

INDIGENOUS AFRICAN WELFARE SYSTEM: A TOOL FOR ADDRESSING THE CHALLENGE OF RETIREMENT IN POST-COLONIAL AFRICAN SOCIETY

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Abstract

Successful medical breakthrough has increased longevity, hence, people are living longer than ever before. The increase in longevity has consequently increased the number of older persons; population group to which most retirees belong. Presently, the increase has become a challenge because it has obfuscated retirement as societal arrangement of caring for retirees. Owing to this development, the Nigerian government enacted the Pension Act 2004 and Pension Act Reform 2014 to address the challenges of retirement, but the arrangement is fraught with difficulties. Thus, it becomes imperative to seek means of addressing the challenges owing to this phenomenon. The paper expatiates on retirement, social welfare and social and economic condition of retirees in Nigeria. Furthermore, the paper identified a number of characteristics in African Traditional welfare system such as none stigmatization, togetherness, collective and relative responsibility as portrayed in Things Fall Apart as tools for addressing the challenges of retirement. Finally, the paper gives viable recommendations on how best the characteristics of African traditional welfare system can be used to address increasing number of retirees such as ensuring that retirees are not stigmatized but are well respected within the society by ensuring that their entitlement (pension and gratuity) is adequately and promptly paid.

Introduction

Over time human race have succeeded in increasing longevity through successful medical breakthrough that has allowed man to live longer than ever before. Furthermore, according to International Institute of Ageing as reported by Bakare (2009), longevity is the consequence of high fertility after the Second World War and improvement in health care system that has improved longevity and reduces mortality. Hence, the world is experiencing unprecedented increase in the number of older persons the age group which most retirees belong. The increase has created the challenge of caring for retirees. Meanwhile, the societal arrangement for caring for retirees is retirement (pension and gratuity). Retirement is a societal institution through which the society cares for member of the society that has stopped working after contributing their quota to the development of the society. Retirement is inevitable as an

individual must retire owing to age and senescence.

However, retirement as an institution for caring for retirees is characterized by irregular payment, inflation, and obfuscated by bureaucracy as retirees faced a number of difficulties in accessing retirement benefits. In view of this development, the Federal Government introduced the Pension Act in 2004 and pension reforms in 2014 to address the situation. Despite these interventions the social and economic condition of retirees is not desirable. Apparently, from the submission above, care of retirees in contemporary Nigerian society is inadequate. This is because from observations and submission of scholars such as Obi, (2011), Zowan, (2012) Aikhoje, (2013) and Omotayo (2014) it can be argued that the number of retirees in Nigeria is increasing while payment of retirement benefits (pension and gratuity) is not regular. Therefore, socio-economic status of retirees is poor due to poor

remuneration which has affected their well being in general .

Therefore, this paper is based on submission of Omotayo (2006a), in which a number of characteristics were identified in African Traditional Welfare system through *Things Fall Apart*. The concept reveals articulated and organized welfare system that predates the advent of colonialism in Africa and did prove the presence of a welfare system with semblance of contemporary welfare practices. Thus, owing to current challenges of retirement in Nigeria, the paper expatiates on identified characteristics of African welfare system as portrayed in *Things Fall Apart* and adopts these characteristics as tools in engaging challenges emanating from contemporary retirement arrangement.

Conceptualizing Retirement

Retirement is a twentieth century social institution. It evolved as a result of industrialization surplus labour and rising standard of living. From the submission of Moody & Sasser (2014), historically, Prussian Chancellor Otto Von Bismarck introduced retirement, when he introduced 65 years as the age of pension. By 20th century, many European countries began to institutionalize retirement and it became possible based on the success of industrial revolution of 19th century. The emphasis at this epoch was on speed over skills in the operation of machines that led to higher output. This favored the younger people more than the older persons and retirement became a tool in achieving this.

From the foregoing, it can be deduced that retirement is formal and universal. It creates manageable exit from labour and it is a form of regulation for demand and supply of labour. A number of criteria have been used by authors in explaining retirement; Gendell and Sengel (1992), identified two criteria for determining retirement. These are; receipt of pension and reduced activity in the labour force at some advanced age for reasons other than health. Ekerdt and Deviney (1990), identified the following as indicators of retirement: receipt of pension; total cessation of employment;

departure from major job of adulthood and significant reduction in hours of employment. In this discourse, retirement is considered as: disengagement of an individual for whatever reasons from his/her main income generating activity, with associated work benefits.

Presently, meeting financial demand of retirement is complex and this is because retirees are living longer. Consequently, financing retirement is burdensome. Therefore the need to make retirement viable for retirees and the society in general call for urgent attention from all professionals .It has become an emergency similar to increasing number of older persons that is second only to terrorism (Omotayo, 2006b). Thus, a number of arrangement and reforms is needed to address the challenges of retirement. This paper employs the use of African Traditional Welfare system in achieving this.

History of Retirement in Nigeria

Historically, Nigeria as a country inherited the British pension scheme; British Nigerian Social Insurance Trust Fund (NSITF) is the premier pension scheme in Nigeria .In 1962, National Providence Fund was established as compulsory savings for workers in the private sector. In 1974, amendment was made which retained the private sector within the National Provident Fund. While in 1993, National Social Insurance Trust Fund was converted into a limited Social Insurance Scheme. President Oluwasegun Obasanjo regime enacted the Pension Reform Act in 2004.The act decentralize and privatize pension administration in Nigeria .The law certified National Pension Commission (PENCOM) as the supervising and regulatory body to oversee the activities of registered Pension Fund Administrators (PFA). Section 1 (2) of the Pension Reform Act provides coverage for employees in public service of the federation, the Federal Capital Territory and private sector organizations with five or more employees and section 21 (H) empowers the commission to impose administrative sanctions or fines on erring employers that fail to comply with the directives.

Omotayo (2018) reported that Pension Act 2004 reform was signed into law on July 1, 2014 by the then Nigerian President, Goodluck Jonathan. The act repeal Pension Reform Act No 2 of 2004 regulates and govern contributory pension scheme in Nigeria. The reforms increase the monthly emolument for employer to 12% from 7.5% while employee is to contribute 8% which was previously 7.5%. On the other hand, participation in the contributory pension scheme for employers in the private sector has decreased from a minimum of five employees to three employees. Besides, National Pension Commission can impose sanction and punishment against employers who do not remit pension contribution. The sanction includes a minimum of ten years imprisonment and or fine that is three times equivalent the amount embezzled, misappropriated or diverted. Meanwhile employers are mandated to open Temporary Retirement Saving Account (TRSA) for any employee that does not join the scheme. Furthermore, the Act has reduced the waiting period to assess the benefit for an employee that lost his /her job from six months to four months.

From the submission, it can be deduced that the 2014 Pension Act Reforms has its advantages. In the first instance, it imposes sanction on employer that defaults, makes it mandatory for every employee to join and increase contribution and coverage for the scheme. However, some challenges such as lack of payment of harmonization and none compliance by some State governments has been identified. (Popoola 2016).

From the submission above it can be deduced, that Pension Act 2004 and Pension Act Reform 2014 has not solved the pension imbroglio in Nigeria. From the submission above, it can be deduced that retirement in relation to financial commitment (payment of gratuity and pension payment) is fraught with a number of challenges despite Pension Act 2004 and Pension Act reform (Omotayo 2014).

Challenges of Retirement in Nigeria

Pension Act faced a number of challenges. Omotayo (2014), identified and categorized the challenges into two main categories; these are internal and external challenges. The internal challenges are those challenges emanating from

the management, such as pension fund administrators and employer (public and private sector). While internal challenges are those in the domain of pensioners.

In the first instance, some scholars have criticized the issues of investment of the pension funds in the stock market owing to loss recorded as a result of crash in the capital market. From the position of Prof Oluwafemi Balogun, the Vice –Chancellor of University of Agriculture Abeokuta as reported by Oni (2009), it was suicidal to invest 60 % of pension funds in capital market in view of the financial loss in the stock market.

Another contentious issue concerning pension fund is fraud. Sonoyi (2009), reported an investigation by the Independent Corrupt Practice Commission (ICPC) in to 90 billion naira fraud as it concerns the pension of the Ministry of Health in September, 2008. In relation to this, employers manipulate contributions of their employees by defaulting in payment. Meanwhile other related issues include control of the funds. For example, Dr Musa Ibrahim, Commissioner Inspector of Pension, in August 2010 reported that Nigerian Army endeavour to control its own pension funds while the decision is supported by the senior officers, the junior officers are against it (Ayeleso, 2010).

Omotayo (2014), argued that improper record has made it difficult for the retirement board to properly determine the status of some retirees owing to poor documentation. Finally, the arch internal challenge to pension scheme is none compliance by employer of labour, this is because compliance is the first step in ensuring success of the pension scheme. The default cut across all the industries; banking, insurance, telecommunication, media and hospitality industry. .

On the other hand, there are other challenges that are not in the domain of the management, these are external challenges .These have been found to permeate the issues of retirement as it relates to pensioners in general. These are lack of qualification, as some people are not qualified owing to number of years spent in service; fake pensioners, individuals that have never been employed trying to claim retirement benefit. Others include multiplication of

payment; some people want to receive payment more than once and impersonation; some individuals trying to impersonate dead parents, relative or friends.

Issues that have remained persistent and constitute a major impediment to the pension scheme is ignorance. According to Odiegwu (2009), lack of enlightenment is a challenge to the scheme and in furtherance of this argument, Ayeleso (2010), reported that most, artisans are ignorant of the pension scheme. This scenario point to the dearth of education on the pension scheme which Omotayo (2006c) has argued can be addressed through retirement education.

Social and Economic Condition of Retirees in Nigeria

This segment of the paper gives a concise chronicle of the social and economic condition of retirees. From forage into literature, every sector of the economy (private and public) from manufacturing to service sector is faced with the challenge of retirement. Bisiriyu (2009), asserts that Nigerian railways retirees as at November 2009 await 25 months of pension arrears. Most of them were haggard, described as living dead and regretted serving the country. From 1996 – 2009, over ten thousand railway pensioners had died of frustration, hunger and starvation. Also security agencies such as the Nigerian Army and the Nigerian Custom pensioners have not been paid. According to Olumide (2009), over two thousand (2000) Custom officers lament hardship and frustration due to unpaid retirement benefits. While the Federal Government of Nigeria started paying military pension arrears in June 2010, the estimated arrears of seven years was 23 billion naira. (Ihuoma 2010) In conclusion Popoola (2016) reported a number of factors that are agonizing to retirees. These include non payment of pension and arrears omission and delisting of names from pay roll delay in payment to beneficiary and failure of verification exercise .Owing to these factors retirees cannot pay their children school fees while embezzlement, economic recession and inflation have negatively affected retirees. It can be concluded

that retirees social and economic conditions is insalubrious

Social Welfare and African Welfare System

Social welfare concerns meeting people's needs in order for them to live a functional life. Since all human needs cannot be met by individual effort alone, thus social welfare concerns itself with meeting human needs whenever such needs cannot be met by such an individual owing to a number of factors that are beyond the control of the individual. In his submission, Ashford (1987), view the idea of meeting human needs as a societal obligation and a social right of people in the society. Johnson et al (1997), refers to human needs as those resources people need to survive as individuals and to function appropriately in their society.

From the foregoing, human needs varies depending on the individual and specific situation. Every individual has specific needs at different periods and if such needs are met the individual is expected to function adequately in the society. In a nutshell, human needs are not universal to individuals, groups, communities or countries. They change from time to time and the changes are beyond what can be humanly controlled.

In summation, social welfare generally relates to voluntary programs that are designed to assist people. However, social welfare does not refer to, or should be regarded as programmes for the unfortunate, because nobody is immune to situation in which assistance is needed. The argument is; social welfare is not only for the poor or the unfortunate in the society, but an arrangement that is meant to help when necessary. Bare and Ellwood (1994), described social welfare as 'helping people to achieve self-sufficiency' and a transitional program; time limited to assist those faced by period of unusual need. Basically, social welfare is the helping profession that is designed to assist individual in living a functional life.

Characteristics of African Welfare System as Tool for Addressing Challenges of Retirement

Omotayo (2006a) identified a number of characteristics of African traditional welfare system in *Things Fall Apart* and this segment of the paper expatiates on how these characteristics can be employed in addressing challenges posed by retirement in Nigeria.

In the first instance, African traditional welfare system is driven by selflessness. The African traditional welfare system recognized the fact that everybody is fallible, hence in some situation an individual will need help. For example, Okonkwo fled to his mother's kinsmen. It was not his fault that his gun exploded and killed the son of Ezeudu. His mother's kinsmen took care of him and ensure he was rehabilitated.

In the same vein, it is not the fault of retirees that they have retired and alive. It is the responsibility of the society to care for them. Just as African traditional welfare system recognized the need to assist individuals despite their situation likewise the contemporary society should assist retirees despite being retired. In this instance, the private and public sector should give the same attention to workers and retirees welfare.

Besides, the welfare system includes intangible services like advice and counselling. When Okonkwo became dejected and refused to be comforted, his uncle, Uchendu called him and advised him against it that he should not allow his misfortune to weigh him down. Giving credence to this; song:

*For whom is it well, for whom is it well?
There is no one for whom it is well.*

The indication is that the society realized that anybody could need help at one time or the other and nobody lives in a perfect condition. In relation to this, the issue of retraining and retirement education for retirees is essential. Here, the public and private sector should prioritize trainings for employee close to retirement; while those that have retired should be organized and trained for income generating activity within the precinct of their capability as it is done for retired nurses. Here, about 2,500

retired Midwives were deployed by the Federal Government to help in Primary Health Care under the Midwives Service Scheme (Muyana 2009).

Additionally, the welfare system did not stigmatize those in need of help or were poor. Okonkwo was rebuked for implying that Osugo is a woman because he had no title. On this occasion, the oldest man present commented that an individual, whose palm kernel was cracked by a benevolent spirit should not forget to be humble. Implying that nobody wants to be poor and success despite hard work is ultimately determined by destiny.

The application of this feature should prevent policy makers from subjecting retirees to the humiliation of constant cumbersome verification exercise and delay payment. This is because as highlighted earlier in this paper, impoverished and haggard looking retirees in the print and electronic media did stigmatize retirees. Furthermore, it negates African culture that venerates and celebrates elderly people.

Also, African traditional welfare system is rooted in togetherness with a lot of collective and relative responsibility. The collective responsibility refers to responsibility of the society to take care of its members and the relative responsibility is the responsibility of the family members to take care of one another. From the situation of retirees, collective and relative responsibility is lacking in the care of retirees in Nigeria. However, in African traditional welfare system, there is high sense of collective responsibility. For example, when the people of Mbaino killed a daughter of Umofia, the wife of Udo, the nine villages saw it as a collective responsibility and therefore a joint decision was taken in demanding for compensation. A girl was given to replace the wife of Udo and Ikemefuna was given to the clan. The wife of Udo was called a daughter of Umofia. The word; daughter indicated that a single individual is the responsibility of the whole community. Like wise, the society should see the issues of retirees as collective responsibility. Hence, workers organization such as the Nigeria Labour Congress (NLC) and Trade Union Congress (TUC) should be involved in the agitation of ensuring payment to retirees that were former members.

In African welfare system, there are limitations to assistance. For instance, at the time Okonkwo was to return after the mandatory seven years in exile. Though, he sent money for the building of two huts in his old compound. Nevertheless, his own Obi and the walls of his compound had to building himself. This confirms the fact that not all assistance is culturally acceptable. This was captioned thus: ‘Those things a man built for himself...’pg115.

Generally, Omotayo (2014), identified internal factors such as ignorance, none compliance, fraud and impersonation as issues which retirees themselves must address on their own.

In relation to the above assertion, retirees have a number of responsibilities .These include education; some retirees are ignorance of the details of the new pension scheme. Also, some are fraudulent, as they give false information for multiplication of payment and impersonation. Retirees should ensure proper documentation and be honest with retirement issue. .

Finally, the welfare system commands appreciation. Appreciation is neither demanded nor mandatory. Though the person offering the assistance does not demand appreciation, meanwhile the helped does not take this for granted as showing appreciation and receiving it is done with humility and honour. This was demonstrated when Okonkwo was thanking his mother’s kinsmen ; Okonkwo had a feast. Despite how elaborate the feast was. Okonkwo demonstrated his humility:

I beg you to accept this little kola, it is not to pay you back for all you did for me in these seven years .A child cannot pay for its mother’s milk, I have only called you together because it is good for kinsmen to meet pg117.

In response to Okonkwo’s appreciation, The oldest member of the *Umunna* commented:

A man who calls his kinsmen to a feast does not do so to save them

from starving .They all have food in their own homesWe come together because it is good for kinsmen to do so .pg117.

The above expression revealed the importance attached to appreciation in African Welfare system.

The above assertion gives credence to the fact that, it is honourable to assist and to receive assistance. It depicts love and respect for human relationship. Similarly, the contemporary society should reflect such relationship in attending to retirees. It demands change of attitude that injects human compassion, consideration and empathy on decision making and actual interaction with retirees’

African welfare system from the position of this paper was imbued with social solidarity, responsibility and devoid of individualism. The social welfare in this era was wholesome and was instrumental to peace and unity that facilitate individual and communal development. Such is still relevant in addressing retirement challenges in Nigeria .

Conclusion

From the submission above it can be argued that the number of retirees has increased and retirement: (gratuity and pension) as means of caring for them as become cumbersome. Therefore, the government introduced contributory pension scheme through Pension Act in 2004 and Pension Act Reform 2014. However, a number of challenges such as stigmatization and lack of payment of retirement benefits still fraught retirement as means of caring for retirees. However, a number of characteristics identified in traditional African welfare system such as collective responsibility, care, and none stigmatization has been found as veritable tools in addressing the challenges of retirement.

Recommendations

From the submission of the paper, the following recommendations are made.

- (1) The society in general should care for retirees’ welfare. Especially Nigeria

Labour Congress (NLC) and Trade Union Congress (TUC) should agitate for better welfare for retirees as it is done for workers.

- (2) Retirement education is necessary so as to acquaint retirees and workers with knowledge necessary to ensure successful retirement .
- (3) There should be no stigmatization of retirees they should be accorded respect. Policy makers should stop subjecting retirees to the humiliation of constant cumbersome verification exercise and delayed payment.
- (4) Family members should give special care and attention to members that have retired.
- (5) Retirees should ensure proper documentation and be honest with retirement issues.

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