TITLE PAGE

ECONOMIC SUPPORT IN OLD AGE' ROLE OF NIGERIA SOCIAL INSURANCE TRUST FUND.(NSITF)

BY

DONALD STEPHEN UKOJE N.

REG. NO. 93/MCS/PGD/ 060

A RESEARCH PROJECT SUBMITTED TO THE DEPARTMENT OF MATHEMATICAL AND COMPUTER SCIENCE IN PARTIAL FULFILMENTS OF REQUIREMENTS OF THE AWARD OF POST - GRADUATE DIPLOMA IN COMPUTER SCIENCE

FEDERAL UNIVERSITY OF TECHNOLOGY

MINNA

MARCH, 1998

APPROVAL PAGE

We hereby certify that we have supervised, read & approved this project work which we found to be adequate in scope and qualified for partial fulfilment of the award of a Post - Graduate Diploma in computer science (PGD in computer science)

DR. K. R. ADEBOYE

----------------- DATE-------------

(PROJECT SUPERVISOR)

DR. K. R. ADEBOYE

----------------- Date-----------

(HEAD OF DEPARTMENT)

-------------------- Date------------

(EXTERNAL EXAMINER)

DEDICATION

This study is dedicated to my beloved wife and children.

ACKNOWLEDGEMENT

With profound gratitude to God, I acknowledge my sincere indebtedness to all individuals and organisations who contributed in way to successful completion of this project.

I owe a lot of thanks to my project supervisor Dr. K. R. ADEBOYE who incidentally is the head; Department of mathematics and computer science whose advices, guidance and protracted corrections throughout the preliminary stages of the research were found extremely valuable. he was able to accomplish the above amidst the work load of his office. My gratitude goes to Mr. Badamosi, coordinator, Post Graduate Diploma Computer Science for his readiness to help and fatherly attention which have seen me through in this research. The lectures in the Department are equally remembered for their understanding the difficulty in combining academic and office job.

Special mention however, must be made of my parents, Mr Emeka Maduegbuna and uncle Augústine whose warming, kindness, encouragement, love and understanding gave me every inspiration and motivation needed for the successful completion of this rigorous programme.

This acknowledgment will not be completed if I do not record my appreciation and gratitude to the following personalities; Mal, I. M. Agaka, Alh, Sabo Maitama (state manager) NSIFT Niger state office, Minna. Messers S. E. Chukwueke, A. S. Ambi, G. A Kantiyok,

M. S. Bature, and Mrs. F. L. P. Shaibu, and F. L. Idris for their contributions, co-operation and support throughout the course. The various authors and research workers in the bibbliography whom I took a sip from their research work are not left out.

I am profoundly indebted to you all.

TABLE OF CONTENTS

ABSTRACT

Programmes of economic supports for old people are in trouble in Nigeria and many other developing countries. Major issues raised are how this programmes are operating, especially with regard to inadequate coverage, adequacy and equity, and administrative mismanagement. In addition to discussing these problem areas as they affect Nigeria social insurance Trust Fund (NSITF), the study reviews the major social insurance operated or encouraged by government.

The study revealed that for the scheme to be viable, it must continue to be compulsory and penalty on defaulters should be more stringent.

TITLE PAGE

ECONOMIC SUPPORT IN OLD AGE' ROLE OF NIGERIA SOCIAL INSURANCE TRUST FUND (NSITF)

BY

DONALD STEPHEN UKOJE N.

REG. NO. 93/MCS/PGD/ 060

A RESEARCH PROJECT SUBMITTED TO THE DEPARTMENT OF MATHEMATICAL AND COMPUTER SCIENCE IN PARTIAL FULFILMENTS OF REQUIREMENTS OF THE AWARD OF POST - GRADUATE DIPLOMA IN COMPUTER SCIENCE

FEDERAL UNIVERSITY OF TECHNOLOGY

MINNA

MARCH, 1998

CHAPTER ONE

1.0 INTRODUCTION

1.1 BACKGROUND INFORMATION

Nigeria Social Insurance Trust Fund is an offshoot of National Provident Fund Scheme which was established by an Act of parliament in 1961 as a compulsory savings scheme for workers mainly in the private sector to offer economic protection for its contributing members in the event of contingence, like old Age, Loss of employment, Invalidity etc.

The extended family system is the cultural pivot on which all our economic, social, religious and political life of the people oscillate. These was nothing like unemployment or under - employment for instance under the system, because the Social economic and political activities provided that at all times, there was always something for a member of the community to do. In all cases the family contributed where an individual was unable to meet the cost of his wants. For example, if a member of the community in preparation of a planting season wants his farmland cleared, all other members of the community lend helping hand and the meal for that day is provided by the owner of the farmland. The same service is provided if a member wanted to build a house and so on. There was hardly any distinction between social protection by the family community and charities provided by them.

However the world over is experiencing rapid demographic change. Both extended families and village support on which about two thirds of the population depend exclusively tend to breakdown under pressures of urbanisation, industrialisation and increased mobility. The modern urbanised man is not interested in cheap deals aforementioned. He has adopted a solar attitude of fending for himself without much concern for his immediate neighbour. Thus the social fabric binding one to another through communal effort has been broken.

The direct result of not caring for others when they are in need is awareness of the uncertainties that could befall one in the event of catastrophes, what happens when one is sick and cannot perform one's duties or becomes incapable through old age etc. It therefore implies that the modern man must look foe ways and means to absorb these contingencies while he is still able. This informed the introduction of the National Provident Fund in 1961.

The Scheme was replaced in July 1994 vide Decree No. 73 of 1993 for obvious reasons, ranging from increase in coverage (which lead to poor performance) to disappointment of expectations of old age income. For instance contributions and consequently the level and range of benefits payable have remained appallingly stagnant over the years. Inspite of inflation, what a member contributes is virtually what he receives in lump sum upon the occurrence of any of the contingencies.

Although it will be too soon to pass a judgement the working so far suggest greater achievements. The project will highlight the achievements so far in area of registration and contributions, and emphasis on its role so as to remain viable over a period of time.

1.2 STATEMENT OF PROBLEM

When family or village support had failed in the past, government has stepped in. Public spending on pensions (and to a lesser extent, on health) has increased rapidly as incomes have grown and population has aged; rep resenting over ten percent of **GDP,** But there is a problem with the public system.

The objectives of generating savings for workers old age and alleviate poverty among older persons among other objectives of the scheme, are inherently contradictory. For a good saving mechanism establishes a tight link between contributions and benefits, with the value of the saving mechanism measured by the rate of returns received on contributed etc.

It is not unrealistic therefore to think that the identified problems of the dropped scheme will persist or even intensify in future with the increase in the number of old persons to care for. As a result, Social Insurance programmes have never been designed to operate alone, but instead are typically viewed as just one 'pillar' of a more elaborate social insurance protection structure. Hence in making informed judgement, it is not sufficient to focus on social insurance protection programmes alone. Any reconsideration of the role of social insurance need to take into account and contrast the historic performance of complementary mechanisms, (family, social assistance, employment sponsored pensions, voluntary or compulsory savings scheme) and the concerns that have arisen with regard to their operation.

1.3 HYPOTHESES

The rising tide of market solutions to economic development issues promises an accelerating need for mechanism that assist individuals in dealing with the risks and social disruptions arising out of social, demographic, political, and economic change.

The hypotheses are that:

i. The scheme is confronted with implementation and administrative problem e.g skill and training deficiencies, high administrative cost, contribution avoidance, low returns on reserves and dishonesty.

ii. Lack of trust undermines viability of social insurance

iii. Social insurance affects supply of labour, savings and capital formation.

iv. Contributors' apathy for the scheme results from poor coverage, adequacy and equity deficiencies (disappointments).

v. The mode of payments to beneficiaries is satisfactory.

vi. The scheme will fare better under a competitive environment.

1.4 RELEVANCE OF STUDY

On the one hand, work is a key factor for generating economic welfare for all; on the other hand, it is cessation threatens the survival of particular individuals, the experience of the past, emerging trends and fears of the nature have combined to generate a clear need for Nigeria as a nation to reassess its approach of income maintenance for the aged. There had been major changes in population demography and economic situation; there is also rising concerns about providing economic support in the old age. These concerns among others are limited coverage, administrative mismanagement, benefit inequalities, inflation/devaluation.

Finally, Nigeria has various policies that tend to alleviate the suffering of the people in recent national development plan. It is therefore imperative to review some of these policies with a view to ascertaining their consistence with economic growth and poverty alleviation.

1.5 SCOPE OF STUDY

The research work centres on the role of social insurance in Nigeeria with emphasis on economic support in old age.

CHAPTER TWO

2.0 This project focuses on the elderly, many of whom do not work. In this chapter reactions of some experts on supportive programmes for the elderly are reviewed starting with:-

2.1 THE FAMILY

In many countries the nature of the family has changed significantly. There is concurrent phenomenon of decreasing family size, rising female participation in labour force. These changes put increasing pressures on the family.

Apart from the problems of the structures of the family, growing marital instability, increased geographic mobility, limited economic capacity and changing attitude about family obligation, have further placed the family as an institution in the society under significant stress. This was observed by **Peter Mc Donald,** "one unfortunate result if that development of the urbanisation process and the increase of industrial progress lead many people to live in cities in anonymity and loneliness within the nuclear family".

Fortunately, despite problems enumerated above, evidence indicates that many families continue to function well, providing economic and social supports to various family members at appropriate times of need. One must not however forget the additional support of key community and government institutions that occasionally assume full responsibility. While this trend is welcome, it is important to view these historical developments as efforts to supplement and support the family and its traditional roles not as a deliberate policy to support the family. Maryam Babangida observes "family ties can provide the base for redistributing substantial amounts or resources in line with the needs and capabilities of the generations as they pass through the life cycle". In short, the family has been, and remains critically in the provision of support when people become old and threatened by economic deprivation, disability, and social isolation. **Cowgill** puts it more elaborately "the status of older people vis-a-vis their grown children varies widely around the world. This ranges all the way from an authoritarian or domineering relationship towards their children to a complete reversal of role, resulting in abject dependence of the parents on their children "while the nature of authority and power relationships vary among its member, the families remains a key mechanism for nurturing, distributing (and redistributing) economic resources, dealing with and protecting family members from a variety of economic insecurities;

Although the researcher was not able to lay his hand on statistics that show the extent of supports given to the aged in Nigeria, **Cattell** reports on the situation in rural Kenya, basing on her findings on interviews carried out over the 1983 - 1987 period. **Cattell's** data fro 200 women and 216 men indicate that 92 percent of women and 88 percent of men received help from at least one child. This assistance included in order of importance, non-monetary gifts of various kinds, money, and services (fetching wood and water, preparing food etc).

It is not true that many families ignore, and often abandon old people especially in industrialised countries. The fact is that a large number of old people live distance is not equivalent to emotional distance "families in developed countries continue to remain a very important source of support in old age. This has been confirmed by research and experience. Studies in **U. S** have shown that approximately 80 percent of the elderly, dependent in functional activities of daily living, are receiving care from family members. It is a commonly held myth that the process of industrialization leas inevitably to the breakdown of the extended family, **Kedig et al** disagree as he points out that policy discussion today are all to frequent based on unsubstantiated generalisations about the supposed abandonment of the aged by families industrialised countries or of older people being left behind by rapid social change in developing countries". What is perhaps most clear is that the pressures created by the promotion of economic growth, together with the server resource constraints pave way to laying heavy emphasis on families in dealing with the insecurity and diminishing capacity often arising in old age.

However if we accept the earlier proposition that expansion of government policies and collective programme (public and private) can effectively supplement and support families in their traditional roles, then government action becomes not only appropriate but a necessity. Thus as instructed by **Hashrimoto** " the question is not who should give more support - state or family. It is rather a matter of finding the appropriate mixture of support system".

2.2 SOCIAL ASSISTANCE

Families are not the only protection mechanism whose role has 'declined. The 20th century saw a new wave of shift from reliance on family and social assistance to a much greater reliance on pension.

This shift is not surprising, government is more interested in programmes providing income replacement benefit for a broad spectrum of the population. However, **Maduegbuna** does not see the shift as significant as he maintained that" development of pension in Nigeria is still typically at an early state of evolution. This, in effect implies that the family remains the principal source of support, and a variety of social assistance programmes continue to play an important role. he further explained that because of rising pension cost and relatively low economic growth involved, policy makers have recognised possible advantages (such as lower cost) of targeting benefits though means testing. **Beeker** put it more straight forwardly in his essay titled" social security should benefit only the elderly poor". "sooner or later budgetary deficits and tax burdens will force... countries to do what has been until now politically unthinkable to replace social security systems in the present from with systems of benefits only for the need elderly.

There are advantages and disadvantages of social protection programmes that restrict benefits to smaller numbers of people and programmes that are universal. **Wilbus Coben** argue that:

> "a programme that deals with the poor will end up being a poor programme. There is evidence that this is true. Ever since the Elizabethan poor law of 1601 (in Great Britain), programmes only for the poor have been lousy, no good, poor programmes. And a programme that is only for the poor - one that the nothing in it for the middle income and the upper income - is, in the long run a programme the American

public won't support. This is why I think we must try to find a way to link the interest of all classes in this programme.

Historical selected programmes have proven to be individually stigmatising, social divisive, and politically vulnerable in most countries Universal programmes advocates see them as generating widespread political support and promoting social cohesion and national solidarity. **Peter Baldwin** observes" (with regard to historical development in Europe) if all were included, with burdens spread far and fairly, no one could be abandoned as helpless, no one could be too fortunate to escape a share." Another good point for universal programmes relates to the universal nature of many problems. Problems of old age support, disability, and unemployment, for example are not problems that just confront low income peoples but are problems that cut across board spectrum of society.

In contrast, advocates of targeted socials assistance programmes fear that universal programmes will promote the growth of government and the growing dependence of individuals on government - both representing a threat to economic growth and political freedom in their opinion, moreover, favourable argument foe means testing is that by targeting benefits, one cane ensure a better reallocation of income while minimizing the distortionary effects of the taxation necessary to pay for the benefits. It is further viewed that selective programmes will not only be more "target efficient" (the advocates), it is likely that more support will be available/to those most in need, since available resources will be divided among a smaller number of people.

There are areas of dissatisfaction with past and current means tested programmes. They include high administrative cost, un-precise targeting (i.e including or excluding the wrong people), stigma related to receiving benefits, abuse of power by these determining eligibility, and the consequent low rates of participation by those eligible.

Finally, many people point to the economic incentives issues associated with social assistance programmes. Benefits must be deliberately kept inadequate otherwise people will opt not toe work, work less or work in the underground.

Even when benefits are low, evidence exist that social assistance programmes sometimes "trip people in poverty" as a result of work disincentives created by the implicit high marginal tax rates resulting from the various rules related to programme eligibility. A good example is means - testing in China. Family support has been supplemented by a system of basic guarantee (Wu bau) for those destitute and without aid from kin. As observed by **Ahmad,** :the emphasis has been more on preventing the non-deserving from getting relief rather than ensuring that all the deserving are covered" Moreover, these programmes typically negate any incentive to save since eligibility usually depends on participants keeping savings below some minimal amount.

For the universal and means-tested programmes to paly a greater and more effective role in further, better solutions must be found to the political, administrative and economic problems that arise.

2.3 EMPLOYER SPONSORED PENSIONS

Until recently employer sponsored pensions have mostly been special government plans covering civil servant, military personnel and certain workers in large public sector and various financial institutions. There are however a few others found among the private institutions especially in the multinational co-operations. The coverage is quite insignificant relative to the nation's population.

Employer - sponsored pension is yet to again prominence in the country. The scheme go by different names such as private pensions occupational pensions, corporate of company plan etc. The approach and mechanism for ultimately providing benefits to individual vary greatly. There are however two worthy of discussion: defined benefit, versus 'defined contributions. define benefit promise a specific benefit based on various formulas which typically reflect years of services and often take earnings into account. In defined contribution into a workers pension account are predetermined so that the ultimate amount if benefit received varies with both contributions and the investment return on the workers, accumulated funds. Areas of controversy are:-

i. The differences in approach of each type of plan with regard to total cost.

ii The different burdens of the regulatory environment on providers

iii. How well the plan responds to the financial priorities of younger versus older workers.

iv. Who assumes the risks of inflation related investment experience and

v. Difference in ease and cost of administration.

However a major difference could be pension pay - out procedures. Most employers - sponsored retirement benefits on the ground are paid out in one lump,p sum payment or in a series of payments over a relatively short period of time. A better approach is where benefits are paid out as annuities over the life - time of the worker (and of course a surviving spouse). the lump sum approach encourage workers to sue the pension money for non-retirement purpose and increase the likelihood of financial distress in old age.

In contrast with social assistance, employer - sponsored plan can be more flexible and can be tailored to meet different situations or conditions of various industries or occupational groups. More importantly employer sponsored pensions are seen as an effective way to increase savings, promote investment, and thereby facilitating way to growth. The statements above are highly controversial in the first case, flexibility, historical evidence indicates that while different plans serve the different needs of various groups of workers, most of the key design characteristic of plans have been dominated by the economic interest of the employers that sponsor them. **William Graebenr** observes" There is no consensus of opinion among economist either on the extent to which founded pensions (either private or public) contribute to savings, investment, and economic growth."

As a result of problem associated with employer - sponsored pension government has stepped in by legislating variety of mandated pensions provisions and standard (eg the years of employment required foe vesting setting up supervisory and regulatory agencies to control abuse.

2.4 VOLUNTARY AND COMPULSORY SAVINGS PLAN

Unlike employer- sponsored pensions, savings plans give more emphasis to personal initiative through individual saving. Various types of arrangements have been developed that enable individuals to put money into special accounts to be used only for special contingencies, a major one being retirement. The plans are encouraged by special tax rules, in form of tax deferrals, that give substantial financial advantage to individual saving money in this way. The usual practice is that accumulations in this special accounts cannot be withdrawn without substantial penalties, until a person reaches a specified age. While some of these plans are voluntary others are compulsory.

Voluntary scheme though provided greater freedom of choice, they are subject to a number of problems. As pointed out by **Vittas** and **Skilly** "their ability to meet the retirement needs of savers depends on the solvency and investment performance of the institutions with which they are entrusted; and are subject to much higher operating and marketing expenses, especially if no restriction are placed on the ability of individual members to transfer their pension accounts. "The willingness and ability of individual to invest wisely is complicated by:

(a) The myopic behaviour of many individuals that tends to encourage under saving.

(b) The complexities of financial investment in general;

(c) The often confusing and sometimes misleading information put out by the money managers trying to attract more business and

(d) The risk of inflation

The compulsory plan is government administered savings plan called provident fund. In it both employers and workers era required to make regular contribution into special workers' accounts.

The pay point are in a lump sum and are paid out;

(a) Upon reaching designated age (60 for men and 55 for women)

(b) When contributors have not reached the designated age but have sudden need of the money (withdrawal) e.g lost of employment

(c) Upon disability or death of the worker (survivors)

As with other defined contributions schemes, the adequacy of provident fund benefit depends on a long period of contribution. Currently, the capacity of provident funds provide significant economic support in old age has been constrained:

(a) By inability to ensure that lump sum payment are used to provide long-term, old age protection.

(b) By the relatively low level of contributions it afforded.

(c) By special pay out from the accounts before old age, and

(d) By very low interest rates paid out by government (4%).

With regards to the last concern, Vittas and Skilly observe;

"National Provident fund are often established as paternalistic institutions and may be subject to considerable political influence. They have the potential to accumulate substantial reserves, which can then be used to fund the government debt, to support "high capacity" sectors or activities or to acquire stakes in private industry. But if the reserves are not invested wisely, or if contributions are low, the financial benefits may be inadequate to meet the retirement needs of the members. In National Provident Funds, the (income) replacement, investment and inflation risks are borne by employees. The solvency and integrity of the funds depends on their real rate of returns and their administrative efficiency.

It is not surprising then that Nigeria had to drop the scheme for a 'seemingly' better one - Social Insurance.

2.5 SOCIAL INSURANCE

Of all the four categories discussed above, social insurance is clearly the most important source of income for the elderly in the industrialised countries and its importance is growing in the country. The federal government is considering the possibility of transforming management of the nation pensions to the scheme.

Historically, social insurance has played a major role, together with the family, in providing vital social protection. The position of social insurance is no accident. It combines the techniques of actuarial risk- spreading and financing of private insurance with the social adequacy (solidarity) and long tem security (viability) resulting from spreading eligibility across the population and creating meaningful guarantees backed by the government (government broad-base tax power). While the convergence among plans in various countries is impressive one should not underestimate the variations that also exist. As **Wilensky** has observed, "we find momentous differences (among public pensions) in welfare effort, in program emphasis, in administrative style, and in the policies of welfare".

Nigeria Social Insurance Trust Fund was established by decree No. 73 of 1993 and its operation started in july 1994.

Workers of the following categories are required by law to register under the scheme.

(a) Every worker who is employed by a company/incorporated or deemed to be incorporated under the companies and allied matters Decree of 1990.

(b) Every worker who is employed by a partnership irrespective of the number of workers employed by the partnership.

(c) Every worker employed by any other employer or organisation other than those mentioned in (a) and (b) above, which has a place of business in Nigeria and the number of workers employed is not less than five.

By implication, the following workers are not covered by the scheme:-

(a) A worker employed in the Federal Republic Service, states or local government services who is entitled to the benefit of any scheme or pension on terms substantially similar to those prescribed by the pensions act.

(b) A worker entitled to diplomatic or equivalent status under the Diplomatic Privilege Immunities Act.

(c) Any foreign National who is employed in Nigeria for a period less than six years at a time. Also, if the foreigner is covered by the social security scheme of any country.

(d) The minister of religion engage in the propagation of religious activities.

The current rate of contribution is 7.5 percent of a registered workers salary/wages subject to a maximum amount of #48,000 per annum. Out of this, the worker is expected to contribute 2.5 percent while the employer contributes 5 percent, making a total of 7.5 percent to the credit of the worker. However the rate of contribution id subject to periodic reviews in line with actual evaluation and recommendations.

The following categories of benefits are payable under the scheme:

i. Retirement pension: This is paid to a contributor who has retire from regular employment, has attained the age of 60 years and above, and has made contributions to the scheme for up to 120 months. The rate of retirement pension which is paid for life is 30 percent of a worker's final average monthly incurable earnings.

ii. Retirement grant: The qualification for payment is as stated above. The member receives a lump sum payment equivalent of the members' final monthly total contributions multiplied by the number of months of paid contributions.

iii. Invalidity pension: A member will be entitled to invalidity pension if he has paid contributions to the scheme for at least 36 months out of which he is expected to have worked continuously for 12 months; And also the member must have been certified as permanently invalid as a result of some bodily or mental disability. Benefit is calculated on 30% of the final average insurable earning of the invalid member; and on every completed 12 months of paid contribution in excess of the qualifying period the pension will be increased by 1.5% up to the period the member will attain retirement age.

iv. <u>Invalidity Grant:</u> This is payable to a member certified to be permanently invalid and for whom contributions have been paid for not less than 12 months of insurable employment. The rate payable as invalidity grant is an amount equal to the final monthly contributions immediately prior to the invalidity multiplied by the months of paid contributions.

v. <u>Survivors pension:</u> Is payable to the dependants of a deceased member who, at the time of death, receiving or would have qualifies for retirement/invalidity pension.

vi. <u>Survivors Grant:</u> This is a lump sum payment which is equivalent to the deceased members retirement/invalidity grant.

vii. <u>Funeral Grant:</u> Is a lump sum payable in respect of a deceased member. The amount payable presently is fixed at #2,000

CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 DESIGN AND PROCEDURE

This study is aimed at finding out how Nigeria Social Insurance responds to economic needs of Nigerians, particularly the aged. The idea is to uncover what is expected of the security so that it will stand the test of time.

For the purpose of this project, old people are those who have worked in the private sector, contributed to the fund and retired from active service. This chapter presents the area of study, methods of gathering data and research instrument.

3.2 POPULATION

Although there are no reliable data of old people in the country because many of them are not registered, five states, namely: Niger, Plateau, Kwara, FCT and Benue; were sampled.

Information was obtained from these states and also from beneficiaries of the fund in Kano, Lagos, and Rivers States.

3.3 SAMPLE SIZE

One hundred local government areas were randomly selected from the states mentioned above, representing the local government areas in the country.

3.4 METHODS OF GATHERING DATA

Questionnaires were distributed to individuals of selected local government areas. Age and contributing members were considered among others in distributing the questionnaires. On the whole, one hundred and forty (140) questionnaires were distributed but sixty (60) of these duly complete, were retrieved after some days and the responses were analyses.

Owing to the fact that some of the respondents could not write or read (complete the questionnaires), structured oral interview was also conducted in the data collection. Fourteen (14) structured oral interview were used and the responses by the researcher and used in the analysis of data collected.

3.5 RESEARCH INSTRUMENT

Questionnaires and structured oral interview were used for data collection in carrying out the research work. Information were received from both primary and secondary sources.

The researcher had his selection from a collection of books, journals, lecture notes from Seminar and periodicals compiled over the years.

To keep in time with socio-economic trend, current issues on social security and other relevant publications were constantly reviewed.

CHAPTER FOUR

4.0 ANALYSIS OF DATA

This chapter attempts to analyze the information gathered through the media highlighted in chapter three in logical order.

4.1 COVERAGE

Under the Nigeria Social Insurance Trust Fund, eligibility is compulsory only for all companies registered under the companies and Allied Matters Decree of 1990 and every employment with a minimum of five (5) workers. In order words coverage is limited to workers in the above employment categories (or urban workers). thus workers in certain occupations or industries are not covered. those mostly affected are workers in small and medium scale enterprises where less than 10% of the SME are registered.

The truth then is that large numbers of workers in rural areas are not covered and so, are not to benefit from the scheme. Likely reasons are grouped into two major area:-

(a) Real logistical, technical and administrative problems in extending coverage to rural areas, which include problems of registration, communicating with participants, compliance, record keeping, estimating wages or income in agricultural settings, delivering benefits etc.

(b) The issues to finance are;

i. The rural population comprises mostly of very low incomes who find it difficult to contribute financially to the collective scheme.

ii. Politically, it is difficult to develop a redistributive financial scheme that finances rural benefits from urban revenues.

iii. Extension of current system to cover the total population is not feasible because of the financial implications.

Thus the current situation might be characterised as growing frustration in the face of an inability to move forward more rapidly to provide social protection to a greater proportion of the nation's population.

The glamour for greater coverage is the envisaged economy of scale derivable when contributors cut across a large spectrum of the population.

However, the social value of the scheme depend critically on the effectiveness of enforcement of the contribution rules. Enforcement has been more successful with larger enterprises than self-employed and family enterprises.

4.2 ADEQUACY AND EQUITY

The existence of a pension programme and coverage under it is not to be confused with the level and amounts of benefits actually paid, in the history of pensions in the world over, many plans have existed that paid all too few benefits or "generous" benefits to only a special few.

Moreover, a particular pension plan is often only one of a number of collective programmes operating to provide economic security. It is not therefore sufficient to view a particular pension programme in isolation from these other programmes. This certainly explains why most of the respondents held on the view that what they received as benefits were grossly inadequate. The scheme recognises the variety of means available to the individual in achieving the level of benefits. It is necessary to relate such analysis to a general framework for evaluating individuals general economic status. Individuals are expected to accumulate personal savings for their old age and benefits from a number of non cash programme. However, since an average Nigerian does not save and the non cash benefits cannot be qualified in clear terms among others, the reform on the current scheme has made benefits pay-out to contributors relatively attractive- see programme [two].

Note that there will never be complete agreement about the appropriate roles for the various means of providing income in old age - collective pension schemes are only one major way.

On the other hand whether a pension programme is perceived as fair depends in large measure on how the programme treats individuals and how these individuals think they should be treated. the two issues of coverage and benefits adequacy analyzed above, generate a variety of equity issues. Analysis of equity questions tend to focus on financing - how much do the benefits received cost the individual in contrast to other benefit recipients?

The decentralisation policy in the fund has relatively wiped away the cost differentials - one can collect one's benefits in any of the thirty six (36) states. A second issue is redistribution of income within the relevant population as to achieve social adequacy objective. This is not possible in the current dispensation since contributions are tied to the benefit the worker ultimately receives. To this end it could be argued that equity is observed.

Another issue is the amount of "unintentional redistribution that may occur from inflation on the distribution of benefits within and across generations. Apart from inflation. As it is the two issues highlighted above are contained by the scheme - policies are fairly stable and are followed religiously. See programme two for inflation index.

4.3 ADMINISTRATIVE PROBLEMS

Apart from benefits paid out by out the scheme, there are variety of expenditures connected with keeping records, regulatory supervision, determining benefit eligibility, collecting and managing the funds used to pay benefits etc.

The level of these administrative expenses can significantly influence the amount of benefits the Fund can ultimately pay. The researcher gathered however that there is economy of scale in the Fund i.e the cost of administering the scheme declines with every increase in the exonerate the scheme from the following acute administrative problems:

i. **Skill and training deficiencies:**

The most important problem in the fund is the scarcity of middle and high-level, trained personnel. there are claims across the board of staff who have worked upward of ten years without any form of training. Individuals, on their personal initiations to school with study leave without-pay. training like this lack organisation since they are done of personal needs. The Fund is yet to embrace the fact that even the best designed programme can fail if the implementation is faulty. Once a programme is created, organisation of people must be created to run the programme.

ii. **High administrative cost:**

The efficacy of social Insurance depends in part on its administrative costs. Other things held constant high costs means less income in retirement of higher contributions during working years. Swelling costs, are the scope and quality of services provided, the amount and kinds of investments made, and how they are marketed.

Some of these costs could be minimised while others, could be eliminated if there is good management. With regards to cost management to the fund, a privately managed mandatory retirement saving would be a better option.

iii. **Contribution avoidance:**

Another major issue of administration is non-compliance by contributors in payment of contributions. there is need for more aggressive machinery to enforce compliance. Substantial policing is required to ensure compliance among employers. Even when there is compliance, payments are often delayed. The penalties on non-compliance and late payment are not significant enough to encourage speedy compliance.

iv. **Low returns on reserves**

The purpose of pension funds is to finance future benefits, and the best way to do that is to secure the best possible rate of return to the investment portfolios until recently, government had insisted that the scheme funds be invested in government papers. Such policies not only hide fiscal deficits, but also falsely reduce the cost of government borrowing. These have resulted in de-capitalization of the provident funds money.

v. **Dishonesty:**

There is the issue of fraud and corruption. As with any programme the results in large transfer of money, there is a strong temptation for certain individuals to try to benefit illegally at the expense of the group. Administrators, employers, and workers are all potential violators. The situation on the ground makes it more vulnerable - given that information gathering and record -keeping are difficult and that legal processes for dealing with the problems are too bureaucratic.

4.4 COMPETITION AND PRIVATISATION

The idea of compelling the contributing public to a particular scheme does not go down well with most respondents. As a result of monopoly the scope, quality of services provided and amount received as benefits are not satisfactory. It is alleged that if the fund is working well there will be few cases of contribution avoidance etc.

Complaints ranged from pecuniary to non-pecuniary cost to both employers and workers, claimants spend many hours tracking their applications from one office to another. People have little or no knowledge or the workings of the fund; information is not disseminated, and so on. Delayed payments imply interest and inconvenience costs to claimants, in some cases, workers bribe administrators to expedite the claim process.

Is competition the answer to these administrative issues?. With the recent decline in central planning in many countries and consequent growing interest in market mechanism, there has been increased interest in the possibilities of promoting competition in the provision of pensions. It was claimed that competition is the best possible means to ensure efficient resource allocation and performance.

Kye Woo Lee of the world bank told an **ISSA** conference in 1991 "with competition, Social Security agencies would perform with more financial discipline and prudence, and the public and private sectors would develop their respective comparative advantage". In competitive systems where workers have a choice among service providers, workers can more easily escape some of the lapses explained above.

The most common proposal for introducing competition is through privatisation of government run activities. By shifting from public to private management, the aim is to boost organisational efficiency and raise the quality of services provided.

But competitive systems required substantial government involvement. Regulations in form of government approval of investor's organisations, legislations severely restricting investment policies and a number of government guarantees to protect contributors' accounts from mismanagement which exist in countries where private pensions are operated.

Another point is that privatisation and competition in practice does not guarantee that there will be no dishonesty in various segments of the scheme. Moreover, empirical evidence for both private and public pensions clearly indicates that neither of the two is immune from these problems.

4.5 ECONOMIC IMPLICATIONS

The economic literature with regard to the impact of the scheme can be analyzed thus:

(a) The effect of social insurance on saving and capital formation and

(b) Its effect on supply of labour. **Aaron and Thompson** have argued that the major economic effects of social insurance depend to a large extent on two major behavioural alternatives: "Life cycle" households plan the allocation of all resources available to them on the basis of their own wants, which may or may not include utility derived from bequests or gifts 'multi-generational house holds allocates the resources available to them and their heirs to maximize their heirs' wellbeing. "If individuals have multi-generational planning horizons **Aaron and Thompson** show that the theoretical models predict that social insurance have little effect on savings and labour supply behaviours. In contrast, if a life cycle perspective dominates, theoretical models predict that social insurance will produce lower saving and lower labour supply.

i. **Savings:**

The growing social insurance coverage and benefit levels have no impact on net personal saving given that an average Nigerian ordinarily does not save and worse still, has no trust on the scheme. **Bairo** argued that historically social security has changed the pattern of voluntary inter-generational transfer (from parents to children and vice versa) and presented statistical evidence in support of the

ii. Contributions.

iii. Investment.

iv. Benefits payments.

v. Management.

i. **REGISTRATION**

TABLE 1

EMPLOYER/EMPLOYEE REGISTRATION

YEAR	EMPLOYER REGISTRATION	EMPLOYEE REGISTRATION
1994	2,809	98,180
1995	1,403	83,140
1996	1,519	128,312
1997		
Jan -June	878	48,911

The table above shows the registration of new employers/employees since the introduction of the scheme. The increase in registration of both employers and employees at the taken off prior can be attributed to the acceptance of the scheme.

ii. **CONTRIBUTION**

TABLE 2

CONTRIBUTION COLLECTED

PERIOD	₦MILLION
July - December 1994	102,69
1995	680.29
1996	953.96
January - June 1997	548

The table depicts an impressive growth in contribution collected since the current scheme came into being. However, it should be pointed out here that there are case of defaulters whose action/inaction among other reasons have contributed to not meeting projections for the periods.

iii. **INVESTMENT**

TABLE 3

INVESTMENT PORTFOLIO

DATE	TOTAL PORTFOLIO (₦MILLION)
December 1994	1,403.8
December 1995	1,688.4
December 1996	2,123.8
March 1997	2,121.3

As shown above the growth of **N.S.I.T.F** investment portfolio has been quite remarkable in the last six years which ended December 1996 investment portfolio increased by an annual average of 184.9 million or 11%. The absolute value of the portfolio as a December 1996 is put at ₦2.21 billion comprising both quoted "no impact" findings that indicated changing patterns of family transfers were offsetting the reduced saving impact of the social security.

ii. **Labour supply disincentives**

The researcher experience regarding pension and labour supply has been radically different. there is however much larger measure of consensus among economist that pensions reduce the supply of labour. Economists are inclined to view with concern policies that discourage work and the possible negative impact on the nation's output capacity and economic growth. But in fact, there is now a long history of using pensions as a labour supply "better" to deal with cyclical and structural adjustment problems in the country. Retirement policies related to social insurance and employer - sponsored pensions have played a dominant role in helping to balance the demand and supply of labour.

Legislation on 'early retirement' does not only reduce the labour-force but has adverse effect on cost by way of pensions pay out and also reduces economic output resulting when fewer workers remain in the workforce. The current policy on retirement requires people to retire at 60 years resulting in less costs on retirement needs and greater economic output for the nation.

CHAPTER FIVE

5.1 AWAY FORWARD

The chapter dwells on areas that the fund should hold on strongly for its sustainability. It also highlights the journey so far and makes recommendations that will make the fund vibrant and acceptable to a greater population of the nation.

5.2 TRUST: THE FOUNDATION OF SOCIAL INSURANCE

The provision of economic security through social insurance relies heavily on trust. When people talk about social insurance "solidarity,"actuarial soundness", the inter-generational compact" benefit equity, administrative efficiency, informational "transparency" solvency and integrity risks, and so forth - they are indeed talking about the trust people place in the future promises of the social insurance face. Its ability to achieve this depends on a variety of factors (many of which are discussed above) with trust being topmost.

Lack of trust in social insurance undermines its viability in a variety of ways: for example, individuals who do not believe they will get promised benefits, are unlikely to support it politically. If the government continues to fall behind in the payments it is required by the law to pay on behalf of its workers, government sets an extremely poor example for other employers of labour. Administrative corruption and graft not only reduces political support but is likely to lead to decrease in the number of contributors to the fund.

One key action that can be taken to promote trust is a public review of the financial and administrative operations. The experience in industrialized countries shows that it is vitally important that any social insurance programme have an effective set of mechanisms for reviewing the general operations of the programme and especially for assessing the financial integrity of the fiscal operations. The case where social insurance is allowed to deteriorate to the point that remedial action is not only difficult but sometimes impossible without major changes to the system of economic support constitutes waste.

5.3 WHY COMPULSORY PENSIONS

There is no doubt about the fact that the scheme is not liked by all and sundry. this is evident in defaulting cases. Although the operation of the scheme in Nigeria has its own blame, countries where social insurance is working well also have problems of compliance.

It is therefore in response to the myopic behaviour of individual (i.e their lack of foresight and their poor planning) that is the rationale for compulsory pensions. Compulsion is also appropriate from both an altruistic and a self - interested point of view. **Kenneth Boulding** puts the argument concisely:

"(If an individual) were rationally motivated, (he) would be aware of the evils that might beset him and would insure against them. It is argued, however, that many people are not so motivate, and that hardly anyone is complete motivated by these rational considerations, and some will not. This means, however, that those who do not insure will have to be supported anyway-perhaps at lower levels and humiliating and respect - destroying ways - when they are in non productive phase of life, but that they will escape the burden of paying premium when they are in the productive phase. In fairness to those who insured voluntarily, and in order to maintain the self-respect of those who would not otherwise insure, insurance would be compulsory".

In addition to costs imposed on other individuals, families or taxpayers who must provide the support, there are costs on the nation as a whole. Malnourished people living on inadequate income, can contribute very little or nothing to the production process and may even impose costs on the general population through crime and other social disruptions.

Furthermore, another different argument for compulsion is a more pragmatic financial one. In United States, for example, the architects of social security old age insurance programme argued that a programme with optional coverage would make it actuarial difficult to project with sufficient accuracy both benefits (cost) and revenue. It was feared that this problem would create financial instability and make it difficult to guarantee adequate and equitable benefits as social security developed.

The decision of United States is not unique. There are few countries in the world over whose social security programmes are voluntary.

5.3.(a) **<u>THE POSITION OF NIGERIA SOCIAL INSURANCE</u>**

I shall attempt to show at a glance, the progress made so far. The framework of Nigeria Social Insurance Trust Fund are:

i. Registration of employers/employees.

and unquoted stocks. Investment income generated by the **NSITF** averages an annual amount of ₦204.4 million (calculated from the table above).

iv. **BENEFITS**

TABLE 4

BENEFITS PAID OUT

YEAR	**NUMBER OF CLAIMANTS PAID**	**TOTAL AMOUNT PAID (₦MILLION)**	**AVERAGE CLAIM/ PERSON (₦)**
1994	4,115	3.30	802
1995	5,652	6.84	1,210
1996	6,201	8.81	1,419
Jan.June 1997	3,585	5.22	1,455

From the above statistics, there has been noticeable progress in the following area of benefit payments since inception of the new scheme.

- Total number of claimants.
- Total amount paid and
- Average claim received.

v. **MANAGEMENT**

The Management of the **NSITF** is by law, through the Nigeria Social Insurance Trust Fund management Board. It is headed by a chairman, who is appointed by the Head of State. There are two members, each appointed by the Nigeria Employers consultative Association (**NECA**) and the Nigeria labour congress (**NLC**) while the Federal Ministry of labour and productivity, Central Bank of Nigeria and the Federal Ministry of Finance are each represented by a member on the board.

The managing Director and four (4) Executive Directors are appointed to the board by the Head of State. The day-to-day administration of NSITF is delegated to the Managing Director and the four (4) Executive Directors. However, there has been no board since the inception of the scheme. But the board, if it had existed has the following powers:

i. Acquire properties in its corporate name.

ii. Can enter into any contract in the interest of the fund; and as a result the functions of the board include: the overall administration of the fund: management of personnel, collection of contribution, and investment of monies belonging to the fund.

iii. Payment of benefits to eligible and qualify members of the fund.

iv. Undertake other functions in the interest of the fund.

5.3 (b) **BENEFITS IN THE NEW DISPENSATION**

It is vital to unfold benefits under the current reform. In other words the ones discussed above were paid under the old scheme.

In the reform, benefits payable are:

i. Retirement grant.

ii. Retirement pension.

iii. Invalidity grant.

iv. Invalidity pension.

v. Survivors grant.

vi. Survivors pension.

vii. Funeral grant.

i. **Retirement Grant:**

(a) **Eligibility:**

Claimant must have:

i. Attained the age of 60.

ii. Paid contribution for a minimum of 12 months.

iii. Evidence that he has left service or earning less than the National minimum wage.

b. **Documents:**

i. Completion of NSITF form 07 in 4 copies.

ii. Produce his NSITF o4 (membership card)

iii. Certificate of service from last employer.

iv. Two (2) recent passport.

c. **Entitlement**

He is entitled to payment of grant which is calculated as total months or contribution multiplied by last month's.

ii. **Retirement Pension:**

(a) **Eligibility:**

i. Claimants must have attained 60 years and above.

ii. Have contributed for a minimum of 120 months.

iii. Produce evidence that he has left service.

(b) **Documents:**

Same as i(b) above.

c. **Entitlement:**

i. Two basic entitlement.

ii. Retirement grant and retirement pension.

grant is equal to 2 years pension i.e total number of months contributed multiplied by last contribution multiplied by two.

Pension which is paid for life is calculated as 120 months multiplied by 30%. Every additional year attracts 1.5%.

iii. **Invalidity grant:**

(a) **Eligibility:**

i. A member must have contributed for a minimum of 12 months.

ii. Must produce medical certificate of invalidity.

(b) **Documents**

i. Completion of NSITF 07 in 4 copies.

ii. Production of NSITF 04 (MC).

iii. Medical certificate of invalidity certified by the fund's medical board.

iv. Certificate of service.

v. Two recent passport.

(c) **Entitlement**

30% of total contribution.

iv. **INVALIDITY PENSION**

i. **Eligibility:**

A member who must have contributed for not less than 36 months.

ii. The last 12 months must be continuous.

iii. Medical certificate of invalidity.

(b) **Documents:**

same as stated in 3(b) above.

(C) **Entitlement:**

Members is entitled to invalidity grant and invalidity pension invalidity grant - 2 years pension i.e total months contributed multiplied by basic pension rate.

v. **survivor's Grant**

(a) **eligibility:**

i. The survivor's must be dependent(s) of the deceased member.

ii. Survivor's benefit is payable upon the death of a member.

iii. Such claim must be made within 5 years of the death of the member.

(b) **Documents:**

i. Completion of NSITF 08 in 4 copies.

ii. Certificate of death of deceased.

iii. Production NSITF 04 (MC).

iv. Certificate of service.

v. Two recent passport of dependent.

(c) **Entitlement:**

Dependent(s) is entitled to survivors grant where there are more than one dependants, .the sum is shared month them. Calculated is the same as that of retirement grant.

vi. **SURVIVOR'S PENSION**

(a) **Eligibility:**

Member must have qualified for a retirement benefit before his death.

(b) Document is the same as 5(b) above.

(c) Dependents is entitled to survivor's grant and survivor's pension. The working are as stated in retirement pension discussed above. However payment terminates after five (5) years of commencement of payment.

vii. **FUNERAL GRANT**

(a) **Eligibility**

i. Dependant of a deceased member who at the time of the member's death was in receipt of retirement pension or invalidity pension.

ii. A member who had contributed for a minimum 60 months before his death.

(b) **Documents:**

i. Completion of NSITF forms 08 in 4 copies.

ii. Production of the deceased 04.

iii. Death certificate.

iv. Receipt of bill to the time of the funeral grant.

v. Two recent passports of dependant.

(c) **Entitlement:**

For now the grant is ₦2,000.00 and it is subject to review. Note that contribution made under the old scheme are convertible into the new scheme. The essence of conversion is that while the old scheme laid emphasis on balance of Account, the current system emphasis on insurable months in order to pay benefits.

5.4 CONCLUSION AND RECOMMENDATIONS

The researcher has shown in this project that there is no ideal mechanism that responds to social needs without generating a set of its own problems. And has also shown why social Insurance mechanism has been the major mechanism of choice in many countries.

Hence, we must avoid an "either or" approach to policy making in this area. Furthermore since all options have major problems, it seems appropriate to continue with a multi-pillar approach, emphasising the complementarity of mechanism and dealing explicitly with integration issues that result.

The recommended multi-pilar approach not withstanding, the Nigeria Social Insurance Trust Fund needs some improvements in areas of general management. The absence of a board to pilot the overall affairs of fund is political and detrimental to its existence.

```
*******************************************************************
***
*APPENDIX
*THIS PROGRAM SORT FILE IN A SPECIFIE FORMAT
*******************************************************************
***
SET TALK OFF
SET SAFETY OFF
CLEAR

STORE SPACE(5) TO TEMP
SELECT 1
USE MAST2
? 'HOW DO YOU WANT RECORD SORTED'
ACCEPT '(ENTER MEMBNO, SURN,FIRST_NAME.....)' TO TEMP

IF TEMP='MEMBNO'
 SORT TO MAST3 ON MEMBNO /A
ELSE
IF TEMP='SURN'
SORT TO MAST3 ON SURN /A
ELSE
IF TEMP='FIRST_NAME'
SORT TO MAST3 ON FIRST_NAME /A
ENDIF
ENDIF
ENDIF


*BROWSE NODELETE
@20,1 SAY 'SORT COMPLETED ' COLOR R*/BW

WAIT
CLOS ALL
```

```
*******************************************************************
**********
* THIS PROGRAM ADD NEW RECORD TO THE FILE                         *
*******************************************************************
**********
SET DEVELOPMENT ON
SET STATUS ON
CLOS ALL
SET DEVELOPMENT ON
SET SAFETY OFF
SET TALK OFF
SET SCOREBOARD OFF
SET DELIMITER ON
SET DELIMI TO '[]'
SET COLOR TO G
SELECT 1

USE MAST2
INDEX ON MEMBNO TO MAST2

DO WHILE .T.
CLEAR
FLAGE=.F.
STORE SPACE(16) TO MMEMBNO
STORE SPACE(1) TO MSEX
STORE SPACE(10) TO MSURN
STORE SPACE(10) TO MSTATE
STORE SPACE(15) TO MFIRST_NAME
MDATEREG=CTOD(' /  /  ')
MDATE=CTOD(' /  /  ')

@3,10 TO 21,69 DOUBLE
@5,12 SAY 'MEMBERSHIP NUMBER:'
@5,37 GET MMEMBNO
READ
IF MMEMBNO=SPACE(2)
EXIT
ENDIF
MMEMBNO=LTRIM(RTRIM(MMEMBNO))

SELECT 1
SEEK MMEMBNO
IF FOUND ()
@22,13 SAY 'RECORD ALREADY EXIST!!!'+CHR(7)+CHR(7)+CHR(7)
WAIT
@22,00 CLEAR TO 23,70
LOOP
ENDIF
@6,12 SAY 'SURNAME:'
@6,37 GET MSURN
@7,12 SAY 'FIRST NAME'
@7,37 GET MFIRST_NAME
@8,12 SAY 'SEX'
MSEX=' '
```

```
DO WHILE .NOT. MSEX$'FM'
@8,40 GET MSEX PICT '!'
READ
ENDDO
@10,12 SAY 'STATE'
@10,40 GET MSTATE

@13,12 SAY 'DATE OF REGISTRATION'
@13,40 GET MDATEREG

ANS=' '
DO WHILE .NOT. ANS$ 'YN'
@22,10 SAY 'WRITE THIS TO FILE----> Y/N?'
@22,36 GET ANS PICT '!'
READ
IF ANS='N'
LOOP
ELSE
IF ANS=' '
WAIT
ELSE
SELECT 1
APPEND BLANK

REPLACE MEMBNO WITH MMEMBNO, SURN WITH MSURN, FIRST_NAME WITH
MFIRST_NAME
REPLACE SEX WITH MSEX, DATEREG WITH MDATEREG
REPLACE STATE WITH MSTATE
ENDIF
ENDIF
ENDDO
ENDDO
CLOS ALL
RETURN
```

```
******************************************************************
**********
* THIS PROGRAM ADD NEW RECORD TO THE FILE                       *
******************************************************************
**********
SET DEVELOPMENT ON
SET STATUS ON
CLOS ALL
SET DEVELOPMENT ON
SET SAFETY OFF
SET TALK OFF
SET SCOREBOARD OFF
SET DELIMITER ON
SET DELIMI TO '[]'
SET COLOR TO G
SELECT 1

USE EMPLYERS
INDEX ON EMPNO TO EMPLYERS

DO WHILE .T.
CLEAR
FLAGE=.F.
STORE SPACE(11) TO MEMPNO
STORE SPACE(25) TO MNAME_ORG
STORE SPACE(25) TO MLOCATION
STORE 0 TO MNO_STAFF
MDATEREG=CTOD(' /  /  ')

@3,10 TO 21,69 DOUBLE
@5,12 SAY 'EMPLOYER NUMBER:'
@5,37 GET MEMPNO
READ
IF MEMPNO=SPACE(2)
EXIT
ENDIF
MEMPNO=LTRIM(RTRIM(MEMPNO))

SELECT 1
SEEK MEMPNO
IF FOUND ()
@22,13 SAY 'RECORD ALREADY EXIST!!!'+CHR(7)+CHR(7)+CHR(7)
WAIT
@22,00 CLEAR TO 23,70
LOOP
ENDIF
@6,12 SAY 'ORGANISATION NAME:'
@6,37 GET MNAME_ORG
@7,12 SAY 'LOCATION'
@7,37 GET MLOCATION
@10,12 SAY 'NUMBER OF STAFF'
@10,40 GET MNO_STAFF

@13,12 SAY 'DATE OF REGISTRATION'
```

```
@13,40 GET MDATEREG
READ
ANS=' '
DO WHILE .NOT. ANS$ 'YN'
@22,10 SAY 'WRITE THIS TO FILE----> Y/N?'
@22,36 GET ANS PICT '!'
READ
IF ANS='N'
LOOP
ELSE
IF ANS=' '
WAIT
ELSE
SELECT 1
APPEND BLANK

REPLACE EMPNO WITH MEMPNO, NAME_ORG WITH MNAME_ORG,LOCATION WITH
MLOCATION
REPLACE NO_STAFF WITH MNO_STAFF, DATEREG WITH MDATEREG
ENDIF
ENDIF
ENDDO
ENDDO
CLOS ALL
```

```
*****************************************************************
*
*THIS PROGRAM DELETE RECORD FROM THE EMPLOYEE FILE
*****************************************************************
*
CLOS ALL
CLEAR
CLOS DATABASE
STORE SPACE(16) TO MEMBNO

SELECT 2
USE MAST2
INDEX ON MEMBNO TO MAST2

DO WHILE .T.
STORE SPACE(16) TO TEM
? ' DELETE WHICH RECORD'
ACCEPT 'MEMBNO' TO TEM
IF MEMBNO = SPACE (3)
EXIT
ENDIF

SEEK TEM
IF .NOT. FOUND()
@12,12 SAY 'EMPNO DOSE NOT EXIST'
WAIT
CLEAR
LOOP
ELSE

@10,10 SAY 'YOU ARE DELETING RECORD OF:'

SELECT 2
ASD=0
LIST FOR MEMBNO= TEM MEMBNO,SURN,FIRST_NAME,TOTAL_CONT
@21,9 SAY 'Y FOR YES'
@21,19 SAY 'N FOR NO'
ANS=' '
OPT=' '

@21,30 GET ANS PICT '!'
READ
IF ANS='Y'
DELETE ALL FOR MEMBNO=TEM
CLEAR

@3,3 SAY ' DO YOU WANT TO DELETE MORE RECORD.....Y/N'
@3,40 GET OPT PICT '!'
READ
ASD=ASD+1
IF OPT= 'N'
***BEFORE PACKING FILE CHECK****
CLEAR
STORE 'N' TO PERMIT
```

```
DO WHILE PERMIT='N'
CLEAR
COUNT FOR DELETED( ) TO ASD
IF ASD=0

? 'NO RECORD IS DELETED'
STORE ' Y' TO PERMIT
ENDIF
IF ASD>0
LIST FOR DELETED() MEMBNO,SURN,FIRST_NAME,TOTAL_CONT
ACCEPT 'DELETED ALL INDIVIDUALS?. ANSWER (Y/N)' TO PERMIT
IF PERMIT ='N'
ACCEPT 'KEEP WHICH ONE (BY NO)' TO FDS
RECALL RECORD  FDS
ENDIF
ENDIF
ENDDO
PACK
EXIT
ELSE
LOOP
ENDIF
ENDIF
ENDIF
ENDDO
CLOS ALL
RETURN
```

```
*************************************************************
*THIS PROGRAM DISPLAY REPORT MENU
*************************************************************
CLOS ALL
SET STATUS OFF
SET SAFETY OFF
SET TALK OFF
SET DELIMITER ON
SET DELIMI TO '[]'
SET COLOR TO G
SET ESCAPE ON
DO WHILE .T.

@4,10 TO 19,50
@6,10 TO 16,50 DOUBLE
@5,22 SAY 'REGISTRATION MENU' COLO R*+/N
@9,20 SAY  '1. EMPLOYER REGISTRACTION' COLO G+/N
@12,20 SAY '2. EMPLOYEE REGISTRACTION' COLO G+/N
@15,20 SAY '3. EXIT TO MAIN MENU' COLOR G+/N
CHIO= ' '
@18,20 SAY 'MAKE YOUR CHIOCE' GET CHIO PICT '!'
READ

DO CASE
CASE CHIO='1'
DO REGIST1
CASE CHIO='2'
DO REGIST
CASE CHIO='3'
EXIT

CLOS ALL
RETURN
ENDCASE
WAIT
CLEAR
ENDDO
```

BIBLIOGRAPHY

1. Akiko, Hashimoto "Living Arrangement of the Aged in seven developing countries" A preliminary analysis. "Journal of culture Gerontology Vol. 6(1991)359.
2. Boulding M. Social Security: Perspectives for reform. pp.61-62.
3. Carmelo Mesa-Lago Ascent to Bankruptcy: Financing Socialsecurity in Latin America (P. Haburgh, A University of Pittsburgh Press, 1989) p.255.
4. Charles W. Meyer (ed) Social Security. A critique of radical reform proposals (Lexington, MA Lexington Books, 1987) pp. 69-101.
5. David Hancke "Pensions opt-out cost Soars," Guardian (January 3, 1991).
6. Debbie Harrison "Bad buy's in the Transport market, Financial times, (Feb. 29, 1992) P.43.
7. Douglas Brown An American Philosophy of Social security press, 1972).
8. Dumitri and Micheal Skully-Overview of contractual institutions. Working papers, country economic department, WPS 605 (Washington DC, World Bank, March 1991).
9. Donald O. Cogill Aging around the world (Belmont, CA; Wadsorthy 1986)p.83
10. Maduegbuna E."Social Security should Benefit only the elderly poor" Business week (January 16) p.20.

11. Eshi Fishman Ahmad-Poverty, Inequality, and public policy in transition economies "paper prepared for 47th congress of the international institute of public finance (Washington, DC: reproduced, 1991) p.9.

12. Estelle, James "Averting the old-age crisis" (Finance and development, June 1996) pp.4-7.

13. Franco, Modigbami "The key to saving in growth, No thrift, challenge, vol.30 (May-June 1987) pp.24 - 29.

14. Hay-Huggins Pension plan expense study for pension benefit guaranty Corp. 1990.

15. Henry, Aaron Economic effect of Social Security (Washington, DC; the Booklings Institution, 1982).

16. Hal, L. Kendig et. el(ed) Family Support for the elderly: (The international Experience, Oxford University Press for the world Health orgn., 1992).

17. Midgley, J. Social Security inequality, and the third world (Chichester, UK: Wiley, 1984).

18. Jean-Victor Graut. "Social security schemes in Africa Current Treads and Problems", International Labour Review, Vol. 129, No.4 (1990): pp.405-421 (p.418).

19. John, R. Woods "Pension coverage among private wage and salary workers. Preliminary findings from the 1998 survey of employees Benefits" Social security Bulletin, Vol.52 (1989) pp.2-19.

20. Jonathan Skimner"Individual retirement Account: A review of the evidence" Tax Notes (January 13 1992): pp.201- 212.

21. Polanyi, K. The great transformation Baston, MA; Beacon Press, 1994).