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Assessment of the Willingness of Ebonyi State Government to Adopt the Contributory Pension Scheme in Nigeria

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Abstract

In the year 2004 Nigeria keyed into the contributory pension scheme. This was precipitated by the daunting challenges pensioners face in accessing their pensions under the non-contributory pension scheme which was introduced in 1979 by Act 102. The major challenges that confronted the non-contributory pension scheme were embezzlement of pension funds, and delay in the payment of retirement benefits to retirees and on time. These negatively affected the welfare of retirees. This study reviewed reasons why Ebonyi State government was stuck with the non-contributory pension scheme despite these challenges. The study was conducted in Ebonyi State and the study population was made up of 108 staffs of the Department of Pension's, office of the Head of Service and staff of the Sub-Treasury, Ebonyi State Ministry of Finance. Questionnaire was administered to 108 respondents, out of which 85 were returned. Data generated reveal government's unwillingness to submit for passage the contributory pension bill to the Ebonyi State House of Assembly (51.8%) and excessive bureaucracy in the adoption of the contributory pension scheme (60%), that contributory pension scheme is difficult to manage (56.5%) and so forth as reasons why government has refused to introduce the contributory pension scheme. The study recommends the adoption of the contributory pension scheme as alternative to the challenges pensioners face in the management of the non-contributory pension scheme in Ebonyi State Nigeria.

Key words: Government; Non-contributory; Pensions; Retirement and unwillingness

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1. BACKGROUND AND STATEMENT OF THE PROBLEM

In Nigeria, two major types of pension schemes were in operation: non-contributory and contributory pension schemes (Dike, 2007). The non contributory pension scheme was introduced through the Pension Ordinance of 1951 with retroactive effect from January 1, 1946, which provided public servants with both pensions and gratuities. Pension Decree 102 for the civil and public servants and Decree103 for the military of 1979 were enacted with retroactive effect from April 1974 (Onwe, 2011). The Pension Act 102 was signed into law in 1979 and it became the main legislation guiding the entire public service. The Act specified that for a public officer to qualify for pensions, he or she must have served a minimum of fifteen (15) years. However, the public officer must put in minimum of ten (10) years of service to qualify for gratuity payment. Later in 1992, the Act was amended to a minimum of ten (10) years of service for pension and five (5) years for gratuity (Nwalo, 2007).

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

The contributory pension scheme has a lot of benefits (Adegoke, 2006). This was corroborated by Dike (2007) when he argues that contributory pension scheme has the following benefits among others:

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

The 2004 pension scheme is federal government driven. It focuses on the federal government and not state government employees. However, the Act specifies that states could adopt it if they are willing. The scheme provides for the establishment of Pension Fund Administrators (PFAs) who are charged with the responsibility of managing the retirement savings account of retirees and investing the pension funds under the supervision of the National Pension Commission (PENCOM). Employees are given the choice to appoint their Pension Fund Administrators. In this regard, employees appoint the PFAs of their choice, to manage their pension funds. In this process, workers are updated with information on the status of their savings (their 7.5% monthly contributions and also the 7.5% monthly contributions by government their employer).

In order to overcome retirement challenges, the 2004 pension reform was instituted in Nigeria. However, Ebonyi state has not keyed into the scheme. States such as Ebonyi are not working with the new scheme. Adegoke (2006) and Dike, (2007) argue that public servants all over Nigeria feel protected by the contributory pension scheme while their counterparts in Ebonyi State are still grappling with the challenges of the non-contributory pension scheme. It is rather curious to think of why Ebonyi State government would prefer non-contributory scheme which is more expensive on all counts to a contributory scheme which offers a better alternative by any rational socio-economic logic (Adegoke, 2006, Nwalo, 2007; Dike, 2007). Ebonyi State civil servants tend to feel alienated and deprived of the benefits of the new pension scheme. The effects of the continued implementation of the old pension scheme, have been relatively unattended to in research works, hence this study. This study, therefore seeks to fill the above stated lacuna in pension studies in Nigeria.

1.1 Objective of the Study

This study's broad objective is to assess the unwillingness of Ebonyi State government to key into the Nigeria's 2004 contributory pension schemes. Specifically, the study investigated factors that accounted for the continued administration of non-contributory pension scheme in Ebonyi State Nigeria.

1.2 Significance of the Study

This study has empirical and policy significance. Empirically, this work contributes to the existing body of knowledge in the study of pensions especially as it affects post retirement life of civil servants in Ebonyi State Nigeria.

Policy wise, results generated in this study will provide information that will help prevent systemic flaws associated with the contributory pension scheme which made government not to be willing to adopt it for her civil service work force. This will go a long way to address the welfare challenges of retirees arising from maladministration of pension schemes. The study also underscores the need to permit the contributions of employees in policy formulation and management especially on issues affecting their welfare like the pension scheme.

1.3 Scope of the Study

This study focused on civil servants who are staff assigned with the responsibility of managing the non-contributory pension scheme in Ebonyi State Nigeria. The study had special interest in examining the willingness of Ebonyi State government to adopt the contributory pension scheme force her civil service work force. An understanding of this provided a good knowledge that helped in pursuing the full information about other pension regimes in other states of Nigeria and in all public work sector

2. LITERATURE REVIEW

Rather than enjoy the dignity of life after active work, retirees are found to be involved in street demonstrations to protest against the neglect of their welfare by the managers of the non-contributory pension scheme (Oviomo, 2007). The high level of corruption, associated with the non-contributory pension administration in Nigeria, worsened the situation. It contributed to undue delays and denials of pensioners rights which have consequences on the lives of retirees and civil servants (Uzoigwe, 1979; Oshiomole, 2009; Onyeonoru, 2011; Abu & Musari, 2012; Alli & Onogu, 2012; Adewole, 2012; Maina, 2012; Musari, 2012). Nwalo (2007) notes that one major fault of the 2004 Pension Reform Act which came to replace the non-contributory scheme is that section 1 (2) limits its application to all employees in the public service of the Federation, Federal Capital Territory and private sectors.

Chizueze, Nwosu and Ogaboh (2011) observe that the income of civil servants is rarely adequate to enable them to fend for themselves in the pre-retirement era. Uncertainties associated with retirement are usually tortuous. The deplorable social conditions of retirees tend to generate pre-retirement anxiety among civil servants. The thought of facing life after retirement creates psychological and emotional abnormality among workers especially those who are approaching retirement age (Ogunbameru & Ramiwuye, 2004).While retirement remains a luxury in developed countries, in Nigeria, workers are always afraid of financial insecurity after retirement. The social insecurity associated with retirement in Nigeria makes retirement unattractive to workers (Jonathan, 2009). In Nigeria, retirement is synonymous with suffering as if ageing is a curse rather than a blessing (Obasanjo, 2001)

3 THEORETICAL FRAMEWORK

The theoretical framework adopted in this work is Marxist theory of the state. In Marx's 1843 critiques of Hegel's philosophy of right, his basic conception is that the state and civil society are separate. The political state everywhere needs the guarantee of spheres lying outside it. Marx viewed the state as a creature of the bourgeois economic interest. According to him, the executive of the modern state is nothing but a committee for managing the common affairs of the whole bourgeoisie. This represents the high point of conformance of the state theory of a strict economic interpretation of history: The forces of production determine peoples' productive relations; their production relations determine all other relations, including the political. Some reciprocity of action are admitted. The bourgeoisie control the economy; therefore they control the state resources. The state, in this theory, is an instrument of class rule (Evans, 1975).

Ake (1985) argues that the concept of state remains one of the most difficult to handle. He states that it is rich in meaning and beset with controversy. It is hard to understand the state and its laws of motion. This is a reflection of Africa where the common sense notions of the empirical referents of the state do not appear to apply.

The state has three basic structures: The legislature whose responsibility is to make laws, the judiciary with the function of interpreting the laws made by the legislatures and the executive whose mandate is to give assent to bills and enforce citizens' compliance to laws. Other apparatus of state exist like the armed forces, the bureaucracy under which other institutions like the civil service emerge.

In the context of this study, it is the responsibility of the state to ensure that laws that protect the welfare of its citizens are made. The pension law is one of these essential laws they make. For instance, at the federal level to the pre 2004 pension law was revoked as a result of several flaws. A new bill on pensions was passed at both upper and lower houses (the Federal House of Representatives and the Senate). On 30th June 2004, the then President (Chief Olusegun Obasanjor) gave assent to the 2004 pension bill. By this a new pension law was established which is the 2004 Pension Reform Act. This marked the emergence of new pension regime in Nigeria.

In the same light, state governments are conventionally required to pass the same bill at their state houses of assemblies. In doing this the 2004 Pension Reform Act would be in force in states. This was not done in Ebonyi State hence the state failure. The state has failed in this assigned responsibility.

In the main, the state structures or organs work as a team. They control state resources, make and implement policies at will. In a capitalist economy like that of Nigeria, the state is controlled by group of individuals who are driven by the capitalist principle of profit maximization. Any policy that is viewed to attract less profit to the state managers is always avoided since it will not benefit them.

It is significant to note that the key players in state administration like the Speakers and members of state houses of assemblies who are the major players in law making at state level, the state Chief Judges that are entrusted with the power to interpret laws, and the commissioners, special advisers and so on are public servants who are not entitled to civil service pensions since their positions are temporal and or fixed. It is clear to note that these set of public servants may play down on pension matters.

The state is a specific modality of class domination. This modality is one in which class domination is mediated by commodity exchange so that the system of institutional mechanisms of domination is differentiated and disassociated from the ruling class and even the society, and appears as an objective force standing alongside society (Ake, 1985). The state apparatuses do not have the totally abstract quality that it commonly claims to posses. In the substance of this theory, the institutions of the state like the civil service and its activities are under the control and domination of particular people or social class as temporary trustees. There is atomization of domination of state trustees/managers in all social institutions. It implies that state domination is class domination. Anikpo (1996) argues that the emergence of class is usually associated with the emergence of the state structure. The dominant class therefore is made up of all those who are in the power position to take what they can from the nation's accumulated wealth either directly or through any form of patronage and are also in the position to decide what others will get.

In the light of this theory, state leaders especially those who control the wealth of the nation take decisions on how and who gets this wealth. The welfare of the citizens is determined by their ability to prudently manage this wealth. In doing this, their preoccupation should be to service the citizens' needs.

The aged especially retired civil servants constitute an integral aspect of the society. The care they receive would contribute in the promotion of their health. On the contrary, their due entitlements as pensioners are not given to them on time and when due. They are allowed to suffer and at the long run die as a result of poverty, even when their pensions and gratuities could have sustained them, hence this theory.

It is evidence to note that the civil servants generate surplus values. These surplus values are being appropriated by the state. In return for the retirees who provide the surplus values are not paid back on retirement. One of the means of paying them back is through the payment of their pensions and gratuities. Therefore nonpayment of these retirement benefits is a reflection that there is virtually no compensation for their labour input. This theory therefore calls for states attention to the plights of people who suffered and worked for its stability.

4. RESEARCH METHODOLOGY

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

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

In the state is the presence of both private and public work sectors. In the public work sector, there exist state and federal ministries, parastatals and agencies where civil servants work and retire. It is imperative to note that the welfare packages of these sets of citizens are of paramount interest to government or their employer in which Ebonyi State is one.

This study is survey oriented and the population is made up of all the one hundred and forty nine (**149**) staff of the Department of Pension's, office of the Head of Service and staff of the Sub-Treasury, Ebonyi State Ministry of Finance.

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

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

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

Therefore, the sample size was determined using the formular ie: 149/1+ 149 (0.05 × 0.05) = **108** (72% of the total population of pension managers).

4.1 Sampling Techniques

The total sample for the study was drawn from the pension managers in Ebonyi State. A multi-stage sampling technique was used to draw the samples. One hundred and eight (108) pension managers/ respondents were purposively sampled. In addition, snow balling procedure was used for in-depth interviews on 10 respondents (2 pension union executive, 2 labour union's executive, 2 pensioners, 2 civil servants and 2 stakeholders in Ebonyi State government). Table 1 contains details of selected samples of pension managers/ staff of the department of pensions, office of the Head of Service and staff of the Sub-Treasury, Ebonyi State Ministry of Finance.

Table1
Selected Samples of Pension Managers/ Staff of the Department of Pensions, Office of the Head of Service and Staff of the Sub-Treasury, Ebonyi State Ministry of Finance

S/N	Department/ Unit	POP.	PROP. OF POP.	% OF POP.	Sample
1.	Sub-treasury	94	0.63	63	68
2.	Department of pensions, office of the head of service	33	0.22	22	24
3.	State audit	22	0.14	15	16
	TOTAL	149		100	108

4.2 Methods of Data Collection

Relevant data for this study were generated in two ways: primary and secondary sources. The primary sources of data were questionnaire administration and in-depth interviews. In-depth interviews were conducted on ten stakeholders in pension matters. The secondary sources of data were: the information obtained from libraries and documents dealing with civil service and pensions. In addition, works on pensions were generally sourced for and reviewed accordingly.

4.3 Data Analysis

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

5. RESULTS AND DISCUSSION

Data generated from the field, through primary research instruments: Questionnaire administration and in-depth interviews are presented, analyzed, and discussed. Using the sample size indentified earlier, the questionnaires were distributed to one hundred and eight pension administrators (108). Twenty three (23) copies were rejected because some were not properly filled. The analysis, therefore, was done in eighty five respondents. Also ten (10) in-depth interviews were conducted.

6 WHY EBONYI STATE GOVERNMENT HAS NOT ADOPTED THE 2004 PENSION REFORM ACT

This study sought to identify reasons why Ebonyi State government has not adopted and implemented the 2004 Pension Reform Act (Contributory Pension Scheme). Varied responses were generated from respondents and results are presented in Table 2.

Table 2
Responses From the Staff of Department of Pensions Office of the Head of Service and the Staff of Sub-Treasury, Ebonyi State Ministry of Finance on Reasons Why Ebonyi State Has Not Adopted the Contributory Pension Scheme of 2004

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

Note. Field survey 201.

The contributory pension scheme provides for 7.5% monthly contribution from both the civil servants and the government. This amount constitutes the bulk sum that will make up retirees pensions emolument on retirement. Table 2 shows that 50.9% respondents confirmed that one of the major reasons why the contributory pension scheme is not in use in Ebonyi State is because it will allow workers to start bearing the financial burden of pension. On the other hand, 49.4% respondents stated otherwise. This implies that the respondents disagreed that the government is not willing to introduce the new pension scheme because the civil servants would be obliged to contribute to its funding.

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

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

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

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

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

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

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

However, it is an opinion that civil servants preferred non-contributory pension scheme more than the contributory scheme. On this basis, 46(54.1%) respondents confirmed this while 39 (45.9%) respondents stated otherwise. This implies that majority of the respondents affirmed that civil servants preferred non-contributory pension scheme to contributory and that is one of the reason why the government is not willing to adopt the new pension scheme. This position is confirmed the views of one of the interviewees in a session of IDI. He states:

> The old pension scheme is better than the new pension scheme. I prefer the old pension scheme to the new one because civil servants are not being paid enough salaries and should not be required to contribute to the pension scheme. Government should bear the burden alone. After all, we are working for the government and not for ourselves.

(IDI/Male interviewee in the Ebonyi State Ministry of Justice)

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

> The old pension scheme is profitable, but the process of administering payment is slow, poor and over delayed. It needs serious improvement.

(IDI/Male interviewee in the Ebonyi State Ministry of Lands, Survey and Housing)

Record reveals that 51(60%) respondents said that there is too much bureaucracy in the 2004 pension scheme while only 34(40%) opposed this view. The implication is that bureaucratic bottle neck deterred the implementation of the new pension scheme by Ebonyi State government.

Some respondents argued that the non adoption of the new scheme is as a result of workers inability to keep abreast of its accrued benefits. In this light, result indicates that 63(74.2%) respondents argued in favour of this while only 22(25.9%) respondent stated otherwise. This implies that the respondents agreed that one of the reasons why Ebonyi State government has not adopted the new pension scheme is because workers are not yet exposed to the benefits of the new pension scheme. This confirms the statement of the H.O.D. Payroll, Sub-Treasury, Ebonyi State Ministry of Finance in a session of IDI. When he was asked whether he preferred the old pension scheme to the new scheme, he replied:

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

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

> The old scheme is good. I like it far better than the so called contributory. There is security of pensions in the old scheme. Retirees are sure of their pensions. The computations of retirees' benefits are clear. You cannot cheat anyone. In contributory you are paid through an agent who may embezzle the money.

(IDI/Male /H.O.D. Payroll Sub-Treasury/Abakaliki 2013)

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

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

When he was further asked whether he preferred the old scheme to the new scheme, he stated thus:

No. This is because there are lots of benefits in the new/contributory pension scheme. For instance, you are paid promptly when you retire. The scheme does not provide for gratuity but you are paid half of your whole contributions for retirement. That alone replaces gratuities.

Two major means of payment of pensions in the new scheme are: programme withdrawal and annuity. For programme withdrawal, payments of pensions are made to pensioners through their Pension Fund Administrators. This payment depends on the remaining balance after the pensioner may have been paid half of the total sum contributed at once. The remaining is shared in a given ratio and paid monthly as pensions to retirees'. In this case, if the money gets exhausted, the payment stops. By implications, the individual will seize to be pensionable.

On the contrary, annuity payment is made by certified insurance company. The process is that immediately the individual retiree is paid half of his /her contributions, the remaining balance is sent to the certified insurance company who has the authority to invest the money, make profits and pay pensioners for life. Annuity payment is the best in contributory pension schemes.

(IDI/Male /H.O.D. Pension Department/Abakaliki 2013)

Result further shows that the position of 62(73%) respondents is that were of the view that there is no strong civil service labour union to discuss the issue of implementing the contributory pension scheme with the state government. On this premise, 23(27%) were on the contrary. This shows that the respondents agreed that one of the reasons why government has not adopted the new pension scheme is because there is no civil service union that would interact with government on the need to adopt and implement the contributory pension scheme.

Data also reveal that 42(61.2%) respondents were of the opinion that government anticipates fraud in the management of the contributory pension scheme while 33 (37.8%) stated otherwise. This means that the generality of the respondents were of the view that one of the reasons why the government has not adopted the new pension scheme is because government anticipates fraud in the management of the new pension scheme.

Similarly, 47(55.3%) stated that one of the reasons why the government has not adopted the new pension scheme is because state pension managers or administrators would be denied control of pension funds. Contrary to this view were the opinions of 38(44.7%) respondents. This shows that respondents agreed that there is serious fear that pension managers would be denied access to manage the pension funds.

Available data also shows that 60(70.6%) respondents did not support the view that the government is worried about its expectation to contribute 7.5% of each worker's salary every month to the worker's contributory savings account. On the contrary, 25(29.4%) respondents stated that Ebonyi state government is very much worried about the 7.5% of each civil servants salary it is expected to contribute every month in other to compliment workers own 7.5% monthly contribution to sustain the scheme. This implies that respondents' general opinion is that the government is not worried about its expected monthly contributions of 7.5%.

Further, 45(52.9%) respondents said that the non establishment of civil service pension board is not the major hindrance to the adoption of the contributory pension scheme by Ebonyi State government while 40 (47.1%) stated otherwise. Drawing from this, it could be concluded that the non establishment of civil service pension board is not the major reason for the non adoption of the contributory pension scheme. This opinion was contrary to the position of the President, Ebonyi State Pensioners Union in an IDI. These are his words:

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

(IDI/Male /President, Pensioners Union /Abakaliki 2013)

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

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

In the year 2010, we re-visited the matter since we did not hear from the State House of Assembly. I was mandated to prepare another bill and sent to the State Anthony General and Commissioner for Justice. The commissioner was to vet the bill and submit same to State House of Assembly. I quickly obliged to the directive knowing its importance, but up till date on the same bill is yet to be sent. There is undue delay.

(IDI/Male /H.O.D. Pension Department/Abakaliki, 2013)

In the same line of thought, the President, Ebonyi State Pensioners Union in an IDI session has this to say:

It is laxity on the state government to implement the new scheme's package. I know that all states were asked to adopt the scheme without delay. Perhaps, I learnt that was why the federal government seized the monthly allocation to the state of recent.

(IDI/Male /President, Pensioners Union /Abakaliki, 2013)

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

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

CONCLUSION

Results of this study indicate that Ebonyi State is not willing to adopt the contributory pension scheme due to several factors. Government's legislative inaction is a major hindering factor coupled with lack of understanding of stakeholders of government and even labour unions on the benefits of the contributory pension scheme. There is therefore need for a proactive act in governance to prepare enabling law that will establish the adoption of 2004 pension Act in Ebonyi State since in all ramifications it has.

RECOMMENDATIONS

Drawing from the results of this study, there is need for the adoption of contributory pension scheme in place of the non-contributory scheme. This is on the basis that it provides more funds for retirees and it is beneficial to the government since funds contributed can be invested.

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