) Demographic trends that influence population ageing

C) Socio-Economic situation of ageing in Nigeria

D) Conclusions and Recommendations.

(A) CONCEPTUAL FRAMEWORK AND OPERATIONAL DEFINITIONS

The process of population ageing is already visible in most countries of the world, and population in developing countries are now ageing, and often at a much faster rate than those in developed countries. This fact is beginning to dawn on us all and have begun to pose challenges to development and planning in our country.

The challenge lies in the fact that until recently, Nigerian academics and policy makers paid very little attention to the issue of ageing in the country. Also, ageing is a silent process, whose consequences are difficult to anticipate (NPC,2004). It is a new process especially in developing societies, for which there is no historical antecedent.

At this point, it will be appropriate to define what is ageing. With regards to humans, it can be described as a process in which individuals move from birth to death. In reality, however, the concept of "old person" applies to adult who appear to be well on in accumulated number of years on earth and who show evidence of possessing a combination of those attributes that the society associates with old age. Those attributes may be grayness of hair, texture of the skin, number and ages of children and grandchildren, possession of a participation corpus of knowledge and so on (*Togonu-Bickersteth, 2001).*

Population aging can be defined as a process in which older persons become a proportionally larger share of the total population; simply put, the population is "getting older". This process has been well established in developed countries, while it is just becoming apparent in developing countries as well.

This definition is ever more appropriate at this point, because in most developing societies, chronological age is an alien concept, and the official recording of date of births is not a common practice. Rather, what is in practice is the use of functional age, where people take on status roles and are considered old and such people also exhibit morbidity profile usually associated with aged persons. *The United Nations and the World Assembly on Ageing* have considered all persons 60 years and above as "aged". In this paper, therefore, people within this category shall be considered as such.

The "elderly" are those 60 years and over, the " young old" are those 60-74 years, the "aged" are those 75 years and above, while the "oldest old" are those 80 years and over. In industrialized countries, the term "oldest old" refers to people aged 85 and over, while in developing countries, where life expectancy on the average is lower, the term commonly refers to people aged 80 and over.

Various published demographic projections indicate that the number or proportion of elderly persons in Nigeria is on the increase. According to the 1991 Population Census, there were 4,598,114 persons aged 60 and above in Nigeria. This was about 5.2 percent of the total national population of 88,992,220. The number of the elderly is projected to have increased to around 5 million by the year 2000 (NPC, 1998: 414). In the 2006 Population and Housing Census in Nigeria, 6,987,047 persons making up 4.9 percent of the population was aged 60 years and above. Even though there is a slight decrease in the percentage of the elderly population from the 1991 census, there is an observable increase in the absolute number of the elderly population.

It has been projected that by year 2025, Nigeria will rank 11th among countries with over 15 million elders (60years and above) in its population (UN, 1985). Also, the population of the elderly is projected to reach 16 million by 2030 and 47 million by 2060, (NPC, 2004). It is worthy to note that according to this projection, Nigerians may start to experience an increase in the number of oldest olds - those 80 years and above.

Population ageing is a function of changes in fertility, mortality and migration. The process is primarily determined by fertility (growth) rate, and secondarily by mortality (death) rates. Populations with high fertility tend to have low proportion of older people. Populations begin to age when fertility declines and adult mortality rate decline as well. Hence, the proportion of the older ages, in future years will be significantly affected by assumptions regarding fertility. However, the proportion will be affected only slightly by changes in mortality. Improvements in mortality have contributed to higher survivorship of the population. Decline in infant mortality and increases in survivorship among older persons have resulted in large gains in average expectation of life. In addition to the effects of social change, the success of family planning programme contributed to a decline in fertility.

International migration does not normally play a major role in the process of population ageing, but can be important in smaller populations. International migration of younger persons could further aggravate the situation. As it is predominantly the young who migrate, it would be an additional factor contributing to making the elderly population significant in relation to the total population.

This paper will attempt to examine the demographic trend and socio-economic situation of ageing process and the aged in Nigeria, with particular reference to their past, present and future sizes. The paper will also attempt to examine some policy options that government might adopt to cope with such demographic challenges in order to advance the well- being of older persons. And it is hoped that this paper will stimulate discussions among policy makers, researchers and the public on the impact of population ageing on our social, political and economic development plans, because the ageing process which was initially experienced by the more developed countries has become apparent in developing countries as well.

B) DEMOGRAPHIC TRENDS IN AGEING

The main sources of data for this report are the 1991 Population Census and the Post Enumeration Survey (PES), and the 2006 Population and Housing Census of Nigeria. The 2006 population census is the most current and reliable source of information about the number and characteristics of Nigeria's population. The significance of 2006 census arises from its completeness of coverage and the scientific method it used for data collection. Other pertinent reports are also examined and utilized to ensure a comprehensive discussion of the ageing process in Nigeria.

i. Population size

People aged 60 years and above in Nigeria during the 1991 census were 4,598,114 persons, which was about 5.2 percent of the total National Population of 88,992,200. This figure had increased to 6,987,047 persons by the 2006 population census, out of a total population of 140,431,790. The figure is 4.97 percent of the total population. Although, there is a slight decrease in the proportion of the elderly population between the 2006 and 1991 census figures, there was a noticeable increase in absolute figures. This can be explained by

e fact that the population is transiting, and other age groups order than the elderly group (60 years and above) may have experienced increases in their proportions. The small percentage of the elderly among the total population is not unexpected since Nigeria's population is demographically referred to as a "young" population. The elderly as a group is thus, the smallest segment of Nigerian population. The population of the elderly in Nigeria is however expected to grow in future, both in terms of absolute number and as proportion of the total national population. This expected growth will be a result of the effects of demographic processes of, in particular, mortality and fertility. The Nigerian fertility according to the Nigeria Demographic and Health Survey (NDHS data NPC, 2008), is showing signs of decline, and for that reason, the elderly population will also increase.

ii. Age-Sex Composition

In terms of the age –sex composition of elderly population, about one-third of them were between ages 60-64, while two-thirds were aged 65 years or older. The oldest of the elderly, that is, persons aged 85 or older, was only 9 percent of total population of 60+. An interesting aspect of the sex composition of the elderly population reveals that there were more males than females in all age group 60+, only 46 percent of the elderly were female. The total sex ratio was 117, meaning that for every 100 elderly females, there were 117 elderly males. The sex ratio vary with age, the highest ratio was at age 70 – 79, where, for every 100 females, there were about 125 males. The census figures revealed that more males survive to every old age than females. This finding is contrary to what obtains in most parts of the world. There is what is referred to as "feminization of old age" (Weeks, 1999:334), where women outnumber men at older ages. However, there are still several countries in the world where there were more men than women at the older ages (Weeks, 1999:36). Such countries include Pakistan. This situation can be attributed to the result of the lower status of women which increases their mortality rates relative to men over the entire life course.

According to the 2006 Population Census, this demographic trend has not changed so much. The age-sex composition still remains the same. One-third of the elderly population is still between ages 60-64, and two-thirds were aged 65 years and above. The oldest of the old were 10 percent of the total population 60+. With regards to sex composition of the elderly population, there were still more males than females in all age groups 60+, only 44 percent were females. The total sex ratio was 126, meaning that for every 100 elderly females, there were 126 elderly males. This ratio vary with age, the highest ratio was still at age 70-74, where, for every 100 elderly females, there were about 136 males.

iii. Marital status

The marital status of the population aged 60 years and above were classified under the following categories, namely: never married, currently married, separated, divorced or widowed in both the 1991 and 2006 population censuses.

In 1991 census, virtually all elderly persons had ever been married but the percentage that were currently married decreases with age. Only 2.8 percent of the elderly population had never married; there is however, a slight variation by sex. Overall, 2.5 percent of elderly males reported being never married, compared with a slightly higher figure of 3.2 percent for elderly women. The incidence of widowhood increases with age, particularly among females. This finding is not unexpected in view of the relationship between age and mortality.

Two-thirds of all elderly persons aged 60 + were currently married, but the percentage decreases with age. In both urban and rural areas, and irrespective of age, the percentage of males in current marital union is consistently higher than that of females.

In 2006, the census revealed that 45 percent of elderly population had never married. There is however a slight difference between elderly males and females. Overall, 3.1 percent of elderly males reported being never married, compared with a slightly higher figure of 6.2 percent for elderly women. Elderly men who were widowed were 2 percent of the total elderly population compared to 27 percent among elderly females. This is in view of the fact that widowhood increases with age and particularly more among females.

C) SOCIO-ECONOMIC SITUATION OF AGEING IN NIGERIA

a. Older Population in Labour Force

The 1991 Population Census shows that a majority of the elderly were in labour force, working to produce goods and services and contributing to national income. In relative terms, the elderly contributes more to agricultural production than other groups. This high rate of labour force participation is contrary to popular perceptions of the elderly as being largely retirees, and inconsistent with what simple demographic indices such as the dependency ratio imply.

Two-thirds of all elderly persons were in the labour force, and rates of labour force participation among them are the highest of any significant population group. Most elderly men, and a significant percentage of elderly women, continue to participate in the labour force almost until the end of their lives. Also, more than two-thirds of the elderly labour force are males. The census figures also revealed that majority of the elderly were employed in agriculture and related occupations.

The situation of elderly persons in the labour force has not changed so much during the 2006 census. Two-thirds were still in the labour force, which is still the highest of any significant population group. They still continue to participate in labour force almost until the end of their lives, and two-thirds of those who participate in elderly labour force are males.

b. Living arrangements of the Elderly

Most elderly persons who live alone are socially active and have adequate means to support themselves, but living alone is a mark of vulnerability, especially in cases of illness or disability, and is associated with a greater risk of social isolation and poverty.

The 1991 census shows that 96 percent of all elderly persons were living in regular households and this figure does not vary by age. About 4 percent of the elderly were in other types of households, including those with absentee heads. About 1 percent was in institutional households. An examination of the sex differences reveals that there were significantly more elderly males than elderly females in nomadic and institutional households as well as among homeless persons.

The 2006 census also reveals that 97 percent of all elderly persons were living in regular households, while about 3 percent of the elderly were in other types of households, including those with absentee heads. There are fewer elderly in institutional households (0.1%) than in the previous census.

c. Literacy and Educational attainment of the Elderly

In the 1991 and 2006 censuses, literacy was defined as the ability to read and write with understanding in any language, local or foreign. In Nigeria in 1991, three-quarters of the elderly were not literate. Also, with increase in age, the percent literate decreases. This means that the highest illiteracy rate occur at the oldest ages. Furthermore, elderly males are more than 3 times as likely to be literate as elderly females. There also exists a greater homogeneity in literacy rates among elderly females, while literacy rates vary greatly by age among the elderly males. In general, the elderly have low levels of educational attainment.

In the 2006 census, the elderly are still largely not literate, with about three-quarters of the elderly not literate. The highest illiteracy rates still occur at the oldest ages. The elderly males are still more than 3 times as likely to be literate as the elderly females.

The reason for the low levels of education and illiteracy among the elderly is due mainly to the fact that the elderly lived much of their lives prior to the period of accelerated socio-economic development. Even if they now reside in cities, their background is largely rural, and the quality and quantity of rural educational facilities tend to be inferior to those in urban areas. Consequently, literacy rates for the elderly in developing countries are low relative to younger generations.

d. Disability among the Elderly

According to the World Health Organization (WHO), disability is defined as "a restriction or lack (resulting from an impairment) of ability to perform an activity in the manner or within the range considered normal for a human being" (WHO, 1980:27). The impairments could be a loss or abnormality of psychological, physiological or anatomical structure of function and involve disturbances at the level of the organ which include defects or loss of limb, organ, tissue or other body structure as well as defects or loss of mental function (NPC, 2004).

In the 1991 census, data were collected on seven types of disability, which are considered to be predominant in Nigeria. They are, deaf; dumb; deaf and dumb; blind; cripple; mentally ill/lunatic and others not classified in any of the above.

The 1991 census yielded a Crude Disability Rate (CDR) of 0.4 percent or 4.8 disabled persons per 1000 for the total national population across all ages (NPC, 1998:198-199).

In terms of prevalence of disability among the elderly, the 1991 census revealed that out of a total of 4,598,114 elderly persons in Nigeria, there were 56,768 disabled, giving a crude disability rate of 12.34 disabled per 1000 elderly persons. Slightly more than half of all disabled, are male (55%). The highest level of disability occurs in age group 85+. The lowest rate is for the age group 60-64, which confirms the fact that among the elderly, disability increases with age.

The most common type of disability among the elderly is blindness which accounts for more than four in ten of all disabilities. This is followed by deaf, cripple and deaf and dumb, respectively.

In the 2006 Population Census, disability was classified and asked differently. The question was on the most serious disability of a person. And the options are seeing, hearing, speaking, mobility, mental and others. Seeing, still accounts for the highest level of disability even among the elderly.

e. Age Dependency Ratio

This is the number of persons aged 15 to 64 per persons aged 65 years or over. It is an indicator of demographic ageing and of the degree of dependency of older persons on potential workers. Demographers often use it as crude indicators of potential levels of physical and social supports needed by persons in young, old, or both age groups. The old dependency ratio, that is, the ratio of the number of elderly (65+) per 100 persons aged 15-64, indicates that for every 100 working age persons in Nigeria in 1991, there were 6.3 “dependent elderly”.

The 2006 Population Census shows that the old dependency ratio has dropped to 3.3 per 100 persons aged 15-64. This is higher among males than females.

D) CONCLUSIONS AND RECOMMENDATIONS

Population ageing is a new phenomenon in developing societies. Unlike the experience of the developed countries, where the process has occurred over many years ago, the process is new and is just beginning to attract attention in Nigeria. The speed of population ageing in developing countries like ours has important implications for government policies on health care, pension schemes and economic growth.

At this point, it is expedient for us to mainstream ageing and the concerns of the elderly into national development framework and strategies in order to enable us to build a society for all ages.

This is the time to begin to put in place adequate arrangements for elaborate pension and social security programmes for the elderly. Fortunately, with the contributory pension scheme, government is already thinking in that direction. Long term planning to anticipate the changing needs over time of the young, elderly and working age population should commence to ensure that adequate resources are available when and where they are needed.

Increased longevity is likely to bring a higher incidence of chronic degenerative diseases and government needs to be ready to tackle that challenge. Currently, geriatric medicine cannot be said to exist in Nigeria. In a survey on geriatric medicine in Nigeria, majority of the medical personnel surveyed cited non-availability of appropriate facilities, poverty of the elderly, lack of awareness of the need for care of the old, unavailability of qualified personnel, and lack of government interest as some of the factors responsible (*Togonu-Bickersteth & Akinnawo, 1989*). Governments at the Federal, States and Local Government Areas need to come up with appropriate interventions and policies to address the health needs of the elderly.

Recognizing the effects of Africa's rapidly increasing population of the elderly, and the issues affecting the lives of the elderly, several conferences on the elderly were held, with each adopting a framework on ageing. Following such conferences, Nigeria has now adopted a National Policy on the Care and Well-Being of the Elderly in Nigeria. The goal of this policy is "the substantial enhancement of the dignity, quality of life and overall well-being of the elderly in Nigeria, in particular, their economic security; their physical; mental and emotional health; their social participation; integration and sense of belonging; and their personal welfare in all other respects" (NPC, 2004).

I thank you for your kind attention.

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12 July, 2011

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APPENDIX TEN

A LEAD PAPER ON 'COMMITMENT TO DEVELOPING A NIGERIAN SOCIETY FOR ALL AGES, IMPLICATIONS FOR POLICY RESPONSES TO SOCIO-CULTURAL CHANGES AND IMPACT ON OLDER PERSONS' BY PROF. SYLVESTER MONYE, MFR, AT THE THREE-DAY INTERNATIONAL SEMINAR ON CAPACITY BUILDING AND RESEARCH FOR WORKFORCE DEVELOPMENT IN THE FIELD OF AGEING IN NIGERIA.

PROTOCOL

I am delighted to be invited to this very important occasion which is a follow up to the 1999 International Year of Older Persons declared by the United Nations with the theme 'Towards A Society for All Ages'. The year was celebrated in recognition of the values for maturing attitudes and capabilities in social, economic, cultural and spiritual dimensions. The topic has drawn global attention to the need to accord respect and provide support to the older persons who are regarded as the repository of the society's history.

Understanding the Concepts of Ageing and Older Persons.

2. The Social Development Policy of Nigeria, 1989 defines the older person as people from 65 years of age and above 'but the United Nations cutoff is 60+ years'. However the Nigeria Civil Service Rule stipulates 60 years of age as retirement age. The older persons are usually regarded as 'senior citizens'. It would not be wrong to assert that there is no universal standard of definition. A standard norm established generally is that the ageing process is a biological phenomenon the dynamics of which is beyond human control. The importance of older people in the society finds expression in the roles they play. Old age, therefore, implies the beginning at the point when active contribution is no longer possible (Gorman 2000).

International Comparisons for Policy Issues

3. For any nation to develop appropriate and conducive environment for older persons, it must have empirical information. The Nigerian census indicated that the proportion of the elderly was 3.2% in 2006. This was almost the same with that of 1991 (3.3%). It is estimated that by the year 2025, the number of Nigerians aged 60 and above will constitute 6% (about 11.5 million) of the total population (UN Population Division 2005). It has been projected that there will be 224% increase in the number of older persons worldwide between 1975 and 2025 with the greatest of this increase occurring in developing countries. Comparing Nigerian situation with other countries, by 2016, 16.4% of all Canadians will be aged 65 and above. In the USA, the proportion of people aged 65+ increased from 4% in 1900 to about 12% in 2000 which was 35 million people. By 2020, the population of the older persons will be 17%. Kenya had older persons' population of 5.1% in 2000 of their total population which is expected to increase to 10% in 2050 (within a spate of 50 years).

4. Comparing two African countries (Nigeria and Kenya, low income countries) to USA, Canada and Japan (high income countries), the two African countries had 3.2% (Nigeria, 2006) and 5.1% (Kenya,2000) population of older persons respectively which will increase to 6% (Nigeria) and 10 % (Kenya) in 2025 whereas the three latter countries had between 12% and 17% older persons of total population between 1998 and 2000 which will increase to between 16% and 29.5 % between 2016 and 2020. The significance of this statistical analysis is to show that there is a higher proportion of increase of older persons in the developed than in the developing countries due to better standard of living.

<u>Table 1: Comparative Indices of Older Persons by Development Ranking</u>

SN	Country	% Proportion of Total Population	Life Expectancy (2010)	% Proportion in Future
1.	Nigeria (Low income)	3.2 (2006)	48.4	6 (2025)
2.	Kenya (Low income)	5.1 (2000)	55.6	10 (2050)
3.	Morocco (Mid.income)	8.1 (2000)	74.9	15.4 (2030)
4	Philippines (Mid. Income)	6	72.3	10.7 (2020)
5	USA (High income)	12	79.6	17 (2020)
6	Canada (High income)	12 (1998)	81	16.4 (2016)
7	Japan (High income)	17.4 (2000)	80.2	29.5 (2020)

Source: Life Expectancy – Human Development Report 2010, UNDP
Country Information on Older Persons (Various countries)

From all indications, Table1 shows that the high income countries have higher life expectancy and greater number of older persons in their populations that the low income countries of which Nigeria is one. Comparatively, the medium income countries are performing better than the low income countries while the high income countries are performing better than the medium income countries.

5. As the proportion of the older persons in the total population increases, that of the younger population (0-16) decreases indicating higher life expectancy and better living standard for the entire population. From all these, there is the tendency that individuals will live longer than before in all countries. This is attributable to the fact that the world is focusing and recording improvement in peoples' standard of living which in effect is manifesting in longer life expectancy.

<u>Development Implications and Policy Imperatives</u>

6. There is a general consensus that ageing is a development issue. In Nigeria, as it is in all parts of the world, older persons assist their working adult children to take care of the children of the latter while at work. This role of older persons in caring for children of their sons or daughters contributes to unaccounted production in the gross

domestic product of Nigeria just as contribution of women in the rural areas does not enter the national accounting matrix. Studies however, have shown that in Spain, people in ages 65-74 years spend less time in providing care for children and dependent than people in ages 75-84. The study further indicated that such contributions to development could only be ensured if older persons enjoy adequate levels of health for which appropriate policies need to be put in place.

7. As indicated earlier, the population of the aged in Nigeria is expected to increase with significant social, cultural, political and economic implications to the individuals and the Nigerian government. One problem that requires clarification is the assumption in Nigeria that care for the older persons has always been provided by the extended family and that this provision of care has always been adequate. This assumption is wrong as recent research has shown (Apt 1995; Aboderin 2006). In most, if not all Nigerian communities, medical facilities are not easily accessible to the older persons, many of them resort to traditional practitioners for medical services.

8. In African cultural norm, the younger ones take care of the older people who are unable to fend for themselves. The elderly live in extended, multi-generational households and rely on their adult children, spouses and extended family members for material needs and personal care. The urge for green pastures, family pursuits, etc has however resulted in younger people leaving home for the older people to take care of themselves. The notion that investment in one's children serves as social security is now disputed as adult children find it difficult to secure employment and earn reasonable income sufficient to meet their immediate needs (O.Ajomale 2007). This results in psychological problems and economic hardship for the older persons as they are no longer capable of fending for themselves.

Implications

9. It is to be noted that the incidence of disease and disability increase with advancement in age. Thus, supply and demand situations on the nation's productive forces will require special facilities and services in health, transportation, social services, etc for the older persons. It is saddening that a lot of people see the older

people in demeaning ways. It is a stereotype to see the older people as different. People particularly the youth cease to identify with the older persons due to older persons' weakness or disability. Another such tendency is to subtly allocate decreasing resources either in family or national budget to the older persons with the belief that they do not require much.

10. The implications of ageing are varied. Currently, a sector such as health, is overstretched due to the heavy demand of its services with advancement in age. Therefore, with the present projections in the increase in number of older persons, the economically active population will not be able to support the dependent age groups who are mainly children and the elderly. Second, as agriculture is predominant, ageing could have a negative effect on economic growth due to the reduction in numbers and farm sizes with advancing age.

11. While recognizing these seemingly negative aspects of ageing, it is imperative to realize that they have positive attributes on the society. They are no less valuable to the society than any other individual. Older persons are known to be repositories and vehicles of knowledge, skill, experience and expertise which they transfer to the younger generation. They help to foster community and national unity. They are custodians of tradition and custom.

<u>Government's Efforts for the Older Persons in Nigeria</u>

12. The Social Development Policy for Nigeria, 1989 states that the main objectives of the Nigerian Government for older persons are:-

(i) To guarantee an improvement in the quality of life of the elderly in Nigeria;
(ii) To ensure total integration of the older people in the society;
(iii) To provide adequate income security; and
(iv) To strengthen existing traditional institutions for the care of the elderly.

The policy enumerated the specific objectives, instrumental provisions and distribution of responsibilities among the three tiers of government (federal, state and local). To facilitate achievement of this objective, the Federal Ministry of Women Affairs and

Social Development has organized training programmes for the desk officers on ageing and old peoples' homes. Recently, there was a public hearing at the National Assembly for a bill for an Act to establish Senior Citizens Centres in the country.

13. Already, there is a draft National Policy on Ageing. The document sets out policy issues and implementation strategies, institutional framework, resource mobilization and monitoring and evaluation, among others. Efforts should be made to finalise this document for its operationalisation. These are encouraging signals that the Federal Government of Nigeria is having crucial agenda for the older persons.

Challenges

14. A number of barriers may make it more difficult for the older persons to increase and maintain their physical activity or contribute maximally to national development. The increasing wave of kidnapping, armed robbery, youthful exuberance may scare older persons who may feel unsafe and vulnerable to crime. Among those challenges are:-

- ✓ Demographic dynamics of ageing
- ✓ Ageing and fundamental human rights
- ✓ Ageing and poverty
- ✓ Improvement of community-based services for older persons and vulnerable people;
- ✓ Provision of affordable Old People's Home, and
- ✓ Development of special programmes.

Benefits of Physical Exercises

15. Regular physical exercise has beneficial impact on the older persons. This is hinged to the fact that degeneration of physiological components of the body is inevitable and older persons are more likely to develop chronic diseases. Older persons in developed countries engage more in physical exercises than older persons in developing countries because facilities for such exist at lower costs and are readily available. The benefits derivable from physical exercise include:-

- ✓ Reduction of chronic disease such as heart disease;
- ✓ Management of high blood pressure, diabetes, obesity, etc;
- ✓ Ability to function and stay independent in the face of active problems like lung cancer;
- ✓ Improved quality of sleep and;
- ✓ Lower risk of depression.

<u>Development of Projects and Programme for the Older Persons</u>

16. Distinguished ladies and gentlemen, older persons are not a homogeneous group and therefore, require country-specific action plans and programmes. The First National Implementation Plan, Vision 20:2020, (2010-2013) identified the issue of the aged as one of the challenges of the sector. May I urge the drafters of the National Policy on Ageing for Nigeria to dwell extensively on the provisions of the Vision document for reference in designing their strategies. The older persons need to be mainstreamed into national development process. The older people in the 21st century are a potential human resource base, if well managed. Also, as part of development dynamics, older people's rights should be respected and their needs provided. Furthermore, it is mandatory for all UN member-states, of which Nigeria is one, to develop national plans and strategies in accordance with the Millennium Declaration for all ages to facilitate programme implementation for the older persons.

17. The draft policy on ageing being developed articulated various sectoral strategies for the older persons. There is need to go further after its finalization to articulate relevant projects and programmes they will be involved in by developing an action plan. I therefore, wish to suggest the following:-

- ❖ Development of networks between older persons and various stakeholders at government, private sector and civil society levels;
- ❖ Consultation with older persons in policy making, planning, development and service delivery;
- ❖ Establishment of special services;

- Strengthening of Social Development Department of Federal Ministry of Women Affairs and Social development to deliver on projects and programmes for older persons;
- Improved income security or social security;
- Strengthening Nigerian Pension Scheme for prompt payment of pension funds;
- Creation of access to places where people can be active such as walking or bike trails, gymnasia or senior centres; and
- Establishment of National Advisory Council on Ageing (its function will include providing policy advice, monitor, publish reports and act as information tools for older persons).

<u>Conclusion</u>

18. Ageing is a process of becoming an older person. Our collective responsibility as government, private sector, academia, civil society organizations and development partners cannot be over-emphasised. It is gladdening to note that the Federal Government has initiated some actions by the various institutional arrangements put in place and the national policy and act in the offing. This should be premised on development that seeks to improve the well-being of the older persons based on full participation in development process and equitable distribution of its benefits. Our priority now should be on the younger generation who will need to cultivate healthier lifestyles and foresight in order to improve their skills for longer life.

19. All of us will be caught up in this web at later ages in life. Let us join hands together to prepare for older persons now. This is a way of planning for our future.

20. Thank you and I wish you fruitful deliberations.

Prof. Sylvester Monye, MFR.

Secretary,

National Planning Commission

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