

EFFECTS OF FEDERATED PENSION SCHEME ON THE WELFARE OF PENSIONERS IN THE GAMBIA

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Abstract: *The study investigated Security and Housing Finance Corporation (SSHFC) as a service provider and the welfare of pensioners in The Gambia. This was with the view to determining the effect of Federated Pension Scheme (FPS) at SSHFC on the welfare of pensioners in the country. Both primary and secondary data were used for the study. Primary data were collected through questionnaire administration and policy documents. The population of the study was 3383 respondents which comprised pensioners and administrative staff who were responsible for managing pensions at SSHFC. Using proportionate-to-size sampling technique, a sample size of 345 respondents was selected and contacted for questionnaire administration. Descriptive and inferential statistics were used to analyse the data obtained from the questionnaire while content analysis was used to analyse the documentary data. The findings revealed that the regulatory frameworks for SSHFC i.e., FPS, lacks the necessary components such as Project 59, and a provision to review the computation formula to ensure adequate pensioners' welfare from SSHFC. Also, the findings revealed that there is a significant relationship between the welfare of pensioners and the Federated Pension Scheme services provided by SSHFC in The Gambia. The study concludes that FPS has a positive effect on the welfare of pensioners in country.*

Keywords: *federated pension scheme, welfare, pensioners, service delivery, social security*

Introduction

Social Security is commonly regarded as a basic human right. It is enshrined in international legal instruments such as the Universal Declaration of Human Rights, and the International Covenant on Economic, Social, and Cultural Rights that was enacted by the UN General Assembly Resolution 2200A (2I) of 16 December 1966; Article 9. According

to Bloom and McKinnon (2013), this agreement supports the principle of the right to receive a cash income in the form of an old-age pension on a regular and predictable basis. Social Security is defined as “benefits that society catered to old age pensioners with their household through public funds in order to provide them a protective living standard against low or declining living standards arising out of several basic risks and needs” (Ginneken, 2008). According to the ILO Convention and UN instruments, Social Security is clearly defined as a basic human right. According to B.B. Nyan (personal communication, June 15, 2021), the State Pension Board (SPB) which was established in 1950 has been the regulatory framework that was used by the colonial masters as a form of social protection for servants working under the colonial masters. After independence in 1965, the first Republic of The Gambia inherited the same system to be responsible for all the civil servants. But Goldstein (2008) states that ‘part of the cornerstones of any government in building or formulating policies is to improve the welfare of its citizenry, is the services offered’. Therefore, to improve the welfare of the Gambian people and make sure that the services provided are effective, the government then established her own state enterprises such as Gambia River Transport Corporation (GRTC), Gambia Livestock Marketing Board (GLMB), Gambia Producing Marketing Board (GPMB), Gambia Utility Corporation (GUC), Gambia Corporative Union (GCU), Gambia Ports Authority (GPA), and Gambia Public Transport Corporation (GPTC) which resulted in an establishment of another Act on the 1st of July, 1973 to include all state enterprises and civil servants. Furthermore, in 1981, the Government of The Gambia abolished the State Pension Board and established Social Security and Housing Finance Corporation (SSHFC) by an Act of the National Assembly (NA) and enacted it on the 1st of July, 1982. The 1981 SSHFC Act gives SSHFC the mandate to administer Social Security funds, and make a provision for payment of benefits to its members at the time of retirement (SSHFC ACT, 1981). This resulted in the creation of two funds namely Social Security Funds and Housing Finance Funds. The Social Security Fund comprised the Federated Pension Scheme (FPS) which currently manages fifty (50) federated pension institutions and the National Provident Fund (NPF) which also manages six thousand, three hundred and ninety-nine (6,399) national provident fund institutions (SSHFC Actuarial Unit, 2021).

Subsequently, several Acts of the National Assembly have been passed which provide the regulatory frameworks that govern the Social Security contributions payable and payment of benefits to the scheme members. However, there exist different types of pension schemes in The Gambia such as: (1) Public Service Pension Scheme (PSPS) which covers government employees (Civil Servants and Uniformed Services) only; (2) special provisions for National Assembly members, Local Government Authority employees, and District Chiefs; (3) Federated Pension Scheme (FPS) covers Non-government public sector employers and employees; (4) National Provident Fund (NPF) which covers the private sector employers and employees; and (5) Several registered occupational schemes such as the Industrial Injury Compensation Fund (IICF).

Social Security and Housing Finance Corporation manages the Federated Pension Scheme, the National Provident Fund, Industrial Injury Compensation Fund, and Housing Finance Schemes. This study concentrates on the Federated Pension Scheme (FPS). The Federated Pension Scheme comprises all parastatal institutions in The Gambia that were established by an Act of the National Assembly. The Federated Pension Scheme is one of the constituent funds of the Corporation. It is a final pay scheme meaning that it pays benefits

based on age, length of qualifying service, and final salary as at the date of retirement from service, or on the date of death of the member. Currently, there are fifty (50) member institutions federated under this scheme. Any member working under a registered institution of the Federated Pension Scheme must be registered. According to SSHFC Act (2010, 2015), the Federated Pension Scheme was meant for parastatal organisations established by an Act of the National Assembly. Notwithstanding, a few private sector institutions have decided to join the Federated Pension Scheme such as Trust Bank Ltd, Global Security Insurance Company, Sonko Jileng Enterprises, and Gambia National Insurance Company even though it is neither mandatory for them, nor is there any clause in the SSHFC Act, 2015 that provides that option.

The following categories are exempted from the Federated Pension Scheme: civil servants to whom the State Pension Act, 1950 (Cap.137) applies, workers below the age of eighteen (18), casual employees paid daily and employed on a fixed-term contract not exceeding one-month duration, and any other category of employees which the Managing Director in his discretion shall determine to be casual employees. The scheme was funded from contributions at a rate of nineteen percent (19%) of the employee's basic salary from 1982 to 2015. However, after the 2015 SSHFC Act was amended, the contribution ratio changed to fifteen percent (15%) of the employee's gross salary. The scheme's employer liability and the retirement age were revised from age fifty-five (55) to age sixty (60) which took effect in April, 2004 (SSHFC Act, 1981, 2015). Under this scheme, there exist categories of retirement benefits ranging from normal retirement at age sixty (60), voluntary retirement at age forty-five (45), redundancy benefits with a minimum pensionable service of ten years (10); and on the ground of ill-health or death, the survivor benefits will be paid to their dependents.

According to SSHFC Act, 2015, the benefit computation formula for the Federated Pension Scheme is one (1) over six hundred (600) multiplied by completed months of service multiplied by the terminal salary ($1/600 * \text{months of service} * \text{terminal salary}$). In this computation, the pensioners are either referred to as a full annual pensioner or reduced pensioner. The first refers to a pensioner who at the time of receiving the pension did not exchange any portion of the pension in the form of gratuity or lump sum, while the second refers to a pensioner who chooses to receive a lesser gratuity with a larger monthly pension. Retiring at the normal retirement age, a member enjoys maximum benefits of both gratuity and monthly pension. If a scheme member exits prematurely, it attracts a lower benefit in proportion to the number of years by which the member retires earlier. According to the Federated Pension Scheme Act, (2015), a member who has less than five years scheme membership and has not reached the age of forty-five (45) and wants to retire on his/her own free will can only be paid the benefits upon attainment of age forty-five (45) and on a lump sum. In some cases, a scheme member's benefits can be forfeited when dismissed from service or terminated on account of negligence, irregularity, or misconduct. When a member of the Federated Pension Scheme (FPS) resigns from the job to avoid dismissal or fails to complete five years of service and leaves on grounds other than ill-health, disability, or death, the member forfeits the benefits. It is obvious that such members lose their benefits. An intra-scheme transfer is possible under the FPS where a member can transfer from one institution to another without losing the benefits secured while in the service of the previous employers. However, the previous employers must give written approval for the transfer to be effective (SSHFC Act, 2015).

According to ILO (2018), employees contribute to national development throughout their working life, so it is fair that once they are at old age, they are not left behind and that prosperity is shared with them. As a result, while people were enjoying good health care and productive capacity, the labor force were contributing meaningfully to national development by engaging in a tax deferred savings. Therefore, it is fair to provide for such people with an income when they are no longer earning a regular income from employment (World Bank report, 2006). Unfortunately, Government or society tends to marginalise them at old age. Informed by the significance accorded by both nationally and internationally recognised instruments to social security as a socio-economic as well as a basic human rights engagement, this study examines the impact of the Federated Pensions Scheme on the welfare of pensioners in The Gambia.

Statement of the Research Problem

A number of scholars (Akhiojemi, Ifeanacho, & Abu, 2018; Adeniji, A, Akinnusi, Falola,, & Ohunakin, 2017; and Fapohunda, 2013) have conducted empirical research on the critical issues affecting Social Security functions and the welfare of pensioners. The public and political outcry on pension funds is often centered on the misuse of Social Security funds and non-profitable investments, non-compliance of employers, delay in pension payment at old age, and the lack of interaction with pensioners. Taking such a holistic view, Social Security and Housing Finance Corporation has formulated a Strategic Plan in 2015 which includes Project 59 that was meant to solve some of the outcries of the pensioners such as the untimely payment of pensions. Stewart and Yermo (2009) document the effectiveness of the pension enforcement body in Hungary in enforcing employers' compliance, and Ofori (2019) researched on the effect of expansion of coverage and employers' compliance on pension funds. However, little research has been carried out in linking Social Security and the welfare of pensioners in The Gambia. As a result, there are some pressing questions regarding the dispensation of Social Security benefits to pensioners in the country that have received little or no scholarly attention. For instance, is this project 59 really happening? Are pensioners satisfied with their payments? Are the services provided by SSHFC associated with the welfare of the pensioners? These are part of what the study wants to investigate. Although pension payment is expected to enable pensioners meet their basic needs such as food, clothing, housing, health services and live their lives with dignity and expected self-esteem, pensioners are instead being reduced to a life of low self-esteem. The question here is why is this happening? Are there laws put in place to manage the pensioners' funds, on the management system of the Corporation, the contribution rate paid by the employers, or the formula used to calculate the gratuity and monthly pension? Hence, the paper aims to assess the effect of Federated Pension Scheme on the welfare of pensioners in The Gambia. This study intends to interrogate these issues with a view to coming up with conclusion and recommendation to rectify the situation. The hypotheses of the study are:

H0: There is no relationship between welfare of pensioners and services provided by SSHFC.

H1: There is relationship between welfare of pensioners and services provided by social security.

Specifically, this paper sought to assess the effect of Federated Pension Scheme on the welfare of pensioners in The Gambia. To address these, the paper aimed to answer the following question: how has Federated Pension Scheme influenced pensioners' welfare in The Gambia?

Theoretical and Empirical Review

Theoretical Review

One of the challenges faced by developing economies in the world is the provision of better life for retirees with the ultimate objective of enhancing their welfare and reducing their level of poverty (Ahmed & Salisu, 2010). One of the major ways of overcoming these challenges, as suggested by Ahmed and Salisu, is through the provision of pension systems. Pension represents a major form of Social Security that is used in addressing old age-crisis (Idris, et. al, 2016). According to World Bank (2019), pension systems in general have two main functions; namely, to alleviate poverty by generating retirement savings plans and smooth consumption over an individual's lifecycle by providing income replacement in old age. According to Barr and Diamond (2008, p. 25), "the primary objective of pensions is economic security at old age which can be achieved through consumption smoothing, insurance, poverty relief, and redistribution of funds. According to the World Bank, the primary objective of pensions design is to optimise old age security, including the cost of providing it (World Bank, 2021). Pensions play an important role in poverty alleviation for the elderly since they are among the most vulnerable groups in any society, particularly older women. Being paid a monthly pension and share with family members builds confidence in the elderly and integrates them into the community instead of feeling like a burden on their families. According to ILO, social security schemes adequately covered only one in every five workers, while the World Bank reported that only 15% of the world population over 65 has adequate retirement benefits. In sub-Saharan Africa, less than 10% of the older population has a contributory pension (Palacios & Pallares-Miralles, 2000). Public pension arrangements can be used as a social protection which is increasingly considered as contributing to every development process in the same way as health and education (van Dullen, 2007). However, irrespective of the type of pension arrangement, pension management has also been shown to have consequences for broader society, as the pension benefits provided to the elderly in reducing poverty among them are in turn shared with their grandchildren by providing food, clothing and school materials (Stewart & Yermo, 2009). According to Stewart and Yermo (2009), issues surrounding the aging population and pension cannot be addressed at an early stage, and developing countries should try to use their demographic sweet spot before the dependency ratios will fall and the impact of aging hits the continent (Stewart & Yermo, 2009).

Empirical Review

According to an ILO report (2011), 75% of the world population which is about 5.1 billion people is not adequately covered by Social Security (ILO, 2011, P. xxi). A lot of literature has revealed that the poverty level in the world can be reduced if pension management system is utilised adequately (Oyeniya, Afolabi & Mufutau, 2014). The results of a study generated by Sptzer, Regoshora and Mabeyo (2010) were similar to those of Mboghoina & Osberg (2010) who conducted a research on the current status and future possibilities

about social protection of the elderly in Tanzania. Both studies conclude that Tanzania would face the escalation of poverty to elders if the government does not take measures to ensure that elders are properly protected. The majority of these elders, especially women over 60 years, are living with their grand children whose parents are either dead or outside Tanzania. Thus, they are subjected to extreme poverty and lack of food and have access to no or little pension. In South Africa, the essence of pension management has significantly shown that pensions reduce the poverty gap ratio by 13% and increase the income of the poorest 5% of the population by 50% while families receiving pensions are 11% less likely to become poor. This is in sharp contrast to Tanzania, where there is no pension and out of 146,000 children orphaned with HIV/AIDS, only 1,000 attended secondary school because their grandparents could not afford the fees due to old age without any form of social protection (Stewart & Yermo, 2009). According to the 1998 ILO report, in the Republic of Senegal 31% of the contributors are in the police force or the army, 39% are teachers, while 29% constitute the civil servants (including contract workers for whom contributions are made to IPRES). Total Fond National de Retraite (FNR) contributors comprise around 1.3% of the estimated labor force in Senegal. The FNR currently has around 31,000 beneficiaries. In 1997, 32% of the beneficiaries received the old-age pension, 14% an early-retirement pension, 9% an invalidity pension, and 44% a survivor's pension (Faye & Ndiaye, 2002).

Methodology

The study adopted a descriptive survey design method and a simple random sampling technique in order to obtain the sample size for the study. To meet the objectives of the study, both quantitative and qualitative research methods were employed. This survey design sought to engage the pensioners and the relationship between Social Security and Housing Finance Corporation (SSHFC) a service provider and the welfare of pensioners as well as engage the administrative staff responsible for processing benefits at the Benefit Unit of SSHFC, and report on the challenges SSHFC faces in managing pensions. A sample of the population of pensioners was selected for the study to obtain the required information by studying only a portion of the total population. However, the study ensured that the respondents selected are true representatives of the total population, and to gather relevant data from the respondents, the suitability of the design tool was pre-tested to cover for possible shortcomings. The study focused on pensioners in the Greater Banjul Area comprising Banjul, Kanifing Municipality and West Coast Region who received their pension gratuity from 2018-2021 and those currently receiving their monthly pension, as well as the employees at the Benefit Unit of SSHFC who are working directly on the pension scheme. The choice of the pensioners and the staff under the Benefit Unit is motivated by their relevance to the study.

Population of the Study

The population of the study is the combination of pensioners from which the sample was selected. According to David and Chava (1976), a population can be defined in terms of content, extent and time. Therefore, the population of the study reflects the combination of pensioners receiving pension from SSHFC and are living in the Banjul Administrative Area, Kanifing Municipality and some parts of West Coast Region, and the employees of

SSHFC that are dealing directly with the pensioners (Benefits Unit employees). Thus, the population of the study is three thousand three hundred and eighty three (3,383) as shown in Table 1.

Table 1: Population of Pensioners and Administrative Staff

Category	Population Size
Pensioners	3363
Administrative Staff at Benefit Unit	20
Total	3383

Source: SSHFC Benefit Unit (2021)

Sampling Size and Sampling Techniques

The sample size of the study was determined by using Cochran (1963) modified sampling formula which is ideal for smaller populations.

$$n_0 = \frac{Z^2pq}{e^2}$$

Where:

p = estimated proportion of the population (5%)

e = margin of error (0.05)

q = 1 - p

Z-value is found in a Z table

$$\frac{Z^2pq}{e^2} = \frac{(1.96)^2(0.5)(0.5)}{(0.05)^2} = 384.16$$

$$n_0 = 384.16$$

Using the Cochran’s modified formula, the sample size for this study is as follows;

$$n = \frac{n_0}{1 + (n_0 - 1) / N}$$

Where:

n = new adjusted sample size

N = is the population size

n₀ = required return sample size according to Cochran’s formula

$$n = 384$$

$$1 + [(384-1)/ 3383]$$

$$n = 384/1.1132 = 344.95 \text{ approximately } 345$$

Based on Cochran’s modified formula used, the sample size for the study is 345 respondents living within the Greater Banjul Area (GBA) of The Gambia, which represented 10.2% of the total population of 3,383. The study employed multiple-stage sampling technique in selecting the respondents. At the first stage, Cochran’s modified sampling equation was used to calculate the sample size of the study. At the second stage, a proportionate-to-size sampling technique was used to calculate a sample for each unit of the samples. The sample size for GBA pensioners is 326 which represent 10% of the population, while the sample size for the administrative staff at the Benefit Unit is 19. At the third stage, proportionate-to-size sampling was used to select ten (10) pensioners and five (5) administrative staff at the Benefit Unit for the interviews. The data collection was

done through an open-ended questionnaire which was distributed among the respondents during fieldwork as shown in Table 2.

Table 2: Sample Size

S/N	Category	Sample Size
1	GBA Pensioners	326
2	Benefit Unit	19
	Total	345

Source: Field Survey (2021)

Results and discussion of findings

Socio-Demography Characteristics of the Respondents

This section presents relevant data obtained from the questionnaire. It concentrates specifically on the demographic details of the respondents. Given that the research was gender sensitive, the gender of the respondents was recorded to ensure that both males and females were considered. However, the gender disparity had no infringement on the data collected since the information needed for the study is not gender-oriented. According to the data presented on Table 3 below, 239 (70.71%) of the respondents were males while 99 (29.29%) are female. Gender balance was really considered during the field work but the larger number of male respondents reflects the male dominated population of the study. The research also considered the age distribution of the respondents aimed at selecting respondents of varying ages that provided relevant information for the study. The results show that most of the respondents are aged 60 and above constituting 313 (92.6%) while those respondents aged between 45 and 59 are 25 (7.4%). This shows that all the respondents were mature enough to give valid and dependable data responses.

The research also looked at the marital status of the respondents as presented on Table 4.1 below; the results show that most of the respondents, 283 (83.98%), are married while 13 (3.86%) are divorced, 16 (4.75%) are single, and 25 (7.42%) are widows/widowers.

The findings show that most of the respondents 314 (92.9%) are literate enough to give valid and dependable data while 72 (7.10%) are drivers, dock workers or technicians. The highest number of respondents, 119 (35.21%) attended secondary education, and 72 (21.3%) had GCE O'Level, while 40 (11.83%) attained diploma level. About 30 (8.88%) and 22 (6.51%) respondents attained BSc/BA and MSc/MA respectively, whereas only 2 (0.58 %) attained the highest educational level with Ph.D., and 24 (7.10%) had other qualifications. Furthermore, the results show that most of the respondents in this research live in West Coast Region (WCR) with 142 (42.14%), while 119 (35.31%) reside in Kanifing Municipality, and Banjul City harbored the least number of respondents with 76 (22.55%).

Table 3: Socio-Demographic Characteristics of Respondents

GENDER	FREQUENCY	PERCENTAGE (100%)
Male	239	70.71
Female	99	29.29
TOTAL	338	100
AGE DISTRIBUTION		

45-59 Years	25	7.4
60 and Above	313	92.6
TOTAL	338	100
MARITAL STATUS		
Single	16	4.75
Married	283	83.98
Widow/Widower	25	7.42
Divorce	13	3.86
TOTAL	337	100.01
EDUCATIONAL LEVEL		
WASCE	10	2.96
Secondary School Certificate	119	35.21
GCE Ordinary Level	72	21.3
GCE Advanced Level	19	5.62
Diploma	40	11.83
BSc/BA	30	8.88
MSc/MA	22	6.51
PhD	2	0.59
Others	24	7.1
TOTAL	338	100
RESIDENCE		
Banjul	76	22.55
KM	119	35.31
WCR	142	42.14
TOTAL	337	100

Source: Field Survey (2021)

The researcher addressed the objective of the study by requesting respondents to assess whether the Federated Pension Scheme has any effect on the welfare of pensioners. The results in Table 4 shows 189 (55.92%) respondents agreed that they received their pension benefits from SSHFC on time while 147 (43.5%) disagreed, and only 2 (0.59%) were undecided. This revealed that majority of the respondents received their pension benefits from SSHFC on time between six and twelve weeks from the time of completing all the required procedures. The results also showed that 180 (53.25%) of the respondents agreed that SSHFC requested the required documents from their institutions in order to process claims before they reached the age of retirement; while 131 (38.76%) of the respondents disagreed and only 27(7.99%) were undecided. This indicated that SSHFC complied with Project 59 rule number one. Regarding the third statement, respondents were asked to assess the quality of customer service delivered to them during and after their claim processing and the result showed that 276 (81.65%) respondents agreed that SSHFC treated them with dignity during and after the processing of their claims while 60 (17.75%) disagreed with the statement and only 2(0.59%) respondents could not decide on the

statement. This shows that most of the respondents received a welcoming approach during their claim processing.

On assertion four, respondents were asked to attest whether the retirement benefit package paid to them by SSHFC satisfy their needs or not. The results showed that 301 (89.05%) of respondents disagreed while 29 (8.58%) agreed with the statement and 8 (2.37%) were undecided. This indicates that majority of the respondent disagreed with the statement that the payment satisfy their needs. Concerning assertion five, respondents were asked whether their offices were formerly informed about the Project 59 that was introduced in 2015. The results showed that 286 (84.62%) responded in the negative while 16 (4.73%) agreed and 36 (10.65%) were undecided. The majority of respondents did not know anything about project 59. On statement number six, the result indicated that 307 (90.83%) disagreed with the statement that the benefit amount received from SSHFC is satisfactory, while only 25 (7.39%) agreed and 6 (1.78%) were undecided. This shows that majority of the respondent disagreed that the benefit paid by SSHFC is satisfactory and 7.39% that agreed are the respondents who retired in a high position. Regarding assertion seven, respondents were asked to assess whether the gratuity received from SSHFC has improved their welfare as pensioners. The findings indicated that 283 (83.73%) respondents disagreed while 48 (14.2%) agreed and 7 (2.07%) were undecided. This means that majority of respondents disagreed. On question eight, respondents were asked whether they are better off working than being a pensioner. The results showed that 303 (89.54%) agreed to be working than being a pensioner while 28 (44.62%) disagreed and 7 (2.07%) undecided. This means that majority agreed to be a working class than a pensioner. Concerning assertion nine, the results revealed that 231 (68.35%) disagreed with the statement that they can establish business with the gratuity paid to them, while 99 (29.29%) agreed and 8 (2.37%) were undecided. This means that majority of respondents agreed. On statement ten, the results indicated that those receiving pension through Yonna Bureau De Change 231 (71.28%) disagreed with the research statement that they are satisfied with Yonna, while 53 (61.79%) agreed and 8 (2.48%) were undecided. This means that majority of respondents receiving their pension from Yonna Bureau De Change were not satisfied. Regarding assertion eleven, the results for those receiving pension at the Bank shows that 133 (97.79%) respondents agreed that they were satisfied with the Banks, while a small number like 2 (1.47%) disagreed and 1 (0.74%) were undecided. This means that majority of those receiving their pension at the Bank were satisfied and preferred to stay with the Bank. On statement twelve, the research investigated the need to increase the monthly pension for pensioners and the results showed that 329 (97.34%) respondents agreed with the statement that the monthly pension need to be increased after every three years, while 7 (2.07%) disagreed and 2 (0.59%) were undecided. This means that majority of respondents agreed with the monthly increment of pension after every triennial actuarial valuation which is in every three years. Regarding statement thirteen, the respondents were asked whether their monthly pension is enough to take care of their basic needs for a month. The findings showed that 327 (96.65%) disagreed with the statement that the monthly pension is enough while 8 (2.37%) agreed and 2 (0.59%) were undecided. This shows that majority of respondents cannot meet their basic needs with the monthly pension they receive from SSHFC. On assertion fourteen, respondents were asked whether SSHFC provides health care for them or not. The results revealed that 175 (51.78%) disagreed, while 156 (46.15%) were undecided and 7 (2.07%) agreed. This means that majority confirmed that SSHFC

does not provide medical facility. Concerning statement fifteen, the result further shows that 319 (94.38%) disagreed with the statement that SSHFC gave them bonus every year, while 12 (3.55%) agreed and 7(2.07%) were undecided. On assertion sixteen, since dissemination of information is part of SSHFC concern on welfare of pensioners, the researcher asked whether respondents had access to information when needed, the results showed that 191 (56.51%) agreed, while 102 (30.17%) disagreed and 45(13.3%) were undecided. This means that majority agreed that SSHFC gave out information when needed. Regarding statement seventeen, the results showed that 243 (71.89%) respondents disagreed with the statement that the pensioner’s monthly pension can be used to go on holiday in The Gambia, while 89 (26.33%) were undecided and 6 (1.77%) agreed. This means that majority of respondents disagreed.

On assertion eighteen, respondents were asked to measure the service delivered to them when claiming for benefit and the results showed that 198 (58.58%) agreed that they faced no challenges during their claim process, while 136 (40.24%) disagreed and 4 (1.18%) were undecided. This means that majority applauded SSHFC but with a margin of 62 (18.34%).Regarding statement nineteen, the results showed that 325 (96.67%) disagreed with the fact that SSHFC organises end of year party for its pensioners, while 7 (2.07%) agreed and 5 (1.48%) were undecided. This means that majority disagreed with the statement. On assertion twenty, since SSHFC needed to invest pensioners fund to get returns, therefore, the researcher asked whether the respondents were given interest after every six months or yearly on top of their monthly pension. The results showed that 320 (94.67%) disagreed, while 10 (2.96%) were undecided and 8 (2.37%) agreed. This means that majority of respondents disagreed with the statement that SSHFC paid interest. Concerning statement twenty-one, the researcher asked whether SSHFC cared for their welfare during hard times, most specially Covid-19. The results showed that 264 (78.11%) disagreed while 68 (20.12%) agreed and 6 (1.78%) were undecided. This means that majority of respondents are not very happy with SSHFC being a social protector.

In sum, the researchers asked respondents whether overall, SSHFC’s FPS had positive effect on the welfare of pensioners. The results showed that 299 (88.46%) respondents disagreed with the statement, while 31 (9.17%) agreed and 8 (2.37%) were undecided. This means that majority of respondents disagreed with the statement that SSHFC’s FPS had a positive effect on their welfare.

Table 4: Effects of Federated Pension Scheme on the Welfare of Pensioners

S N	Items	Strongly Disagreed Freq. (%)	Disagree d Freq. (%)	Undecide d Freq. (%)	Agreed Freq. (%)	Strongly Agreed Freq. (%)
1	Received pension benefit from SSHFC on time.	44 (13.02)	145 (42.90)	2 (0.59)	117(34.62)	30 (8.88)
2	SSHFC requested documents to process claims before retirement.	24 (7.10)	156 (46.15)	27 (7.99)	119(35.21)	12 (3.55)
3	I am treated with dignity during the process of my claim.	33 (9.76)	243 (71.89)	2 (0.59)	51 (15.09)	9 (2.66)
4	Retirement benefit package at SSHFC is very attractive.	6 (1.78)	23 (6.80)	8 (2.37)	125(36.98)	176 (52.07)

5	Offices were informed that Project 59 was to process claim at age 59	5 (1.48)	11 (3.25)	36 (10.65)	201(59.47)	85 (25.15)
6	Benefit amount received from SSHFC is satisfactory.	4 (1.18)	21 (6.21)	6 (1.78)	141(41.72)	166 (49.11)
7	Gratuity received from SSHFC improved my welfare.	3 (0.89)	45 (13.31)	7 (2.07)	95 (28.11)	188 (55.62)
8	I am better off working than receiving pension.	178 (52.66)	125 (36.98)	7 (2.07)	19 (5.62)	9 (2.66)
9	I can establish a business with gratuity received from SSHFC	2 (0.59)	97 (28.70)	8 (2.37)	131(38.76)	100 (29.59)
10	Pension benefits paid through Yonna Bureau satisfied me.	11 (5.45)	42 (20.79)	5 (2.48)	78 (38.61)	66 (32.67)
11	Pension paid through a bank satisfied me.	72 (52.94)	61 (44.85)	1 (0.74)	2 (1.47)	0
12	Pension needs to increase after every three years.	269 (79.59)	60 (17.75)	2 (0.59)	3 (0.89)	4 (1.18)
13	Monthly pension is enough to take care of me for a month.	3 (0.89)	5 (1.48)	2 (0.59)	122 (36)	205 (60.65)
14	SSHFC provided me with health care services after retirement.	4 (1.18)	3 (0.89)	156(46.15)	175(51.78)	0
15	SSHFC gives bonus to its pensioners every year.	4 (1.18)	8 (2.37)	7 (2.07)	172(50.89)	147 (43.49)
16	SSHFC gives access to information anytime needed.	19 (5.62)	172 (50.89)	45 (13.31)	86 (25.44)	16 (4.73)
17	I can use my monthly pension to go on holiday in The Gambia	2 (0.59)	4 (1.18)	89 (26.33)	243(71.89)	0
18	I faced no challenges during my claim processing	21 (6.21)	177 (52.37)	4 (1.18)	105(31.07)	31 (9.17)
19	SSHFC organises end of year party for pensioners.	2 (0.59)	5 (1.48)	5 (1.48)	90 (26.71)	235 (69.73)
20	SSHFC pays interest every six month or yearly.	1 (0.30)	7 (2.07)	10 (2.96)	110(32.54)	210 (62.13)
21	SSHFC cares for pensioners during pandemic or disaster.	10 (2.96)	58 (17.16)	6 (1.78)	118(34.91)	146(43.20)
22	Overall, FPS has a positive effect on the welfare of pensioners.	4 (1.18)	27 (7.99)	8 (2.37)	80 (23.67)	219 (64.79)
	Mean Score	32.77(11.23)	67.95(21.70)	20.14(6.02)	108.32(32.79)	93.36(28.23)

Source: Field Survey (2021)

Test of Hypothesis

Chi-square tests are popularly used to investigate relationships between two categorical variables. Two categorical variables are statistically independent if the population conditional distributions on one of them are identical at each category of the other. The two variables are statistically dependent if the conditional distributions are not identical. In other words, two variables are statistically independent if the percentage of the population in any particular category of one variable is the same for all categories of the other variable. In this study, the strategy is to test whether welfare is associated with Federated Pension Scheme services. Therefore, under the null hypothesis (Ho), we assume there is no relationship between the two variables while under the alternative hypothesis (H1), we

assert that there is a relationship between welfare of pensioners and Federated Pension Scheme services provided by social security. Thus, we stated our hypothesis as follows:

Ho: There is no relationship between welfare of pensioners and Federated Pension Scheme services provided by SSHFC.

H1: There is relationship between welfare of pensioners and services provided by SSHFC.

Any difference between welfare and services distributions means that the null hypothesis is false and the alternative hypothesis is true. The Chi-square test results are presented in Table 5 below. At both 1% and 5% significance levels, the test result was found to be statistically significant (i.e., p-value=0.000 which is less than 0.01 and 0.05). Therefore, the null hypothesis was rejected and the study concluded that there is significant relationship between the welfare of pensioners and Federated Pension Scheme services provided by SSHFC. The same conclusion is arrived at using the likelihood ratio tests statistics as shown below on Table 5.

Table 5: Chi-square test results

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	129.687a	9	0.000
Likelihood Ratio	95.797	9	0.000
Linear-by-Linear Association	79.588	1	0.000
N of Valid Cases	338		
a. 8 cells (50.0%) have expected count less than 5. The minimum expected count is .11.			

Source: Author's Computation

With respect to the connection between social security and welfare, the findings of the study revealed that there is significant relationship between social security services provided and the welfare of pensioners. Pension is an arrangement to provide people with an income when they are not earning a regular income from employment; therefore, timely payment of benefits and provision of health care needs to be reinforced to fulfill their purpose of establishment. The point here is that the relationship between social security and welfare of pensioners in the Gambian context is being undermined by a number of unfavorable factors including the lack of a health care provision for pensioners and a frustrating, untimely payment of a meager pension amount.

Conclusion

The study concludes that there is a significant relationship between the Federated Pension Scheme services provided by Social Security and Housing Finance Corporation and the welfare of pensioners. The regulatory framework that governs the management of the Federated Pension Scheme needs to be reviewed to include the Project 59 so that it can be binding between SSHFC and its members, as well as the monthly pension increment and health care facility for pensioners. It was also discovered that SSHFC does not provide services on time; therefore, service time is a major challenge for pensioners in receiving their payments. It is evident from the results of the study that the monthly payment of pension has had positive effects on the lives of pensioners who retired on a high cadre. The

study concludes that the Federated Pension Scheme does not really take care of the welfare of its members on both the gratuity paid and the monthly pension. This scheme only favours those who retired on a high position and not the low income earners. The gratuity and the monthly pension that the Federated Pension Scheme provides for its members is not enough to start a business, and does not satisfy members' needs such as health care, food, clothing and rental within a month. Therefore, the research concludes that the scheme has positive effects on the lives of the pensioners that retired on a high position but not for pensioners who retired on a lower cadre.

Recommendations

Based on the challenges encountered in the pension administration, the study recommends that since the primary purpose of SSHFC is to pay pension with a view to improving the welfare of pensioners, and provide housing for low income earners, Project 59 should be reinforced, which serves to build the image of the institution and restore confidence back in the members. This can be done by sending letters to all member institutions to re-inform them about the project with all that is required from them. Regarding improvement in the service delivery of the scheme, the study recommends a proper review of the service provided by Yonna Bureau De Change because the findings of the study reveal that most of the respondents are not satisfied with their service. In the same vein, it is recommended for the government to establish a pensioners' bank that will serve the purpose of the pensioners and give them opportunities to have bank facilities such as loans, timely payments of their monthly pension and, at the same time, serve as an investment avenue for the pension fund. The study investigated the level of satisfaction of the pensioners in terms of meeting basic needs with a monthly pension, and the findings reveal that most of the respondents' monthly pension does not meet their basic needs. Therefore, the study recommends an increase in their minimum monthly pension with a view to reducing poverty and marginalisation among pensioners. This will ensure that every pensioner has access to basic services and equal opportunity and can live in security and dignity.

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