

**CENTRE FOR SOCIAL POLICY STUDIES**

**UNIVERSITY OF GHANA**

**Social Security Pensions in the Informal Sector: The Perspectives of  
Farmers in the Shai Osu – Doku District**

**BY**

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**This dissertation is submitted to the University of Ghana, Legon in  
partial fulfillment of the requirements for the award of a MA Social  
Policy Studies degree.**

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## DECLARATION

I, Comfort Srakubea Yeboah, do hereby declare that “Social Security Pensions in the Informal Sector: The Perspective of Farmers in the Shai Osu – Doku District” has been done by my own efforts under the supervision of Professor Brigid Sackey of the Centre for Social Policy Studies. Full acknowledgements have been given in places where references to related literature have been cited. No part of this project work has either been presented whole or in part to any other institution for any award.

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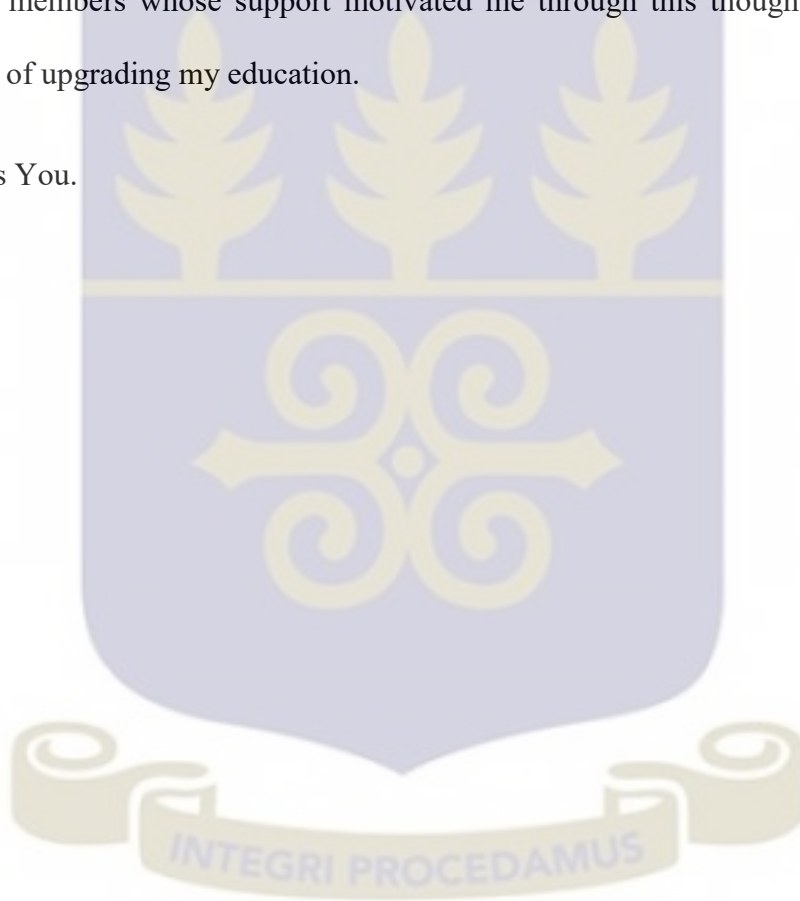
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Lastly to family members whose support motivated me through this though but exciting and noble experience of upgrading my education.

God Richly Bless You.



## **DEDICATION**

I dedicate this work to Almighty God, whose abundant grace and favour has been with me through this period of fulfilling this obligation, and to my mother and children for their steadfast trust and inspiration.



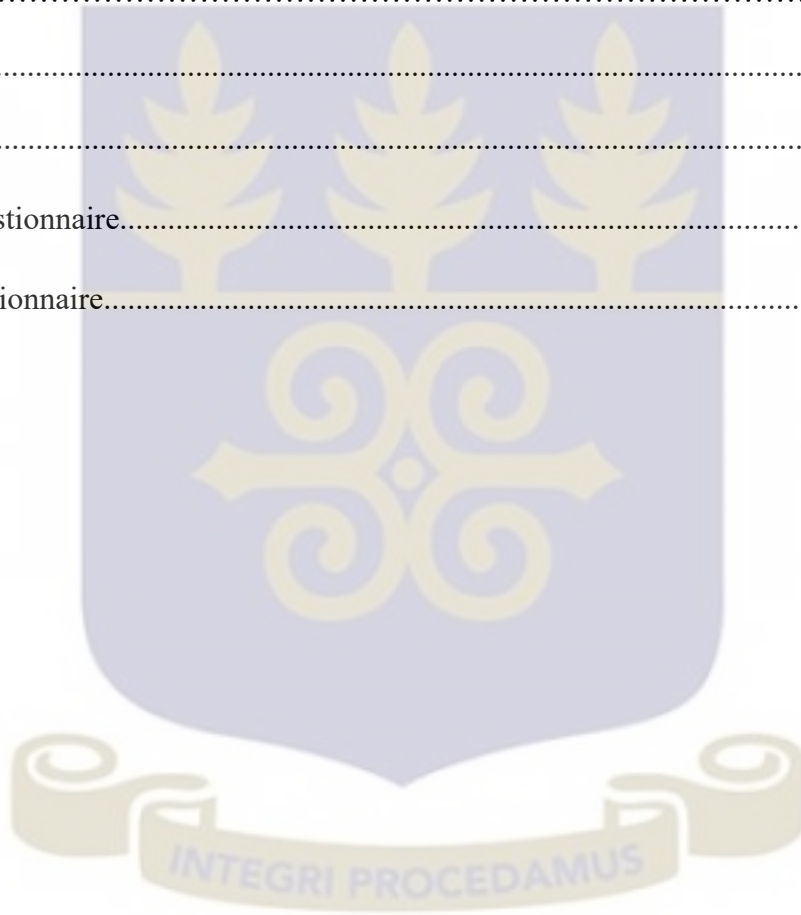
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## LIST OF ABBREVIATIONS

FAO: Food and Agricultural Organisation

GDP: Gross Domestic Product

GLSS: Ghana Living Standard Survey

GSS: Ghana Statistical Service

\$: US Dollar

ILO: International Labour Organization

NDMW: National Daily Minimum Wage

OECD: Organization of Economic Corporation and Developments

PNDC: Provisional National Defense Council

SNNIT: Social Security and National Insurance Trust

SPSS: Statistical Package for the Social Sciences

USAID: United States Agency for International Development

GIA: Ghana Insurance Association

NIC: National Insurance Commission

GTZ: German International Corporation

ILO: International Labour Organisation

GNP: Gross Domestic Product

MOFA: Ministry of Food and Agriculture

GAIP: Ghana Agricultural Insurance Pool

ISSSPS: Informal Sector Social Security Pension Scheme

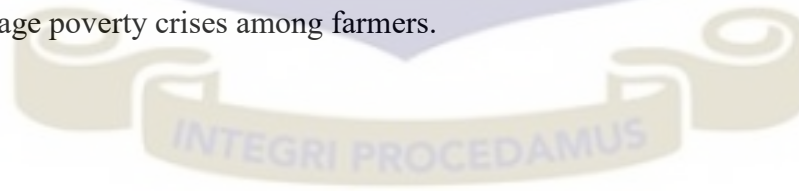
PBC: Produce Buying Company

NTHC: National Trust Holding Company

USAID-Fin GAP: USAID - Financing Ghanaian Agricultural Project

## ABSTRACT

This study explored the perspectives of farmers in the Shai Osu-Doku district about social security pensions in the Informal Sector. On the whole Small Holder Farmers are known to be low irregular income earners who despite their entire years of contributing to GDP, employment and the food basket in Ghana lope into abject poverty at old age. Social security pensions become a necessary tool for securing the minimal meaningful livelihood of farmers at old age. The study purposed to ascertain farmers' involvement in the informal sector social security pension scheme in securing meaningful livelihood at old age, in the face of their precarious financial challenges and how existing institutional contributions have helped enhanced their participation. Both qualitative and quantitative methods were used to collect data. Although farmers in Shai Osu-Doku district are willing to participate in the ISSSPS, they will not be able to afford a Voluntary Defined Contribution due to irregular earnings, loss of farm lands, and non-existence institutional help to address exogenous challenges. It is therefore imperative not to sidestep farmers' social security needs. A deliberate government intervention to fund farmers' social security through a percentage of GDP and dedicated processing projects could be a huge step to avert old age poverty crises among farmers.



## Chapter One

### 1.0 Introduction

This study looks at how social security for the informal sector in Ghana is perceived by farmers, particularly farmers who make up the majority of this sector. The study specifically focuses on Small Holder Farmers in Shai Osu-Doku District and their welfare in their old age after working so hard for many years. The perspectives of farmers in this area towards social security benefits are key in this endeavour.

### 1.1 Background

To a large number of people across the world, pension payments form an integral part of income to sustain livelihood on retirement. The structure may vary from country to country but the end result is for persons on the scheme to earn regular income when they have retired from work, or can no longer work. Thus, social security should be a form of social protection and not just a replacement of income.

In Ghana, the Informal Sector Social Security Pension Scheme (ISSSPS) forms part of the Third Tier of the Three Tier Pension Scheme established by the National Pensions Act 2008, Act (766) in response to the World Bank's social security provision criteria to avert old age crises. The World Bank (1994) proposes three pillars or three tiers pension scheme with the following goals: the First Tier is to eradicate poverty and widen coverage to include the informal sector. The Second Tier is to help reduce relative poverty, whilst the Third Tier functions as a replacement of income.

However the First Tier of Ghana's pension scheme limits the inclusion of the informal sector. The informal sector includes Small Holder Farmers who are usually low irregular income earners and are placed in the voluntary contributory Third Tier. This policy direction, according to Willmore (2000) is not likely to achieve poverty eradication at old age especially among farmers. Subsequently the redistributive function of social security pensions across and within generations would not be realised (Tabellini, 2000). Hence social security will lack the necessary strength to guarantee a subsistence income security and avert the risk of vulnerability of the elderly, disabled and victims upon a sudden death of a non-insured (ILO 1952). Voluntary contributory pensions for farmers become an income replacement without any social protection as in the First Tier of the Three Tier Pension Scheme.

The one-size-fits-all Informal Sector Social Security Pension Scheme (ISSSPS) for the informal sector fails to recognise the unique characteristics of each grouping in the sector. The unique characteristics of farmers, such as seasonality of income, effects of bad weather on harvest, general low levels of income preview to their contribution to GDP could heavily distinguish them from the other informal sector workers.

The Informal Sector Social Security Pension Scheme (ISSSPS) since its establishment has not adequately responded to the need for the all-inclusive social security system or successfully extended coverage to all older persons (Ansah, 2013). This suggests a need for a social security benefit for farmers that are modeled to possess unique characteristics to meet the needs and explicitly targets the agricultural workforce in Ghana.

In the Ghana Living Standard Survey (GLSS 6), 2014 report, farmers constitute 26.4% of the currently employed population aged 15 years and older in Ghana, out of which 1.7% constitutes commercial farmers, whose operations are formalised and registered under the Registrar General Department. The rest, 24.7%, constitutes those farmers who are unable to employ others to work for them. These are often Small Holder Farmers who are also referred to in this study as informal sector farmers since they are not registered with the Registrar General Department.

Voluntary defined Contributory schemes according to the Willmore (2000) have the possible indiscipline contributions challenge. The unpredictable weather patterns, prolonged grey periods from seeding to harvesting could affect the regularity of contributions from the Ghanaian farmer. Thus, the Ghanaian farmers' ability to contribute to long term pensions when their income levels are low becomes highly unrealistic than to support their investments in the farms. Algeria, Botswana, Kenya, Lesotho, Libya, Namibia, Seychelles, South Africa, and Tanzania have successfully covered an extensive part of their rural areas through Defined Benefit or a non-contributory pension policy (Pelham, 2007).

Some of these countries provide promising pension schemes modeled around their structural differences. This serves as an example for other developing countries like Ghana. Currently, 46 low- and middle-income countries according to Pelham (2007) have social security pension schemes that guarantee basic income security for farmers at old age. This is one good reason for Ghana's pension policy makers to take a close look at the potential benefits of non-contributory pension policies for farmers.

However, the contributions of private and public can enhance participation of farmers in the voluntary contributory pensions. The Ministry of Food and Agriculture (MoFA), National Insurance commission (NIC), Ghana Insurance Association with assistance from the German International Corporation developed the Ghana Agricultural Insurance Program which later transformed into the Ghana Agricultural Insurance Pool (GAIP). This is already facing traditional challenges such as difficulty in getting access to data and information, less government support, low level of awareness among farmers, affordability among other (Nunoo and Acheampong 2014).

## **1.2 Problem Statement**

The unique characteristics of Small Holder Farmers in Shai Osu-Doku district such as low income levels and irregular earnings, makes it easy for voluntary defined contributory pensions to exclude them from participating in the informal sector social security pensions scheme. Hu and Stewart (2009) support this view and add that, Farmers have a serious problem of being vulnerable to economic volatility and adverse weather condition could reflect in irregular earnings. For example, voluntary defined contributory pensions without any Defined Benefit to ensure subsistence do not allow such groups as Small Holder Farmers to retire in dignity.

A voluntary defined contributory pension which is a non-mandatory flexible contribution towards pensions is one of the ways adopted by governments to increase national savings and not necessarily to provide social security at old age. In addition, social security pension is to eradicate absolute poverty through the universal implementation of the Defined Benefit of the First Tier pension and reduce relative poverty through the Second and Third Tier (Willmore, 2000).

The World Bank social security criterion enjoins member countries to universally apply its First Tier through government funding whilst employees contribute their own Second and Third Tier. The fourth floor of the ILO Social Protection Floor encourages member countries to guarantee a basic income security for the elderly whilst the UNDHR enjoins member countries to provide social security as a right to citizens. From the forgoing, the Informal Sector Social Security pensions Scheme for farmers seem to fall short of achieving neither absolute poverty eradication nor reducing relative poverty among retired farmers in Shai Osu-Doku district . The scheme does not comply with any of the propositions or demands of the three major institutions mentioned.

Undoubtedly, pensions are one of the most important components of a social security system. Pensions improve wellbeing by helping individuals to smooth out their consumption levels over their life time. This allows people to withdraw from the labour market without fear of falling into poverty. Most Small Holder Farmers are reluctant to retire at the legal age so long as they feel fit to farm.

In Ghana the large informal sector, of which Small Holder Farmers form the majority has not attracted enough government attention in the provision of social security pensions which allows people to withdraw from the labour market without fear of falling into poverty. Most high income countries with a huge formal sector base ascribe to both contributory and non-contributory pensions as a measure to reduce inequality at old age. The informal sector with generally low or no incomes are tied to non-contributory pensions. The contributory aspect of their social security becomes an added value of being gainfully employed and also to replace earnings once on retirement.

However, developing countries like Ghana with a large informal sector base mainly in the agricultural sector ascribe to a pure contributory pension scheme for the informal sector (NPRA 2010). This explicitly explains the low commitment of government in the provision of social security pension for farmers. Like the colonial era, Defined Benefit in Ghana's First Tier remains a reward for the privilege few formal sector workers who already have high and regular earnings.

According to (Dethier, 2007; Galiani et al., 2012 and OECD, 2007) contributory pension schemes have proved to be difficult to fully scale up in economies with large informal sector like Ghana. As a result, large segments of the informal population of countries like Ghana whose social security pensions are purely contributory have majority of its population not covered by the pension schemes.

The GLSS 6 reports that Small Holder Farmers constitutes 94% of the agricultural work force. This is a substantial figure that could direct a social security policy to meet their peculiar challenges of financing a long term social security contribution toward old age.

In the light of these the following objectives were set:

### **1.3 Objectives**

The main purpose of the study is to establish how social security can be enhanced from the perspective of retired Small Holder Farmers in Shai Osu- Doku district. The specific objectives are:

- i. To find the level of awareness of Small Holder Farmers of the current Informal Social Security Pension scheme

- ii. Analyse the involvement of Small Holder Farmers willingness to participate in the Informal Social Security Pension Scheme.
- iii. To find out factors that will stimulate participation of Small Holder Farmers in Social Security Pensions for the Informal Sector.

In the light of these the following research questions may arise

- i. To what extent do farmers in Shai Osu-Doku district are aware of social security benefits?
- ii. What is the level of participation of farmers in the existing pension scheme in the Shai Osu-Doku district?
- iii. What factors can stimulate participation of farmers in Social Security Pensions for the Informal Sector?

#### **1.4 Organisation of the Study**

The study is organised into five chapters. Chapter one discusses the Background, Statement of the Problem, Objectives of the Study, Research Questions and Definition of Concepts. Chapter two builds up the Theoretical Framework of the study, reviews literature relevant to the study, and builds a Conceptual Framework. The Chapter three is about the methodology used in the study. This includes the sources used for the study, the Study Population, Sampling Frame, Sampling Procedure, Method of Data Collection and Data Management. The Chapter four deals with the analysis of the study. Finally the Chapter five examines the findings and makes appropriate recommendations for farmers, policy makers and for future research.

## 1.5 Definition of Concepts

**Farmers:** Small Holder Farmers in the informal sector.

**Small Holder Farmers:** Informal sector farmers who hold small farms.

**Informal Sector:** That part of an economy that is not taxed, monitored by any form of government, or included in any gross national product (GNP), unlike the formal economy.

**Pension:** A contract or a right to receive a retirement benefit based on fulfilled conditions of a particular country, typically following retirement from service, or attaining the retirement age.

**SSNIT Informal Sector Pension Fund:** A voluntary insurance scheme designed for the informal sector including farmers by the Social Security Insurance Trust (SSNIT) of Ghana.

**Defined Benefit:** Employer-sponsored, retirement plan in the case of public servants the government.

**Defined Contribution:** Agreed amount deducted, on a regular basis to fund occupational and personal pension contribution.

**Mandatory Defined Contribution:** It is a specified percentage of income authorised by law as contribution to occupational pension

**Voluntary Defined Contribution:** It is a non-mandatory flexible contribution toward an individual personal pensions plan.

## **Chapter Two**

### **Literature Review**

#### **2.0 Introduction**

Social Security forms part of social protection policies used by governments to reduce poverty at retirement. For a long time, the formal sector had taken the centre stage of receiving retirement pensions. Small Holder Farmers who form part of informal sector workers had managed their own livelihood at old age, often without a regular income. This chapter reviews some relevant literature on social security, analyses related theories, builds a conceptual framework from some related literature within the study area. It also reviews literature on contributions of private and public agencies that are likely to enhance farmers' participation in ISSSPS.

#### **2.1 Theoretical Framework**

According to Leliveld (1991), social security can be viewed in two ways; firstly it is the protection by society for individuals or social groups against a fall in their standards of living as a result of temporary adversities. Secondly it is the amelioration by society of those standards of living of individuals or social groups which are below an acceptable minimum level. Leliveld's (1991) definition dealt firstly with the reduction of relative poverty and secondly eradication of absolute poverty. The definition supports the two main functions of the World Bank's pension pillars as well as lays emphasis on the long term proposition from the UN and ILO that consider social security provision as the citizen's right which guarantees basic income security for the aged.

Leliveld's (1991) concept of redistribution of social security states that the greater the proportion of retired individuals, the greater the responsibility on society to ensure that they do not fall below the acceptable standard of living. In this way, society achieves a reduction in relative poverty. Also, the greater the income inequality, the greater the responsibility on society to remove unacceptable barriers, that widen the inequality gap. In the attempt of removing the unacceptable barriers that widen the inequality gap, absolute poverty is eradicated. Tabellini (2000) has a similar orientation as Lelived (1991) which he terms Positive Theory of Social Security.

Tabellini (2000) and Leliveld (1991) recognised that social security redistributes earnings both across and within generations and that the existence of social security is supported by both recipients of social security benefits, and the poor. Tabellini (2000) argued that individuals would not contribute to social security if they do not anticipate poverty at old age or when they cannot work. Neither would the poor vote against social security pensions if it is there to secure their minimum livelihood.

In support of the above, Adhikari, et al., (2003) posit that farmers would be willing to participate for example in social security depending on its usefulness. But Adhikari et al., failed to consider how financial constrain could adversely affect the willingness of farmers to participate in the programme however useful it might be.

As a modification to Adhikari et al (2003) proposition, the fourth floor of the ILO Social Protection Floor suggests at least a basic income security that is sufficient for livelihood and guaranteed through transfers in cash as pensions for the elderly (Bachelet et al., 2011). In this way farmers would be willing to participate in the social security pension programme due to its usefulness. It is evident from the studies of Leliveld (1991), Tabellini (2000), Adhikari et al., (2003) and Bachelet et al., (2011) that given the usefulness of social security pension scheme, guaranteed minimum income security as Defined Benefit in the informal social security pension policy can be a source of attraction to enhance coverage among farmers.

Studies by Galiani, S., Gertler, P. and Bando R. (2013), Willmore (2000), Barrientos (2003) and ILO (2015) found that social security in the form of social pensions in practice had significant impact on poverty reduction and prevention, reduced household vulnerability and promoted older people functioning in South Africa and Brazil.

Studies conducted by Ansah (2013), Aboagyewaa (2013), and Collins-Sowah, Kuwornu. And Tsegai (2014) revealed an urgent need to automatically capture all persons within the working age. The study observed general difficulty on the part of informal sector workers in voluntarily enrolling onto the Informal Pension Scheme due to financial constraints. They concluded that income is a major determinant of participation in any contributory pension scheme, hence the low enrollment of these informal workers in the current SSNIT informal sector fund in Ghana.

According to Schwarzer and Querino (2002), the elderly farmers in Brazil benefit from both a rural social security system, and a social assistance pension program.

Their rural social security system is based on World Bank's non-contributory scheme. Beneficiaries simply need to testify that they have been doing farming for the required minimum number of years. Additionally, by the year 2000, aged farmers could apply for a non-contributory means-tested pension, which grants a monthly transfer of one minimum wage to people aged 67 and over whose per capita family income does not surpass one-quarter of the legal minimum wage.

Schleberger (2002), stated that in Namibia, older persons (at least 60 years old) qualify for a non-contributory pension scheme. About 95% of farmers received a monthly amount of N\$200 (US\$25). Revenues raised from general taxes are allocated to fund this scheme. This costs less than 2 percent of Namibia's GDP. This regular cash income contributes to the improvement of farmers' status in the family as it gives them the ability to provide income security for their children and relatives in times of need. In most cases, the pensioner is the only reliable income earner in rural households. As a result, they are well cared for by their families.

The study of Galiani et al (2014) established that the lack of economic security prevents older adults from retiring. When beneficiaries anticipated that they would receive the cash transfers from this program in the future, they withdrew their savings and redirected it into less involving family work. In addition to this they reduce their involvement in the labor market since their financial burden at old age is reduced. They study further found that mental health of elderly adults in the program significantly improved and their score on Geriatric Depression Scale decreased by 12%.

Treated elderly adults in Galiani et al (2014) study revealed that higher levels of consumption expenditures increased by 23% on average. Overall, the results are very positive, since the

programme lead to a substantial improvement in the material and psychological living standards of older people residing in rural areas.

In a case study on Lesotho Old Age Pension Impact Project, the Institute of Southern African Studies of the National University of Lesotho (NUL) assessed the impact of the pension scheme on the well-being of its recipients. Gender equality for women was enhanced when pension coverage was widened. Lesotho Old Age Pension was introduced in November 2004. Under the scheme, pension is paid to almost all Lesotho citizens aged 70 years old or beyond (Pelham, 2007).

HelpAge International provided three responses as to why social security pensions are needed.

1. Older people are entitled to benefit from international commitments to end poverty but they are deliberately or by default excluded on the ground of age.
2. Older people are often disproportionately affected by poverty. The majority of older people have no regular income.
3. Lastly, to prepare for global aging by initiating interventions to avert old age crises.

In response to these, the Tanzanian government has included older people in its Poverty Reduction Strategy Review. Also farmers in Kenya are compelled by law to enroll in pension as informal sector workers. They contribute 5% of their monthly income earnings with no minimum or maximum limit. The mandatory element of the scheme propped people to participate as long as they are working (Odundo, 2008). In Ghana the government developed a National Policy on Ageing in 2010.

## 2.2 Social Security in Ghana

According to the National Pension Regulatory Authority (NPRA, 2010), Social Security Schemes had been introduced in Ghana, prior to independence. There had been the Workmen's Compensation Ordinance (No. 52), which was the first legislative endorsement in social security passed in July 1940.

The Pension Ordinance (No. 42) established a non-contributory pension scheme which was designed for loyal senior civil servants under the Chapter 30 of the 1950 British Colonial Ordinances (NPRA 2008). The scheme was a reward for those civil servants who had clean appraisal report from their colonial supervisors for a minimum of ten years with a life time engagement free of civil unrest, did not question the status quo, and discharged their duties faithfully. This pension ordinance was later extended to their widows and orphans.

After the colonial era, the government of Ghana sort to extend to provision of pensions to cover all private and public sector workers who were not covered by the CAP 30 schemes, the Social Security Act (No. 279) was enacted in 1965. Originally it served as a Provident Fund to provide lump sum benefits for old age, invalidity and survivor's benefits.

The Social Security Act, 1965 (Act 279) was repealed and in 1972 the Social Security and National Insurance Trust (SSNIT) was establishment under the NRCD 127 to administer the National Social Security Scheme. The new administration was mandated to convert the invested contributions of the Social Security Pension Scheme into long maturity low interest rate special government bonds. As a result of high inflation, lump sum benefits due to retirees were insignificant and as a result inadequate.

To bring some adequacy into workers' pension packages, the Social Security Act, 1991 (PNDC Law 247) was passed to transform the 1972 Scheme from Provident Fund to a Defined Benefit Scheme. The Act mandated SSNIT to shift its investment strategy from investments in special government bonds to investments in a broad portfolio. This was to help to generate commercial rate of return to balance the lower rate from the other portfolios and to improve on pension benefit received by beneficiaries.

Notwithstanding, the SSNIT schemes were less preferred compared with the CAP 30 pensions. This was because of the lump sum benefits were not paid under SSNIT. This resulted in agitations and protests by some public sector workers on the SSNIT Scheme.

The current National Pension Act, 2008 (Act 766) was enacted to introduce a contributory Three-Tier pension scheme. This was to improve retirement benefits for all workers. The Act redefines pensions into the First Tier or Basic national social security scheme, Second Tier or Occupational pension scheme, and the Third Tier or Personal pension. The Act, under section (30) mandates SSNIT as the established trust to manage the First Tier or basic national social security scheme. Whilst it competes with other Trustees approved by NPRA, over the management of the Second Tier and Their Tier pension scheme.

### **2.3 First Tier Pension Scheme**

The First Tier social security scheme is automatically managed by SSNIT. The entry ages are between 15 years old (minimum) and 45 years old (maximum). It is mandatory and Defined Benefit of 13.5% of income for all formal sector workers. This is funded by government or employer. Subsection (3) under section (30) of the Act gives options to self-employed persons who opt to join the scheme to make a monthly contribution.

It is voluntary for the self-employed and they fully have to fund their pensions under this Tier. The First Tier social security scheme is a mandatory defined benefit for formal sector workers and voluntary defined contributory for self-employed.

### **2.3.1 The Management of the First Tier Pension Scheme**

As a government mandated body to manage the First Tier social security scheme, the Act specifies the details of its mandate through the objectives, management and the extent to which management can execute its duties. The main objective of SSNIT is to manage the basic national social security pension. Its specific functions are:

- (a) To operate the basic national social security pension scheme and other schemes as may be prescribed by law;
- (b) To have a Fund into which shall be paid the contributions and any other monies as may be required under this Act;
- (c) To be responsible for the general administration of the social security scheme and regulations made under and ensure the provision of social protection for the working population for various contingencies including old age, invalidity and death;
- (e) To be responsible for the administration and investment of funds within the framework of general directives issued by the Board of Trustees and approved by the Authority;
- (f) To collaborate with other complementary social protection schemes in respect of specified operational and administrative functions to achieve efficiency, cost savings and avoidance of duplication of functions;

(g) To have general control of the funds and investments of the social security scheme and the management of the Trust; and

(h) To perform any other functions that is ancillary to the objects of the Trust.

#### **2.4 Second Tier Pension Scheme**

This is an occupational pension scheme established under a trust which provides benefits based on a Defined Contribution formula. This is in the form of a lump sum payable on termination of service, death or retirement, or in respect of persons covered under section (58 of the Act). It can also be paid to other persons specified under the second tier of the contributor.

It is a Mandatory minimum contribution of 5% of employees' income or an equivalent of the national daily minimum wage. This is deducted from employees' income to approved trustees of occupational pension schemes, out of the total contribution of 18.5% made on behalf of the worker. The contribution is remitted by the employer within fourteen days from the end of each month.

The Second Tier pension scheme is a provident fund that is governed by a trust to which a contributor or the contributor's employer or both contribute to a pension scheme which provides benefits based on a Defined Contribution formula. Failure for formal sector workers to contribute to the Second Tier is punishable by law. Section 107 of Act 766 defines it as a personal pension scheme or a voluntary contribution for the informal sector that are not covered by any retirement pension scheme under the mandatory part of the three-tier pension scheme. This is to enhance their pension benefits outside the mandatory schemes and any provident fund scheme.

### **2.4.1 Management of the Second Tier Pension Scheme**

The Second Tier is managed independently of the first Tier by approved private corporate Trustees. Contributions by self-employed persons in the informal sector who are not covered under the mandatory scheme are credited with two separate individual subaccounts. The personal savings account and the retirement account. The proportions to be credited to each account are prescribed in the governing rules of the scheme.

Trustees have the function of securing scheme registration, ensure that the investment of funds of the scheme is diversified to minimise investment risk. Trustees have to regularly report the performance of contributors investments to their members and contributors have the right to know how their contributions are being invested and its yield. Accrued benefits are to be preserved until retirement age but earlier benefits are allowed under certain prescribed conditions. An employee is paid lump sum money on termination of service, death or retirement. Contributors are allowed to use the lump sum benefit as collateral to secure mortgage for primary residence (section 103 of Act 766).

### **2.5 Third Tier Pension Scheme**

Third Tier Pension Scheme is a Voluntary contributory Provident Funds and Personal Pension Schemes similar to the second tier except that it is voluntary for both formal and informal sectors workers that form about 85% of working population (section 108, 109 of Act 766). Under the scheme the Informal sector contributors have two accounts. The retirement account to provide benefits on retirement and a personal savings account with rules for withdrawals before retirement for example for education and business enhancement. The proceeds of the retirement account can only be paid on the retirement of the contributor as monthly or quarterly pensions.

Informal sector workers can participate as organized groups or as individuals in this scheme.

### **2.5.1 Management of the Third Tier Pension Scheme**

Like the Second Tier the management of the scheme is in the hands of authorised private corporate Trustees. There are no legal minimum contributions. Minimum limits are set by individual trustees and in agreement with contributors. The Act gives contributor the privilege to know how their contributions are being managed.

### **2.6 National Pension Regulatory Authority (NPRA)**

The National Pensions Regulatory Authority was established by the National Pensions law (2008) Act 766. The aim of the Authority is to regulate and monitor the operation of the Three Tier Pension Scheme by the recognised Trustees and ensure the effective administration of pensions in the country:

Ensure all stake holders comply with the Act;

Register occupational pension schemes, provident funds and personal pension schemes;

1. Issue guidelines for the investment of pension funds;
2. Approve, regulate and monitor trustees, pension fund managers, custodians and other institutions that deal with pensions as the Authority may determine;
3. Establish standards, rules and guidelines for the management of pension funds under the Act;
4. Regulate the affairs and activities of approved trustees and ensure that the trustees administer the registered schemes;

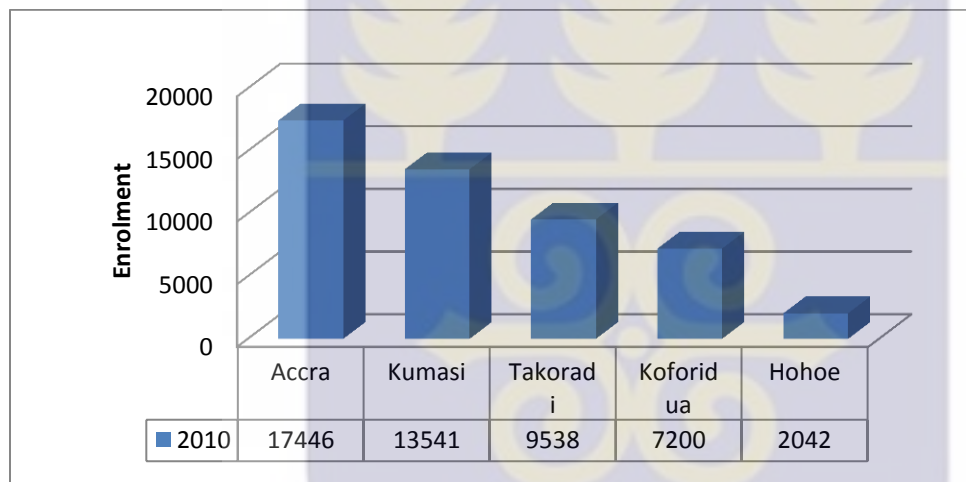
5. Regulate and monitor the implementation of the Basic National Social Security Scheme;
6. Carry-out research and ensure the maintenance of a national data bank on pension matters;
7. Sensitise the public on matters related to the various pension schemes;
8. Receive and investigate complaints of impropriety in respect of the management of pension schemes;
9. Promote and encourage the development of the pension scheme industry in the country;
10. Receive, and investigate grievances from pensioners and provide for redress;
11. Advise government on the general welfare of pensioners;
12. Advise government on the overall policy on pensions in the country;
13. Request information from any employer, trustee, pension fund manager or custodian, any other person or institution on matters related to retirement benefit;
14. Charge and collect fees as the Authority may determine;
15. Impose administrative sanctions or fines; and
16. Perform any other functions that are ancillary to the object of the Authority Governing body of the Authority.

## **2.7 SSNIT Informal Sector Fund (SISF)**

The SSNIT Informal Sector Fund (SISF) was established by SSNIT as a subsidiary company to compete for the management of pension contributions from the informal sector (SSNIT; 2009).

It acts as a fund manager and custodians for the informal sector pensions received. The scheme was designed to work in line with the statutory provisions of the regulatory body and not a government mandated body to oversee the activities of the informal sector pensions. SISF was said to be doing well and reports from the Business and Financial Times confirmed the willingness and rapid participation in enrollment. The figures reported from the Business and Financial Times (2010) are depicted in the figure below.

**Figure 2.1: SISF enrolment figures reported by Business and Financial Times in 2010**



Source: Business and Financial Times (2010) online

### 2.8 Pensions for Cocoa farmers

Pension for cocoa farmers was an initiative of the Produce Buying Company (PBC) to provide pensions to cocoa farmer when SISF was under the management of SSNIT. Under the initiative, PBC was to withhold part of the payment to be paid to cocoa farmers and contribute that amount as their pensions to SSNIT. Just at the beginning stages of the agreement, the management of the Informal Sector was taken over by NTHC Trustees. Thus, the arrangement to provide pensions to

cocoa farmers have not yet taken off since initial arrangement have not been finalised (NTHC Trustees 2015).

## **2.9 Agencies contribution to ISSSPS**

Hu and Stewart (2009) established that a serious problem that farmers face is access to capital due to the unpredictable nature of their earnings mainly due to the impact of adverse weather conditions leading to a general low level of capital among farmers. This impedes the motivation to expand farming businesses. Some independently established private and public agencies in the agricultural sector have been established without farmers' pension in mind but may be contributing directly or indirectly to impact on farmers' participation in the ISSSPS. Notable among these agencies are the Ghana Agricultural Insurance Pool (GAIP), The Export Development and Agricultural Investment Fund (EDAIF), Ministry of Food and Agriculture (MoFA), and the involvement of other countries and Non-Governmental Organizations' (NGOs).

### **2.9.1 Ghana Agricultural Insurance Pool (GAIP)**

The Ghana Agricultural Insurance Programme is an initiative of the German Development Corporation that worked in collaboration with the National Insurance Commission (NIC), Ghana Insurance Association (GIA) and the Ministry of Food and Agriculture (MoFA) to provide protection to farmers' against extreme weather condition preview to climate change. The programme was translated to a commercial insurance pool under the management of GIA (GAIP 2015).

The current management operationalises its core business under the Technical Management Unit (TMU) to provide insurance to farmers against perils that affects plants and animal life. It continues to work and collaborates firstly with the National Insurance Commission (NIC), and the Ministry of Food and Agriculture (MoFA) in the development of policy framework and

advocacy (Nunoo et. al., 2014). Secondly GAIP works with local and international insurance companies to provide various agricultural insurance for farmers.

### **2.9.2 Ministry of Food and Agriculture (MoFA)**

The Ministry of Food and Agriculture (MoFA) is a public agency that is involved in the development of agricultural policies and advocacy. These agricultural policies act as a guide for local and international development partners in the discharge of their duties (MoFA 2015). MoFA provides information on farming communities, crops, farm animals, farming seasons, and yield. Through their extension services, they educate farmers on good farming practices, disease and pest control to encourage good yield.

### **2.9.3 The National Insurance Commission (NIC)**

The National Insurance Commission (NIC) is the regulatory body in the provision of all insurance products in the country. The role of NIC in the provision of agricultural insurance is to develop insurance products that are congruent to the functions of insurance and the needs of farmers. Secondly, GAIP acts along with 17 existing insurance companies as trustees and Technical management Units to deliver various Agricultural insurance products such as crop insurance and weather index insurance to Small Holder Farmers.

The 17 trustees are established insurance companies. This is the practical implementation side of the policy framework and advocacy measures put in place by the public institutions mentioned above. One of the unique characteristics of Farmers is their usual irregular earnings. If the aim of Agricultural Insurance is properly implemented, it has the ability to translate into stable earnings of farmers. Thus the spillover effect of this policy can help to stimulate the participation of farmers in the ISSSPS (GAIP 2015).

## **2.10 The Three Pillar Framework by World Bank**

The World Bank Pension Reform Primer (2005), a conceptual framework, applies flexibility in a model that defines the range of designs to determine the pension modalities and reform options that should be considered. Country-specific conditions require a tailored and tactically sequenced implementation of the model that will substantially define the range of feasible options. Multiple systems can deliver retirement income more effectively and efficiently. The three pillars are as follows:

### **2.10.1 The Mandatory First Pillar**

The First Pillar is equated to Ghana's First Tier Pension Scheme. This takes the form of a demogrant, social pension, or general social assistance typically financed by the government. It deals explicitly with poverty alleviation objectives in order to provide the elderly with a minimal level of protection. This ensures that people with low lifetime incomes are provided with basic protection in old age, including those who only participate marginally in the formal economy. First pillar addresses among others, the risks of individuals shortsightedness, low earnings, and inappropriate planning horizons due to the uncertainty of life expectancies and lack of risk of financial markets.

### **2.10.2 The Second Pillar**

This is equated to Ghana's Second Tier Pension Scheme. In this pillar, contributions are linked to varying degrees of earnings with the objective of replacing some portion of lifetime pre-retirement income thus to reduce relative poverty at old age (World Bank 1994).

### 2.10.3 The Third Pillar

This is an individual savings account or personal pension plan that is a Defined Contribution plan. Contributors select investments and investment managers. There are options for the withdrawal phase. Contributors have the right to know the performance of their investment. This takes many forms e.g. individual savings for retirement, disability or death; employer sponsored; defined benefit or defined contribution, but is essentially flexible and discretionary in nature. Third pillars compensate for rigidities in the design of other systems but include similar risks as the Second Pillar.

Certain pillars are better suited to address the needs of the lifetime poor, informal sector workers are at risk of becoming poor once they stop working. For example, a First Pillar is well suited to address for basic income support for the lifetime poor while also providing a foundation that covers gaps in coverage and adequate benefit

The Three pillar pension framework from the World Bank Pension Premier (2005) have become the model framework for countries around the world to develop schemes that suits their individual country specifics. Ghana's Three Tier Pension Scheme was developed from pillars one, two, and three of the World Bank five pillar pension frameworks. Other countries like South Africa, Namibia, Brazil, Canada and more have combined different pillar frameworks including the first pillar or non-contributory pension scheme to ensure that they provide enough social security for their aged with respect to their infrastructural differences.

## 2.11 Conceptual framework

The study applied the models presented by World Bank First pillar framework, Galiani et al., (2014), and Adhikari et al., (2003). The World Bank model posits that a First Pillar pension protects the elderly against poverty and longevity risk. Galiani et al., (2014) explains that consumption is a lifelong process; at no time should it be interrupted until death stops it. When one retires from work, regular income halts or gradually declines. At this stage scanty efforts can be put into generating new incomes, thus the need for pensions to sustain consumption.

Adhikari et al., (2003) posit that the decisions that props participation or non participation in any program depends on the level of perceived utility that participant will gain from their choice given their limited resources. Therefore when making a decision, the individual weighs the importance of different options and selects the alternative with the highest level of importance with reference to his or her limited resources. Thus, in the case of Small Holder Farmers their wiliness to participate in pension contributions will depend on the affordability of the scheme and their level of well-being after contributions given that they have low levels and seasonal incomes.

For demonstrational purpose the figure below would assume two assumed Small Holder Farmers, Farmer A and Farmer B will be used to determine the decision for participation and non participation in ISSSPS. Given that they are faced with the same demographic features, they are both within the legal age range that qualifies them to contribute to pensions. By the nature of their work their earnings are seasonal and usually lower than the minimum wage bill. In addition they contribute to GDP and provide food security to the nation.

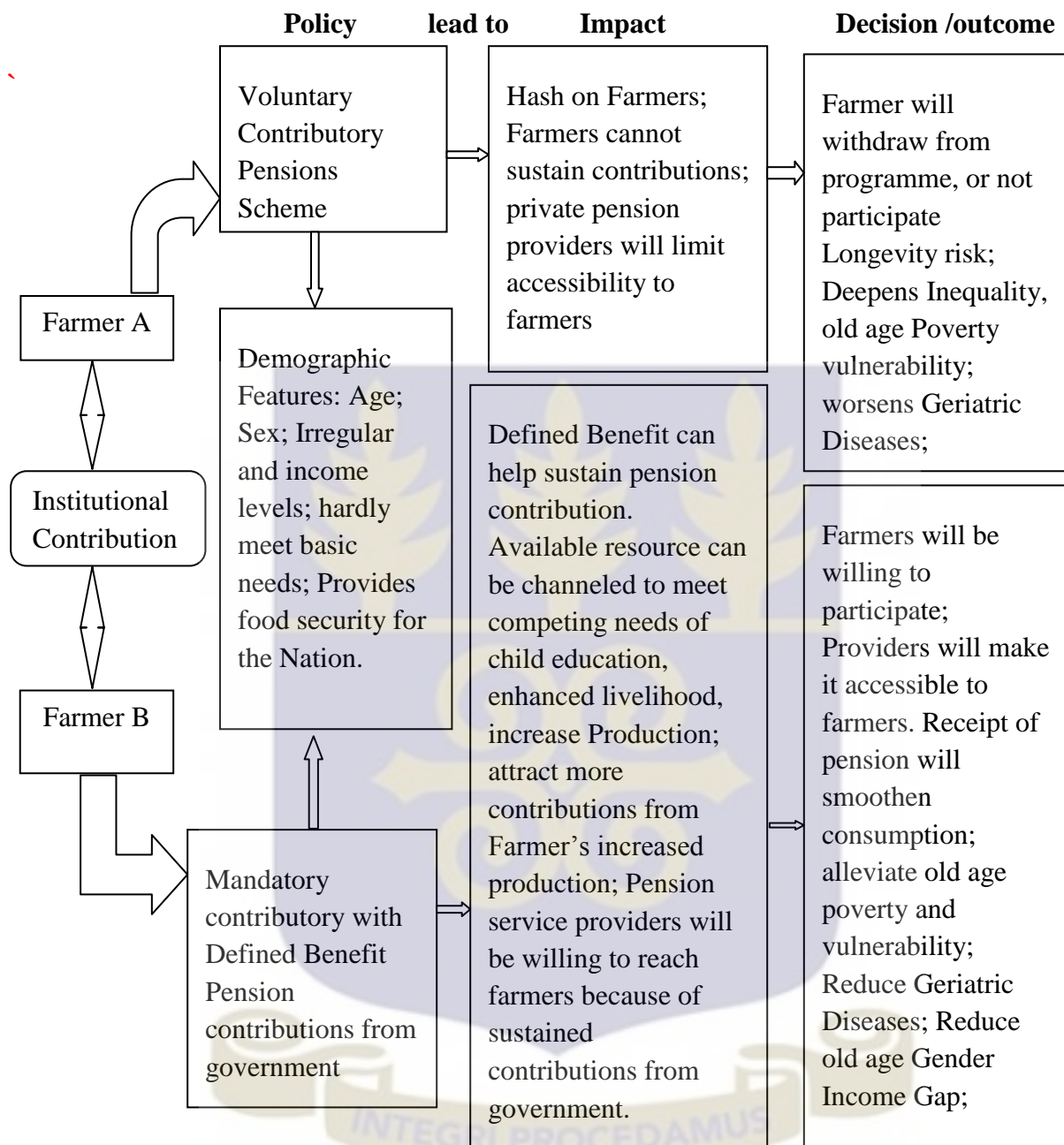
The services of institutions like GAIP, MoFA and NPRA are available to offer requisite support on merit to Farmer A and Farmer B.

### **2.11.1 Social Security Policy Intervention for Farmer A and B**

However, social security policy interventions available to these Small Holder Farmers vary. Farmer A in location A is considered as a self employed by his policy makers, and therefore He has been automatically enrolled into a Third Tier Pension scheme. As a result the government in location A does not support Farmer A with defined benefit. Pension payment to Farmer A will be determined by his accumulated savings and some interest. This could be paid either in bulk or on monthly basis. In addition, the decision to participate in Social Security pension is voluntary.

In contrast, the social security policy interventions available to Farmer B in location B makes it possible for the government to provide Defined Benefit as in the First Tier to support Farmer B's pension. It is also mandatory for Farmer B to contribute to social security as in the Third Tier. Not with standing, Farmer B in location B is a self-employed. Pension payment to Farmer B will be determined by the defined benefit contributed by Government and his accumulated Third Tier contributions with some interest. The portion of government's contribution would be paid as monthly pensions whilst that of Farmer B's contribution would be paid either in bulk or added to the Defined Benefit and paid on monthly basis.

**Figure 2.2: Participation and Non Participation of Social Security among Farmers A and Farmer B**



Source: Student Framework

### 2.11.2 Impact of the Policy Intervention on Farmer A and B

The impact of the policy direction of the Third Tier Pension Policy on Farmer A does not compel him to make contributions to social security pensions. Farmer A can rationally perceive the importance social security pensions at old age but his financial contributions to the scheme will

highly compete with the demands of his basic need such as providing food, shelter and financing the education of his children. It becomes rational for Farmer A to abandon or not participate in social security pension contributions so as to attend to these necessary basic and immediate needs than to contribute to a long term future need. Even when Farmers A decide to start the process, He may not be able to continue and sustain contributions. Given that Farmer A has low and seasonal income; Private pension service providers would not be attracted to make their services available to him. Hence there would be a limit to the coverage of pension services to Location A since they are deemed not profitable and, Farmer A may not even be able to access the programme.

Contrary to the scenario of Farmer A, Farmer B in location B would be attractive to pension service providers. They would be willing to educate and convince Farmer B to accept and participate in social security pensions. This is because pension service providers would receive Define Benefit contributions from government, which is regular. Since the policy directive is compulsory, Farmer A would be compelled to participate and make sure that his burden of contribution which is obviously lower than Farmer A would be paid and sustained. Farmer B can also freely meet his basic needs, enhance his livelihood and channel any extra resource to increase production. Through increase production, Farmer B's income can be increased and He can also increase his contributions to social security to reflect in a better livelihood at old age.

### **2.1.3 Decision and Outcome**

Farmer B in location B is likely not to participate in social security pension. This is will impact negatively on his old age livelihood. The occurrence of longevity risk cannot be underestimated. Older people in this location are going to easily lope into poverty and this would increase their vulnerability. Geriatric diseases would increase because they may not be able to afford care if

need be, outside the NHIS. Culturally since most Small Holder Farmers are women but they do not own lands, they become poorer when they can no longer farm. This further deepens the gender income gap at old age.

Farmer B in location B on the other hand would embrace the idea and participate in social security pensions. This will impact positively on his old age livelihood. Longevity risk can be avoided. Older people in this location are going to easily be better off because regular receipt of pension will smoothen their consumption thus alleviating old age poverty and vulnerability. Geriatric diseases would reduce because they will be able to afford care if need be, outside the NHIS and gender income gap at old age will be narrowed.

## **2.12 Conclusion**

From the reviewed literature, it is obvious that Small Holder Farmers can be included in a more appropriate Social Security that could help alleviate poverty and reduce their vulnerability at old age. The public and civil service are seen to be contributing to the administration of governance and thus enjoying a 13% government contribution towards their pension. Small Holder Farmers contribute to food security and GDP. It is clear that, their contribution to the survival strategies of the inhabitants of the nation is central. Even though their ownership may attract divergent views, Social security pension for Small Holder Farmers should not be the individual farmer's discretion.

Social security pension for farmers should be seen as a right of farmers and a responsibility of the state. The need to expand coverage of social security pension to Small Holder Farmers is an international requirement to alleviate poverty among older persons in the Madrid International Plan of Action on Aging to which Ghana is a signatory. A government intervention from the

conceptual framework is potent to first attract private social security pension service providers to make the services available to Small Holder Farmers. Secondly Small Holder Farmers will be aware and access the programme.



## **Chapter Three**

### **Methodology**

#### **3.0 Introduction**

This chapter deals with the methods adopted in conducting the study which comprises the conceptual framework, research design, research area, sampling framework and sample size, data collection technique and administration, data management and analysis of data.

#### **3.1 Research Design**

The study used quantitative research design to help determine the parameters that affects the decision of Small Holder Farmers participation or non participation in the Three Tier Pension Scheme. Due to the numbers involved, survey method was used in the farming community to administer open and close ended but structured questions. The need for an accurate estimation of the relationship between Small Holder Farmers involvement and the parameters identified was of paramount interest to the researcher, hence the quantitative method adopted. An in-depth interview with official of GAIP and SISF was organised through a structured interview.

The systematic random sampling was used to identify respondents. In this sampling procedure, the researcher mapped out the communities in both Dodowa and Ayikuma and identified the households by order in numbers. The number one of each community was chosen by the researcher on purpose to be the starting point of the administration of the questionnaire. The administration of the questionnaires followed there after according to the order in the numbering. Since Dodowa and Ayikuma are farming communities, there were instances when some households where not available to be interviewed. In such an instance the researcher moved on to

the next house. The likelihood of missing out or some households failing to cooperate was anticipated by researcher.

### **3.2 Data Source**

The study used both primary and secondary data sources.

#### **3.2.1 Primary Data Source**

During the field work of the study, data was collected directly from respondents for the study by the researcher. This was done through the use of structured questionnaires, which are made up of a set of questions that covered the various areas stated in the objectives. Consequently each objective was stated as a section in the instrument. To get the individual response, an in-depth interview for qualitative through a well structured open-ended questionnaire was administered. A pre-test of the structured survey questionnaire was administered on five members of similar target group in a nearby village and the necessary changes were made to the questionnaire.

#### **3.2.2 Secondary Data Source**

Secondary data was collected from SSNIT publications and annual reports online, NPRA publications online, published and unpublished articles online, related unpublished dissertations and brochures from GAIP. These were to help identify how others have defined and measured key concepts of social security pensions, the data sources that have been used and related institutional interventions. Further to this, the review of secondary data helped to discover how this research is related to the work of others in social security pension schemes for farmers in the informal sector.

### **3.3 Target Population**

Shai Osu-Doku district is located in the south eastern part of Ghana. The district has an estimated population of 61,200. Out of this, 34,473 are males representing 48.2% and 37,047 representing 51.8% who are females. Shai Osu-Doku district has 167 farming communities. Two communities were selected for the study. Dodowa is the capital of the district and it was purposively chosen due to its unique urban-rural characteristics. It was also expected to have most of the questions of the instrument fairly answered without leaving out possible participants of the informal social security pension. Ayikuma was randomly selected from a list of four major communities as such as Asutsuare, Osuwem, Ayikuma and Kordiabe as described in the district Composite Budget.

### **3.4 Sampling framework and Sample Selection**

Out of the five major communities Dodowa, was purposefully selected. Given that Dodowa is the district capital, and its unique urban rural characteristics. The second community was randomly chosen by folding pieces of papers that bares unique numbers associated to each of the four communities and an independent person was asked to hand pick one of the folded paper. Ayikuma was picked and that became the second community to be studied. Farmers in groups were spaced to ensure individual and independent response to questionnaire. The framework considered some biographic variables as gender, age distribution, and education as sensitive information that can impact on participation and perspective of farmers.

#### **3.4.1 Gender Sensitivity**

To ensure a gender sensitive analysis, outcomes, and policy recommendations that affects both male and female, the perspective of both male and females were sought after in the study. A conscious effort was made during the data collection to fairly administer questionnaires

sensitively by gender. The criterion set to meet this target was that, during the survey, the sex of the next respondent was dependent on the sex of the previous respondent. This worked out very well to have an even distribution of respondents.

### **3.4.2 Age distribution**

The age distribution for the administration of questionnaire in the study was the legal age of work upwards (15+). There was no upper limit with respect to age to participation in the study. This was to get the responses from both the qualified age group (15-45) that can register or participate in ISSPS law and responses and experiences of those that are not qualified. The latter group was divided into 46-60 years old who were not qualified to register but had reached the retirement age and those 60-72 years old who have reached the retirement age but farming. The limit 72 was the maximum year captured during the survey.

### **3.4.3 Educational Background**

The educational background of respondents was grouped into no education, Basic or Middle School Leaving Certificate, Secondary and Tertiary.

### **3.5 Sampling Size**

An initial 100 Small Holder Farmers were sampled and interviewed. This was evenly distributed among the two communities. After data was collected and cleaned, 8 uncompleted and inconsistent questionnaires were found. These were rated as outliers and removed. Thus 92 responses were coded, into SPSS.

### **3.6 Data Collection Instrument**

The researcher used questionnaires to collect data. These questionnaires were designed to capture the objectives of the study. A pre-test of the questionnaire was administered on five farmers of a similar target group and the necessary changes were made to the questionnaire. This was to establish its appropriateness.

In all 42 survey questions and 44 qualitative questions were developed to collect relevant information from respondents. The introductory part of the questionnaire explained the purpose of the study to the respondents and assured them of strict confidentiality. The questionnaire cover a set of questions that captured the various areas stated in the objectives. Consequently each objective was stated as a section in the instrument. The questionnaire was put into four sections. The instrument was sequenced into open ended and close ended questions. It was administered through individual interviews and it expounded on social security pension in the informal sector the perspective of farmers in Shai Osu-Doku district.

### **3.7 Administration of Instruments**

The questionnaires were administered through a purposive sampling and snowballing to farming community. Once in the farming community, the researcher adopted the simple random sampling technique to select respondents for the research. This method was adopted because of the need to give equal chances to respondents and have an individual but independent response to the research. The first point of contact was the District Agricultural Office in Dodowa. After a short brief on the research, an assigned officer assisted the researcher to locate farmers who had come to the market to sell their wares.

From that point, the researcher purposefully administered questionnaire on respondents. Information to the location of farming communities was sought and farmers were interviewed in their homes. In Ayikuma the purposive sampling technique and snowballing to homes of farmers was also used. Once in the home the random sampling technique was used to administer questionnaire on respondent.

### **3.8 Data management**

The data gathered after correction and coding of open-ended questions were processed using the SPSS software. This was done serially to ensure that all the questionnaires are covered and also to permit correction of errors in the data entering process.

### **3.9 Data analysis**

For the purpose of analysis, the SPSS was used to generate frequency tables, cross-tabulations and charts. Quantitative methods were employed in the analysis of the survey data whilst Qualitative methods were used in the analysis of two official interviews. The data was organized into charts, percentages and figures based on the questionnaires given to respondents. The results were then analysed with the Statistical Package for the Social Sciences (SPSS) through descriptive statistics. Frequencies, percentages and cross tabulations were used to establish relationship between variables under study. Charts were used to graphically depict statistical summaries pictorially. This helped for easy interpretation of specific objective analysis.

#### **3.9.1 Specific Objective Analytical Framework**

- i. Find the level of awareness of farmers of the current Informal Sector Social Security Pension scheme,

A section of the questionnaire administered sort to find out the level of awareness of farmers of the current Informal Social Security Pension scheme. The section sought for knowledge first about formal social security pension and secondly about the informal social security policy tool, and the criterion for participation. Data collected was coded into SPSS and statistical frequencies were run to explain outcomes. Biographical variables were interacted with selected variables in this objective to analyse their associations. A cross tabulation explain the data collected. The established associations were compared and results were analysed, discussed and graphical presented.

- ii. Find out involvement and willingness of farmers participation in the Informal Sector Social Security Pension scheme.

A section of the questionnaire was dedicated to knowing how involved farmers are in participating in the ISSSPS. There was no secondary data to help establish the incidence, and compare with information gathered from primary sources. Primary data was used for this objective. Relationship between variables was Cross tabulated to descriptive association and analyses were made. Findings were presented in frequency tabulations, discussed and pictorially presented.

The willingness of farmers to participate was included in this section. Selected variables were also interacted with each other. The results were revealed in frequency tabulations supported by graphical presentations. Records of farmers' savings habit was valuable in explaining the sustainability of willingness and the degree of preparedness of farmers to participate in the informal social security pension scheme.

- iii. To find out factors that will stimulate participation in Social Security Pensions in the Informal Sector

Both quantitative and qualitative instrument were employed to address this objective. Quantitative design was used to address endogenous factors that stimulate participation. Qualitative instrument was used to address exogenous factors can stimulate participation. Exogenous factors indentified included contributions of public and private agencies that promote participation of farmers in informal social security pension scheme. Two key informant interviews were granted. Interviews were transcribed, coded, and themed. The thematic areas were discussed, analysed, and its impact on farmers' contribution was accessed with reference to farmers' participation.

### **3.10 Study Area**

Shai Osu-Doku district formerly known as Dangme West district is one of the districts in the greater Accra region with Dodowa as its capital town. Details of the 2014 Composite Budget of the Shai Osu-Doku district revealed that the district has a total population of 61,200. The total land area is 721sq. km. The vegetation is mainly coastal savannah with a small transitional zone along the foothills of the Akuapem range.

The main agricultural activities undertaken are livestock and crop production, fish production and other agro-processing activities. On the 6<sup>th</sup> of December, every month farmers are honored for distinguishing themselves in various categories in the district. These factors indicates that the district is made up of both commercial and small holder farmers who engage in a cross section of farming activities and as such can be considered as a good representation of farming in Ghana. All 167 communities in the district are farmed, hence the choice of this location for the study.

### **3.11 Quality Assurance**

The data collected from the field were edited for inconsistencies, errors and outliers to guarantee its quality. Data was collected from two sources, and efforts were made to differentiate them. Qualitative data that was gathered from the interviews, were transcribed, coded and put into meaningful themes for analysis.

Furthermore respondents were assisted to appreciate the study so as to grant sufficient and quality data to make the work more realistic. SPSS was used to generate statistical tool such as frequency tables, cross tabulations, pie charts and bar graphs. These tools were used to explain the data and discuss the findings. Contacts of key informants for the qualitative were taken so that follow-up on interviews in case of further clarification during the process of analysis can be made. Eventually, findings and conclusion were based on the responses of the specific group of respondents to ensure credibility.

### **3.12 Ethical Considerations**

Ethical issues were given careful consideration in the research method employed. Respondents' responses were highly protected with great confidentiality and respect. With respect to how data is managed, used, the researcher ensured that the study did not violate research rules. The purpose of the study was clearly spelt out to respondents. Their consent was fully sought before participating in the research. Added to that, data that was collected and used in this study was anonymously coded and cannot therefore be traced to individual for purposes of any unfair treatment. These ethical issues were of supreme importance to the researcher as far as the study was concern.

### 3.13 Limitations of the Study

Despite the great prospects for academia the study faced some limitations. The lack of funding and time constrain posed a major difficulty. To ensure a credible work with high confidence level, the researcher did her very best to collect enough and precise data for this study.



## Chapter Four

### Presentation and Discussion of Findings

#### 4.0 Introduction

This chapter presents the results of the study, using descriptive analysis of frequencies, cross sectional tabulations and charts. In general, farmers' forms the largest part of the informal sector of the country which is 24%. It is also true that majority of Ghana's agricultural economy is at the subsistence level and changes in weather conditions impacts on their earnings. This implies a high tendency of low levels of income and irregular earnings. This reality justifies the need to provide a secure future for farmers in the New Three Tier Pension Scheme.

The purpose for conducting this research was to find out the perspectives of farmers in Shai Osudoku district in enhancing the informal sector social security pension. The main concerns were their knowledge of the policies, their involvement in the scheme, and the potential factors that can help stimulate farmers' participation. The response rate of the questionnaires was 92%. The primary data was coded with the help of Statistical Package for Social Sciences (SPSS) and analyzed. Descriptive statistics, frequencies and cross tabulations were used to analyse the data.

#### 4.1 Demographic Description of Respondents

The survey result indicates that female and male respondents were evenly distributed. This formed 50% for each sex group. All respondents have ever married at the time of the research. Married males constituted forty-one representing (45%) and married females also constituted thirty-one representing (37%) and the rest are widowed. The section 59 of the National pension law (2008) Act 766, specifies that the minimum entry age at which a person may join the social security scheme is fifteen years and the maximum age is forty-five years. The age distribution among respondents aged 15-45 is fifty-five representing (59%) who were qualified to participate

in the Informal Sector Social Security Pension (ISSSPS). Males constitute twenty-seven representing (29%) and females twenty-eight representing (30%). These were higher than respondents aged 46-59 nineteen representing (21%) and 60-72 eighteen representing (20%) years old that were not qualified to participate in the ISSSPS at the time of the research. The age distribution by gender is tabled in 4.0.

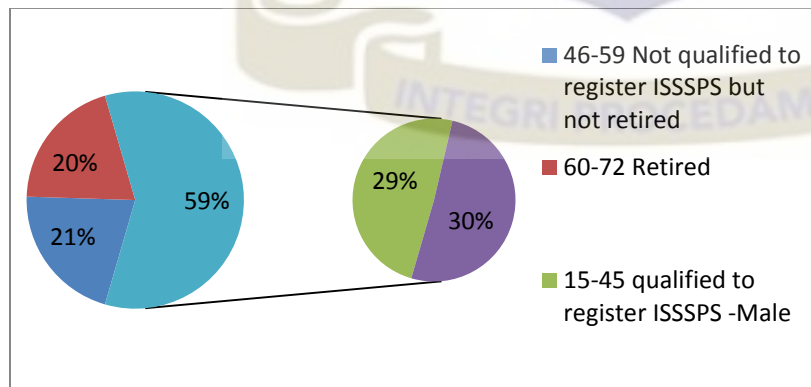
**Table 4.1: Percentage Age Distribution by Gender**

Description		Male	Female	Cumulative
Age	15-45 qualified to register ISSPS	29	30	59
	46-59 not qualified to register ISSPS but not retired	12	9	80
	60-72 Retired	9	11	100

Source: Field Data, (2015).

The pie chart below shows the distribution of age by gender.

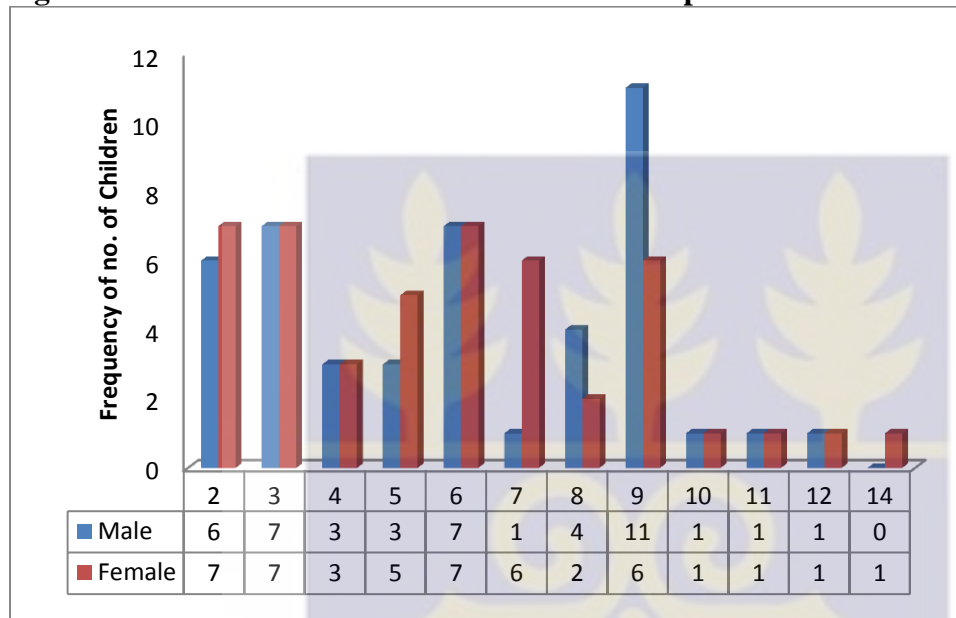
**Figure 4.1: Percentage of Age Distribution by Gender**



Source: Field Data, (2015).

All respondents had children between 2 and 14. This variable is key in this study due to the level of support that society expects from children to give their elderly parents. Figure 4.2 shows the absolute figures for the number of children per respondents.

**Figure 4.2: Number of Children across Sex of Respondents**

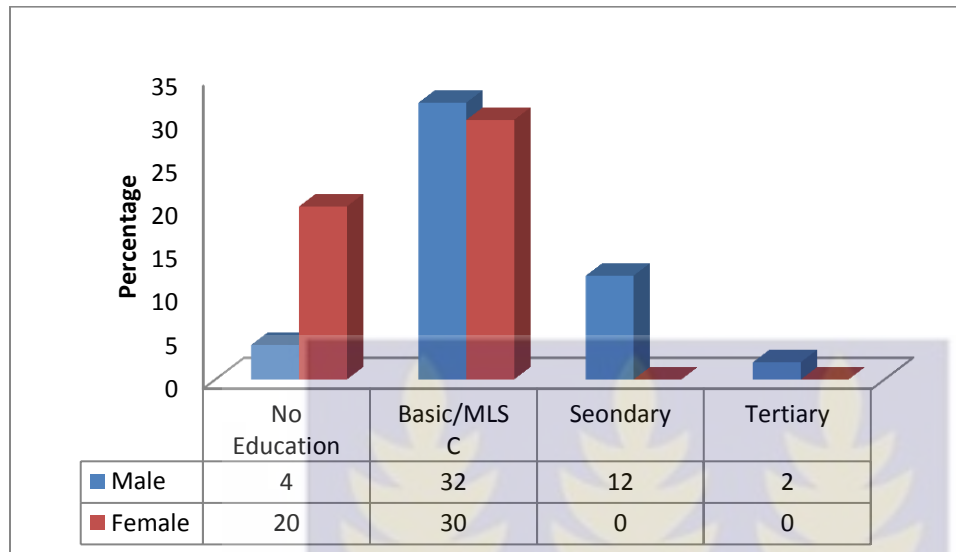


Source: Field Data,(2015).

The number of children with the highest frequency is 9. A total of 17 respondents (11 males and 6 females) had 9 children each. One female respondent had 14 children. The mean average number of children per respondent is 6. The tendency for respondents to have children is indispensable.

Statistics on educational attainment helped in knowing the present levels of education of the respondent and its influence on their knowledge, understanding and patronage of the ISSSPS. Almost two-third of the respondents fifty-seven representing (62%) has attained Basic education or Middle School Leaving Certificate. About a quarter of them, twenty-two representing (24%) has never been to school. Eleven representing (12%) have acquired Secondary level education and two representing (3.3%) have acquired Tertiary education. Figure 4.3 below show the percentage distribution of educational attainment.

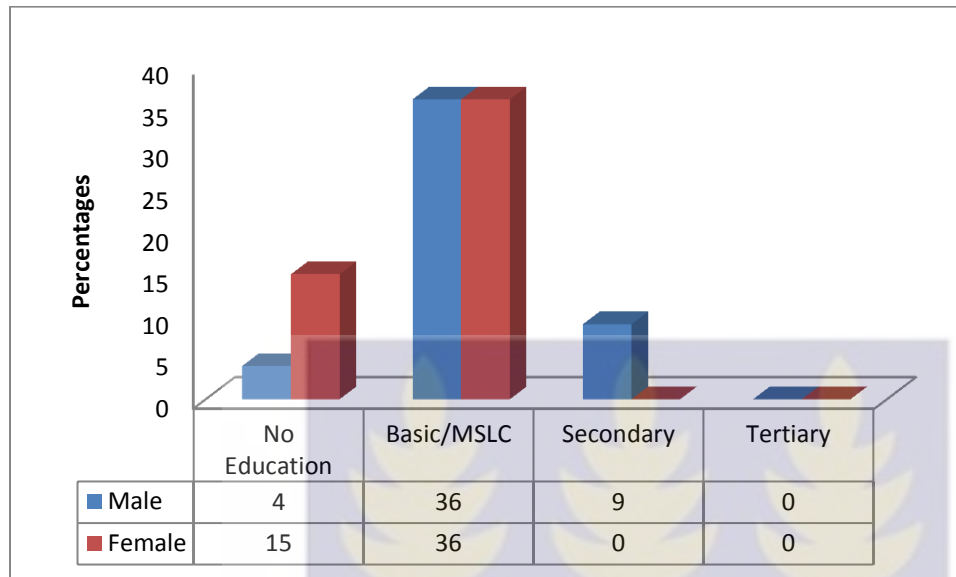
**Figure 4.3: Percentage of Educational Attainment by Gender**



Source: Field Data, (2015).

Those who have attained secondary and tertiary level education were previously formal sector workers who are currently doing subsistence farming for leisure and also as a supplement for their pensions. Their input was invaluable to the study. This was because their experiences as beneficiaries of pensions in a farming community were brought to bare in the study. Majority of respondents (62%) have acquired Basic or Middle School Leaving Certificate (MSLC). The highest level of education for females is Basic or MSLC whilst only 2% of males have attained Tertiary education and 12% secondary. The highest level of education for respondents within the qualified age range is secondary (20%). Among those who have no education females topped it at 20% and males 4%. None of the respondents within the qualified age range has attained tertiary level education. In figure 4.4, the educational background of male and female respondent within the qualified age range is depicted.

**Figure 4.4 Educational Attainment of 15-45 by Gender**



Source: Field data,(2015).

The survey indicates that a greater number of respondents forty representing (72%) within the 15-45 qualified to register have some level of basic education. This is evenly distributed among the gender (36%) each. Five representing (9%) of the male farmers have attained secondary education. None of the female respondents within the qualified age range has attained secondary level education. Eighteen representing (19%) of the respondents in the age bracket have no education, 4% male and 15% females. This is a clear evidence of low level of female education among farmers.

The food and Agriculture organisation reports in 2006 indicate that the agricultural sector contributes 45 % to Ghana’s GDP. Approximately 70 percent of the rural population depends on agricultural activities as a source of income. The subsistence agriculture sector accounts for 36 percent of agricultural GDP and employs 60% of Small Holder Farmers, the majority of whom are women on family operated farms. It further indicates that 80% of total agriculture production in Ghana is by Small Holder Farmers.

In all ninety representing (98%) of farmers who responded to the study were subsistence farmers. Male subsistence farmers constituted forty-four representing (48%) whilst female subsistence farmers constituted forty-six representing (50%). Respondents who were above the retiring age were eighteen representing (20%). Respondents mainly grew crops like maize, vegetables and a few mangoes to reap the seasonal cash. They normally grow in excess to be able to sell for incomes. The mangoes are usually sold out to either exporter or locally to meet the domestic market demand.

Fifty-Three representing (96%) of the Small Holder Farmers within the 15-45 year olds group are subsistence farmers. Twenty-Five representing (49%) are males and twenty-eight representing (51%) are females. Most of the respondents had worked as farmers for their entire life. The minimum number of years that respondent had farmed is 5years and the maximum 50years. Sixteen representing (17%) farmers have been farming for between 5-10 years. Thirty constituting (32%)of respondents have being farming for between 11-20 years and 16% of farmers who have being farming for more than 30years started farming as early as 9 years old. and they have no formal education.

The decision to retire at age 60 was highly contested among respondents. A greater numberof respondents forty-five representing (49%) aimed to retire from farming when they are weak and can no longer work. For them that time will be good enough to receive support from friends if any and family. Male respondents constitute twenty-five representing (27%) and female, twenty representing (22%) of the total respondents. Majority of respondents in this category are those who are not within the statutory qualified range 46-59 and 60 -72 year olds.

Respondents in this category had never thought of how old age could catch up with them that soon. Since most of them had no investment to rely on they are hoping to make it till they are weak. They also consider the decision to retire from farming when they are weak a prudent one; because that is the time they could win the support of care at old age.

The number of respondents who planned to retire at 60 is thirty-seven representing (40%). Out of this, twenty-one representing (23%) are males and sixteen representing (17%) are females. Thirty-Four representing (37%) of respondents that planned to retire at age 60 was within the age category of 15-45years old. From the survey report, these groups of respondents knew that they have more years ahead of them to plan for their pensions and confidently retire at age 60. However nine representing (10%) of respondents are afraid to lose their farmlands since they have been era marked by the council to be sold to commercial farmers and developers. Once their farmland are sold out, they deemed themselves to be on retirement until they find a farmland to cultivate.

#### **4.2 Knowledge about Existing Pension**

To find out whether Small Holder Farmers are aware and have some knowledge about the existence of a retirement policy tool to support their livelihood at old age, the study went ahead to ask respondents first, of their knowledge of SSNIT pension scheme. Their responses are shown in Table 4.2.

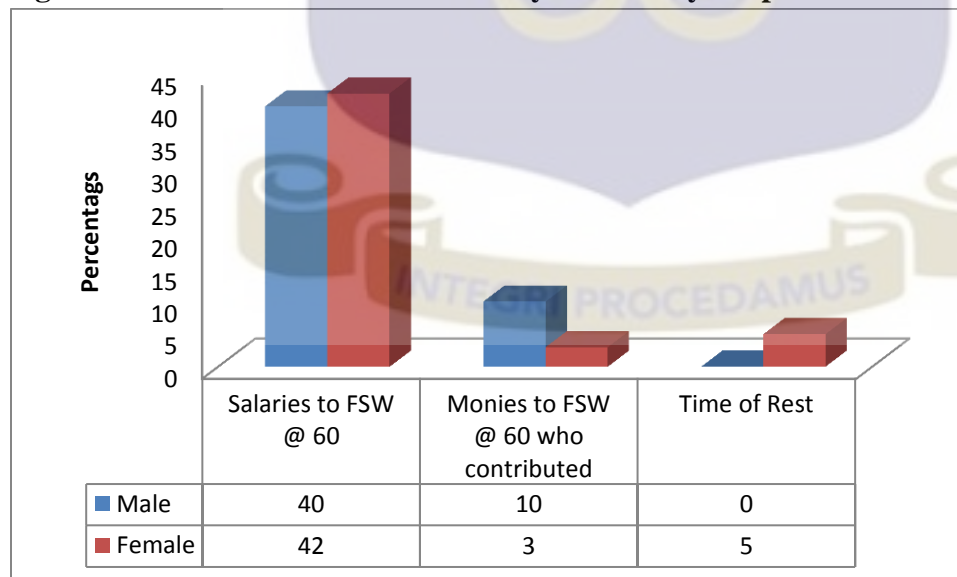
**Table 4.2: Definition of Social Security Pension by Respondents in Percentages**

Description	Male	Female	Cumulative
Salaries to Formal Sector Workers @ 60	40	42	82
Monies to Formal Sector Workers @ 60 who contributed	10	3	95
Time of rest	0	5	100

Source: Field Data,(2015).

It is evident from respondents’ definitions that all respondents have some knowledge about Social Security Pension. Eighty –Six (96%) of respondents knew that Social Security Pensions are paid to formal sector workers (FSW) and are 60 years old . Four (4%) knew it as time of rest for people who have being working. It is evident from respondents’ definitions that all respondents have heard about Social Security Pension. Figure 4.4 show the diagrammatic presentation of the knowledge of Social Security Pension.

**Figure 4.4: Definition of Social Security Pension by Respondents**

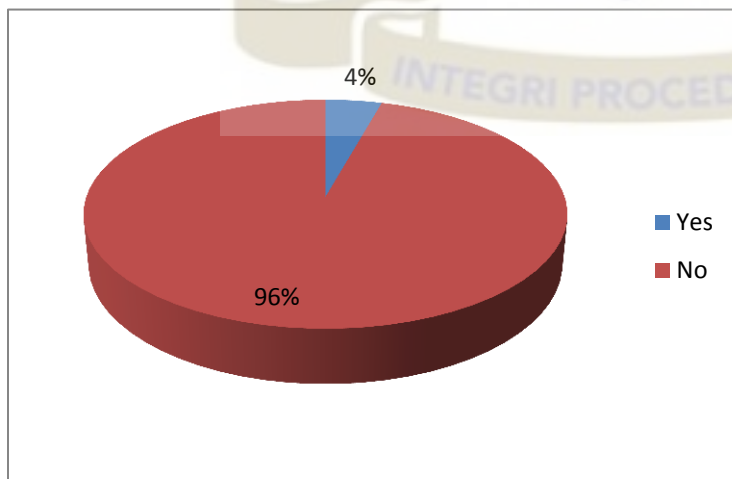


Source: Field Data, (2015).

Seventy-six respondents representing (82%) of respondents know Social Security Pensions as salary given to formal sector workers at 60 and cannot work. Thirty-Seven representing (40%) of these respondents are males, thirty-nine representing (42%) are females. Twelve representing(13%) of the respondents defined it in relation to Ghana’s contributory social security pensions as monies for those formal sector workers who contributed to pensions and are 60 year old. Nine representing (10%) of these respondents are males and three representing (3%) are females.

The category of respondents who were able to define Social Security Pension as beneficiaries of some contributions are those who had retired from formal sector work or have ever worked in the formal sector. Secondly for all respondents to be aware of the policy is partly due to the period of its existence and the mandatory nature for workers in the formal sector to participate. This makes it self-educative since failure to comply attracts a punitive measure as stated in the Legislative Act (PNDC Law 247) and in section (64) of the National Pension law (2008) Act 766. Given this background, respondents’ knowledge and level of awareness of the existing informal sector social security scheme was sought for and this is shown in Figure 4.5.

**Figure 4.5: Knowledge of Informal Social Security Scheme (ISSSPS) in Percentages**



Source: Field Data, (2015).

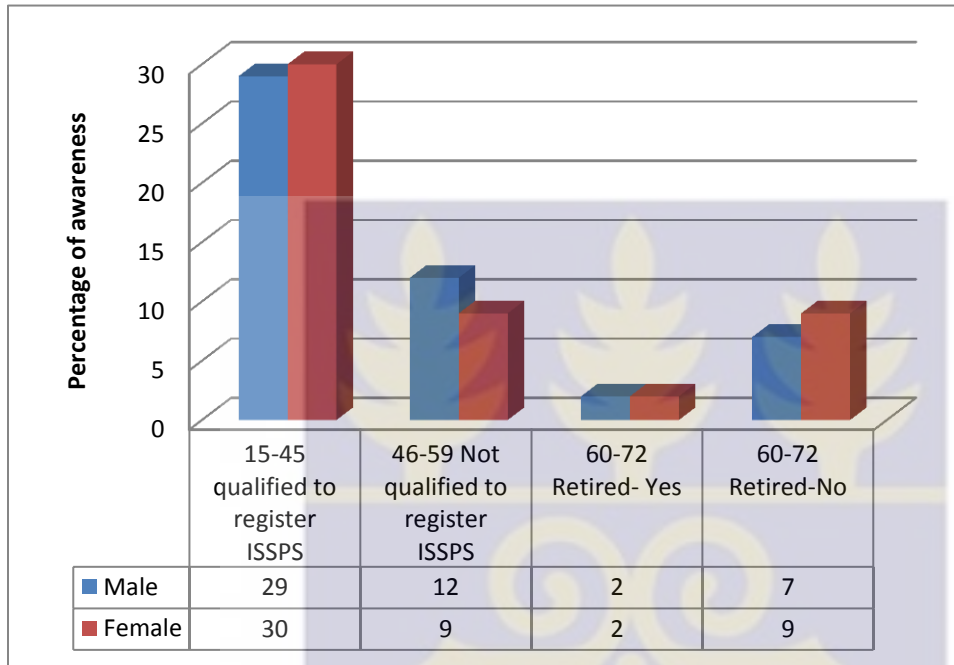
From figure 4.5 above, eighty-eight (96%) of respondents have no idea about Informal sector social security pension Scheme (ISSSPS). Four respondents have heard of about it. Three of those respondents related it to cocoa pensions which have not taken off and the last one heard of it during one of SSNIT educational forum but not in relation to the current pension law. Those who related it to cocoa pensions were informed by relatives living in cocoa growing communities.

The complete lack of knowledge can be due in part to the scheme not being introduced to the district officially as is usually done through inaugural ceremonies in Ghana. The qualitative data revealed that management of the SSNIT Informal Sector Fund (SISF) have never had any plans of introducing ISSSPS to farmers. The arrangement to provide pensions to cocoa farmers ended at its inception when the SISF was taken over by NTHC. However the current management of the SISF has no immediate plans of action to continue this arrangement (NTHC, 2015).



Knowledge about ISSSPS by gender and age is represented in figure 4.6 below.

**Figure 4.6: Percentage-Respondents Knowledge about ISSSPS by Gender and Age Distribution**



Source: Field Data,(2015).

Within the age bracket who are qualified to register, male respondents who did not have any knowledge about ISSSPS constitute 29% and females 30%. The percentages of male and female respondents who have knowledge about ISSSPS are even and they are within the retirement age. This could first be the result of low level of education from the government or service providers. Since it is voluntary and does not attract any punitive measure, neither government nor corporate trustees authorised to manage the scheme is compelled to invest in educating farmers about it.

Secondly the management of private trustees whose intent is to make profit would limit the extent of the provision of informal sector pensions to target profitable informal sector groups.

Further to the above, since all respondents were not participating, their willingness to participate in the scheme was questioned.

According to NPRA (2010) there are 25 corporate trustees of the ISSSPS who have been mandated by the regulatory authority to manage the ISSSPS. These are private companies with the objective of making profit. Hence among the informal sector pension provision, they will target informal sector groups that can give them the best returns and without any hassle of collecting contributions.

According to NTHC Trustee (2015), the informal sector pension, the trustee which has the largest contributors of informal sector workers has no plans of registering farmers in the immediate term. This is because they lack the necessary logistics to match up farmers needs. Thus there is no trustee currently providing farmers pensions under the ISSSPS.

#### **4.3 Involvement of Small Holder Farmers in ISSSPS**

All respondents of the study were not participating in the ISSSPS. They did not have any knowledge about the requirement of participation. Those respondents who had previously expressed knowledge of cocoa pensions and self employed pension did not have the slightest idea of the requirement to participation and the age of retirement. They did not know about other contributors to the scheme. This served as a proof of absolute lack of knowledge of the policy tool in the study area. The existing preparations of farmers about their plans of retirement is important to determine their participation if they are willing to participate in ISSSPS. Further to the above, respondents were asked about how they are planning their pensions and this is depicted in the table 4.3 and figure 4.8 below.

**Table 4.3: How Respondents Would Plan for Their Retirement**

Description	Percentage	Cumulative
My children will take care of me	41	41
Invest in farm business	11	52
No plans of retirement	13	65
Draw from Savings	35	100

Source: Field Data, (2015).

Traditional social networks have been a source of social assistance to many operators in the informal sector. Extended family members provide for the aged and the disabled, the sick and the unemployed members of the family, the new born child and the mother, the orphaned and even the complete stranger (Kumado and Gockel, 2003). However, this has its own setbacks. Schwarz (2003) explained that, the extended family has not been a safety net especially when their young ones are not economically sound to support their elderly.

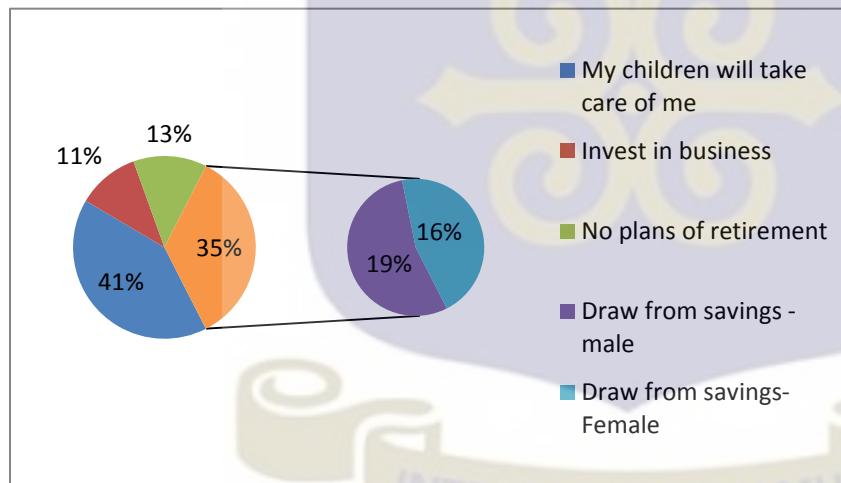
Table 4.3 provides information on how respondents would plan their retirement. A higher proportion of respondents thirty- eight representing (41%) held the view that their children would take care of them at old age. Filial piety is society's expectation of children's responsibilities towards their parents. This could explain why a respondent had as many as 14 children and the mean average of 6 children per respondent. More children in this context meant enough social security at old age.

Twelve representing (13%) of respondents have no plans of retirement. Farmers in Ghana usually work till they are weak. They mostly live with the extended family. When they are feeble they are given the necessary care by their children or other members of the family. This support net work is gradually being weakened by the emergence of nuclear families and social security (Adzawla et, al., 2015)

However changes in the social structure have fully not being inscribed in the thought of rural dwellers. Thus hardly do individuals strategically plan for their livelihood at old age and some farmer are no exception to these instances.

Traditionally Small Holder Farmers save in various forms. They save in seeds, property, engage in Informal Mutual Schemes, and revolving schemes and sometimes with the bank. Results from the survey show that thirty-two representing (35%) of the respondents plan to save toward retirement. Seventeen representing (19%) are males and fifteen representing (16%) are females. Two-Thirds of them are within the younger age bracket (15-45 year olds). A pictorial view is shown in figure 4.8.

**Figure 4.8 How Respondents Would Plan for Their Retirement**



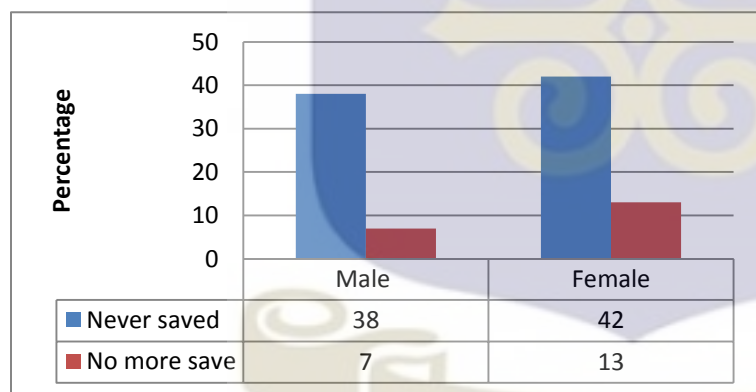
Source: Field Data, (2015).

Pensions are a form of long term savings. Once farmers have expressed a savings plan for pensions, an analysis of the savings habit of farmers is important to establish the reality of that plan towards pension. The questionnaire administered questions about the operation of respondents' savings account, membership of respondents to informal mutual schemes, informal farmers' revolving fund, and their ability to make regular contributions.

All respondents have no records of participation in the ISSSPS, but 35% have intentions of drawing from existing savings to support them at old age. Given this information, the savings habit of respondents was questioned during the administration of questionnaires to justify their intent, and whether that could determine participation in the scheme.

The survey results show that none of the respondents had a savings account at the time of the study. Eight-four representing (91%) of respondents has never saved with a bank. Forty representing (43%) are male and forty-four representing (48%) are females. Close to two-thirds are in the younger age bracket. Eight representing (9%) of the respondents had ever saved. Six representing (7%) of these respondents are male, and 2% are females. The savings habit of respondents who plan to draw from their savings is summarised in the figure below.

**Figure 4.9: Savings of Respondent Who Plan to Draw From Their Saving in Percentages**



Source: Field Data, (2015).

Figure 4.9 show that 80% of respondents have never saved. Male composition is 38% and female 42%. Respondents who could not continue their pension contributions after losing their jobs in the formal sector constitute 20%. Male constitute 7% and females, 13%. These respondents no longer save because their current incomes are low. None of the respondents who plans to draw

from savings to support old age livelihood could justify their preparedness if they become invalid sooner.

Although the new pension law included the informal sector, the Defined Benefit remains a reward for the public sector. According to Wilmore (2000) a voluntary contributory pensions for farmers in the informal sector tends to be a welfare package than a social protection mechanism. Further investigations into how respondents could support a minimum meaningful livelihood at old age questioned about their involvement in Informal Mutual Scheme (IMS). The study revealed that most of the young respondents (15-45 years old) are members of informal mutual schemes. Their composition of membership is twenty-one representing (23%) male and fourteen representing (15%) females. Members of informal mutual scheme share that they are indebted to the scheme and not able to make regular weakly contributions as it is expected of them. The elderly among them do not make any contributions.

Members of informal mutual schemes disclosed that the scheme provides social support as well as some financial support for non indebted members. This meant that once the individual is owing to the scheme, he or she might not be able to enjoy the full benefit financial support pledged to members. A comparison of the benefits of participating in mutual scheme against the benefits of participating in ISSSPS from the perspective of respondents revealed the following;

- I. Informal mutual scheme or Association does not support livelihood at old age. This is mainly because the associations may not have the needed funds to support their elderly. Those who survive longer years at old age may not have friends living to socially support each other.

- II. Older members of informal mutual scheme are not cared for by young members if they do not attend meetings.

Older members attend meetings for reasons of social connections and not for care. In addition, they are given a funeral when they pass on. Those that are not able to attend to meetings forfeit all such benefits. This mostly happens because the mutual schemes do not have up to date records of membership. Farmers' involvement in revolving savings that grants interest free credit to them is dysfunctional due to the high default rate. The study further sought to find out the willingness of farmers to participate in ISSSPS should it be available. The result is summarised in the table below.

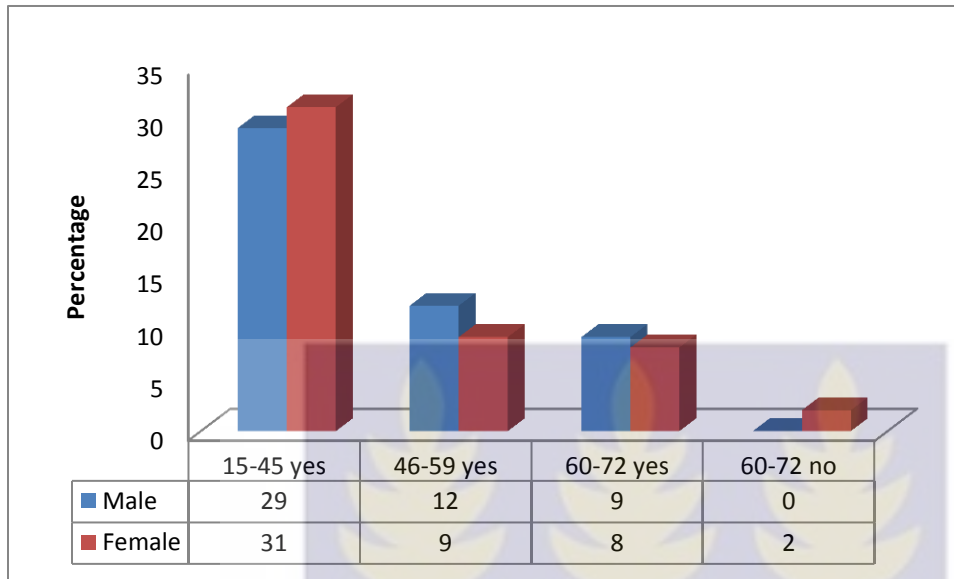
**Table 4.4: Relationship between Willingness to Participate \* Age in Percentages**

Willingness	Male	Female	Cumulative
15-45 Yes	29	31	60
46-59 Yes	12	9	81
60-72 Yes	9	8	98
Yes	0	2	100

Source: Field Data, (2015).

Given the age limit that ISSSPS places on participation, the analysis will concentrate on the 15-45 qualified ages to register ISSSPS. All respondents who are qualified to register fifty-five representing (60%) expressed willingness to participate in ISSSPS. Males constitute 29% and females 31%. This is further depicted in the figure below.

**Figure 4.10 Relationship between Willingness to Participate \* Age in Percentages**



Source: Field Data, (2015).

The willingness to contribute was tested through the administration of the questionnaire to justify respondents' ability to afford a continuum contribution to ISSSPS. A total of thirty-one representing (34%) respondents said they can afford a regular contribution if they were participating. Eleven representing (12%) are male and twenty representing (22%) are females. Sixty-one representing (66%) of respondents answered no because they are not sure if they could make regular contribution to ISSSPS. 38% are males and 28% females. Within the qualified age group, who can afford a regular contribution, nine representing (16%) are males and Sixteen (29%) are females. A total of thirty representing (55%) within the qualified age are not sure if they can afford.

Hu et. al. (2009) explained that a serious problem for this group are often low income levels, vulnerability to economic volatility and adverse changes in weather conditions. Their reason was, they usually have low levels of income. However, the poor will never vote against social security since they can anticipate poverty at old age therefore their willingness to participate Tabellini (2000).

In line with this Willmore (2000) and Tabellini (2000) emphasised the need for all pensions' schemes, to introduce the mandatory Defined Benefit in all sectors as the first Tier so as to bridge the income inequality gap. This has the potential force of pulling farmers to contribute to the other Tiers. Voluntary contributory social security pension scheme will not be able to serve the redistributive function of Social Security. It will widen the income inequality gap at old age and may be seen as a welfare package than a social protection policy tool Willmore (2000).

The poor who cannot afford to contribute will remain poor at old age. The aim of using social security pension policy tool to eradicate absolute poverty at old age will not be realised within the framework of Ghana's Third Tier in the Three Tier Pension Scheme (World Bank 1994).The minimum time period for withdrawing from the savings of the ISSSPS is after five years from the date of first contribution section 110 (2) (b) National Pension Law (2008). The study sort to find out, whether respondents who are willing to participate in ISSSPS will be able to sustain contribution over the minimum savings period. This is shown in table 4.5.

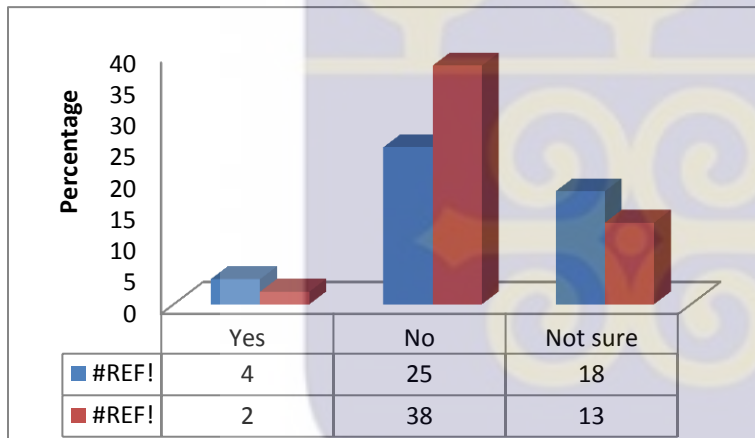
**Table 4.5: Percentage of Respondents Able to Sustain Contributions for 5 Years**

No withdrawal until 5yrs	Male	Female	Cumulative
Yes	4	2	6
No	25	38	69
Not sure	18	13	100

Source: Field Data, (2015).

When the ability of respondents to sustain contributions without withdrawing until 5 years was accessed, the number of respondents who are willing to participate in ISSSPS dropped. Percentage of Male respondents within the qualified age range who are willing to participate and have the ability to sustain contributions dropped from 10% to 4%, whilst female respondents within the qualified age range who are willing to participate and have the ability to sustain contributions dropped from 17% to 2%. This is further explained in figure 4.11.

**Figure 4.11: Percentage of Respondents Able to sustain Contributions for 5 Years**



Source: Field Data, (2015).

Many of the farmers could not rule out the need to plough back profit, if any, into their business than to put it into long term savings (Tabellini, 2000). In addition, the sustainability of the programme is directly linked to affordability. In Ghana the National Tripartite Committee (NTC) determines the National Daily Minimum Wage (NDMW) which applies to all forms of employment. The 2011 NDMW is GH ₵ 6. It is evident in the work of Baah, (2007) that more than half of workers in the informal economy earn below the legislated national minimum wage.

The GLSS 6 (2014:54) reports that the average minimum wage of agricultural sector workers is GH¢0.69 per hour which is equivalent to GH¢5.52 a day. This, according to the report is lower than the national legislated minimum of GH¢ 6 a day. Although quite low, majority of farmers still earn lower than the accepted minimum a day in an irregular manner. Their incomes are mainly seasonal and the amount that one receives is dependent also on some exogenous factors. In view of this respondents were asked about any anticipated challenges that are likely to affect their participation. This is tabled in 4.6 below.

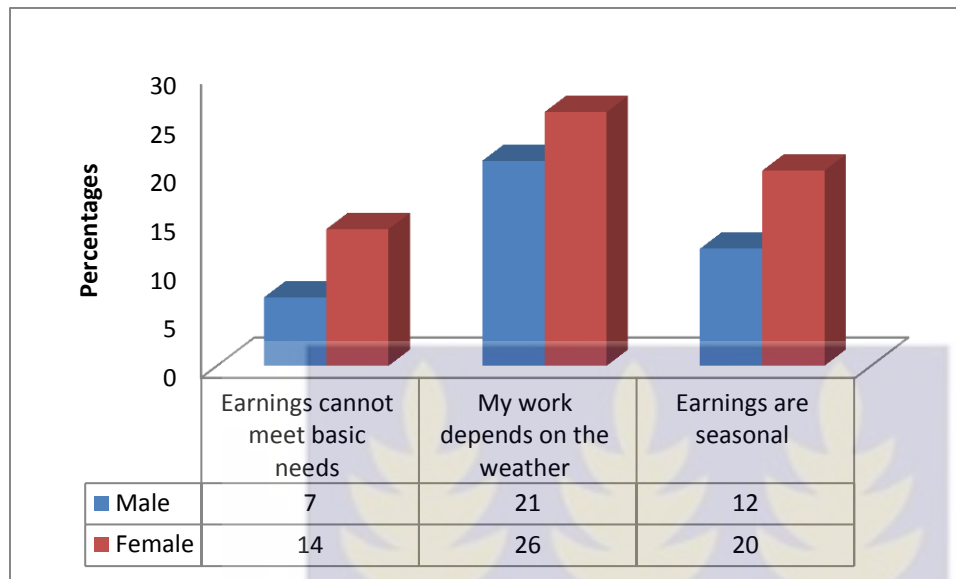
**Table 4.6 Anticipated Challenges of 15-45 Year Olds for Participation in ISSSPS (%)**

Description	Male	Female	Cumulative
Earnings cannot meet basic needs	7	14	21
My work depends on the weather	21	26	68
Earnings are seasonal	12	20	100

Source: Field Data, (2015).

Table 4.6, shows the anticipated challenges of those within the qualified age to register ISSSPS. 47% anticipated that their earnings depends on weather changes and that can affect their ability to make regular contributions. 21% of these respondents are males and 26% are females. Respondents' who cannot meet their basic needs within the qualified age group is 21%. 7% are males and 14% are females and 32% said their earnings are seasonal. Thus contributing to pensions according to farmers would be an additional challenge and burden that would be difficult to bare. This is graphically presented in the diagram below.

**Figure 4.12: Anticipated Challenges for Participation of 15-45 Year Old**



Source: Field Data, (2015).

Based on the above discussions, the survey sought for the perspectives of farmers on how ISSSPS should be organised with reference to their unique features as farmers. All farmers are aware of their contribution to food security in Ghana. In line with this knowledge, farmers 47% of both male and female respondents said ISSSPS should be made compulsory since it has some benefit in the future. 25% of respondents who were not sure of how regular their earnings could be, said it should be voluntary and 19% said it should be tied to how much they earn during the season.

The survey further revealed that 98% of farmers are in favour of a social security pension scheme that has the mandatory Defined Benefit as the Tier One with a Tier Two tied to their seasonal earnings. According to them, this would be a sure way of helping them to improve upon their livelihood at old age and make farming enviable to attract more young ones into the sector. The 2% of respondent said it should be the same way as it is for those who are interested and can afford to participate.

Further to the above, 67% respondents explained that the current state of pension provision for farmers cannot attract more farmers to be part of the scheme. This is because of their low levels of income. However, 16% agreed that if given the education and support for their farm businesses in the form of loans, and farm inputs, some farmers would participate in the scheme and 17% were not sure of whether farmers could afford the contributions.

#### **4.4 Factors that Stimulate Participation**

The analysis of the survey shows that there are endogenous and exogenous factors that impact on farming activities and can influence participation of farmers in ISSSPS. The endogenous factors include their motivation to increase farm size to increase earnings, their desire to increase knowledge on modern farm practices, the use of high-yielding seedlings, correct application of agro-chemical and adequate use of extension services.

Exogenous factors that are likely to impact on farmers' participation are adverse weather conditions that are likely to affect the regularity of farmers' earnings. Irregularity of earnings could affect farmers' access to credit hence low levels of capital. The district is currently promoting mechanized farming and commercialization of farms in the district, large scale farming has been of predominant interest to the district (The Composite Budget 2014).

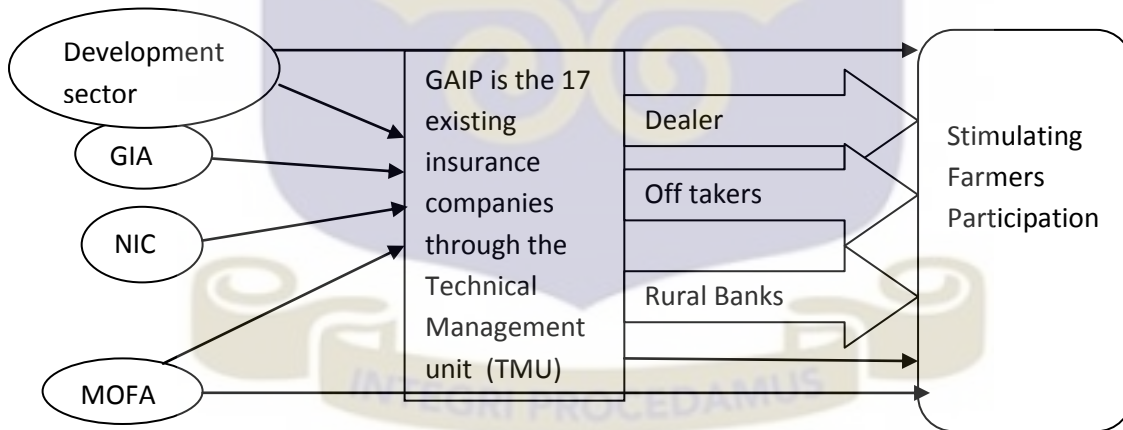
According to some Small Holder Farmers, their lands are in the process of being taken away by the council for commercial farmers. Access to and ownership of farm land in the district has now become an indispensable exogenous factor. Farmers whose land had already been taken away from them have become redundant. Currently Agricultural contribution to GDP has fallen from

31% in 2009 to 22% in 2013 (GSS 2014) this is also an indication of a withdrawal of farmers from the sector due to its current unattractive nature.

#### 4.5 Contributions of Private and Public Agencies

To address some of these challenges, and enhance participation, the contributions of some private and public agencies were identified as key in dealing with most of the exogenous factors identified. Results from the qualitative data shows that contributions of Public and Private Agencies in the agricultural sector can help to promote the participation of farmers in ISSSP. The thematic diagram below shows the contributions of some private and public agencies in the agricultural sector.

**Figure 4.13 Contributions of Public and Private Agencies in Promoting the Participation of farmers in ISSSP**



Source: Field Data, (2015).

From the thematic diagram above the development sector which comprise of Non Governmental Organisations and development partners have been instrumental in financing and developing initiatives in the agricultural sector (MOFA, 2015). The German Development Cooperation initiated and co-financed the Ghana Agricultural Insurance Programme to start off.

#### **4.5.1 Development Sector**

The German Federal Ministry of Environment, Nature Conservation and Nuclear Safety (BMU) had invested a total of € 3,832,000 to fund agriculture insurance. This was in collaboration with NIC, MOFA and GIA. The USAID-Financing Ghanaian Agricultural Project (USAID-Fin GAP) has invested \$150,000 to enable GAIP to offer market and sell insurance products to agribusinesses and financial and rural banks in Ghana (GAIP 2015).

#### **4.5.2 Ghana Insurance Association and GAIP**

The Ghana Insurance Association (GIA) and National Insurance Commission (NIC) had worked together from the beginning of the programme to ensure that GAIP provides the needed insurance to farmers according to each need. Till date GIA has adequately financed the day to day operations of GAIP through its 17 member existing insurance companies. This support helps GAIP to extend its services to other regions of the country. NIC has assisted GAIP to develop specific agricultural insurance products to farmers. Currently the agency is developing a regulatory policy framework to guide the activities of GAIP in its operations.

#### **4.5.3 Ministry of Food and Agriculture (MoFA)**

The Ministry of Food and Agriculture (MoFA) has provided various extension services to farmers. In the phase of recent concerns about climate change farmers' traditional knowledge about farming practices can hardly help the escape of extreme harsh weather conditions (Giliani 2013). The agency develops high yielding hybrid plants for farmers that are weather resistant. It provides valuable extension services to farmers, and sensitisation and education of farmers on various agricultural subjects. In relation to GAIP, MoFA has been very instrumental to introduce them to farming communities. MoFA has helped sensitised farmers of the need to protect their investment through Agricultural Insurance.

#### **4.5.4 Technical Management Unit (TMU)**

Through GAIP the Technical Management Unit (TMU) has provided various insurance products to help protect the investments of farmers, off takers and dealers. These include weather index insurance, crop yield insurance, and multi peril insurance. Since its inception, the TMU has insured over 3000 farmers in eight different regions, such as the three Northern regions, Brong Ahafo region, Ashanti region, Volta region, Western and Eastern region.

The TMU has built 18 automatic weather stations in five regions to help generate weather index data for farmers. This is also to facilitate extension services for MoFA. In addition to the above the TMU has trained extension officers on the use of modern equipment to help generate accurate and precise forces on yield for farmers. Further to this the TMU insure the businesses of off takers and dealers in the agric sector.

#### **4.5.5 Off Takers, Dealers and Rural Banks**

Off taker are those independent investors who invest directly into farmers business in exchange for their produce. Once their businesses are protected through insurance, they are confident to invest in farmers businesses. In the occurrence of any negative eventuality, they get their sum assured from GAIP and not to fold up. In the same way, dealers in fertilizers, farm tools who sell their product on credit to farmers and wait till harvesting periods to be paid do not lose their investments if harsh weather conditions affects yield.

The provision of agricultural insurance by GAIP to farmers, off takers and dealers protects farmers in their farming businesses. It has increased the chances of insured farmers of access to loans. Most farmers have testified a leap from low levels of income and irregular earning to increasing and stable earnings (GAIP 2015).

However, findings from the qualitative data revealed that as a result of resource constraints GAIP has not being able to scale up its operations to cover all farming communities. Thus even though the study area might be closer to the capital, Accra, and the inability for MoFA to provide the needed data, in the district has hampered GAIP operation in the area. Currently no farmer in Shai Osu-Doku District has taken an agricultural insurance to protect their farms.

## **Chapter Five**

### **Summary, Recommendations and Conclusions**

#### **5.0 Introduction**

This chapter discusses the summary of the major findings, outlines recommendations from farmers about informal sector social security pension for policy and makes conclusions. The result from the analysis of the social security among farmers is summarized in this chapter. This drew on information from the both quantitative and qualitative questionnaires administered and from literature to support the justifications. In addition, the implications of the results are outlined in the conclusions. The final section includes recommendations for policy to deal with the challenges identified. This includes route for future research.

#### **5.1 Summary of Objectives and Major Findings**

This study sought to find out the perspective of farmers of the informal social security pension scheme in Shai Osu-Doku district. The general objective of the study was to explore how social security can be enhanced from the perspective of farmers in Shai Osu-Doku district. The specific objectives were set to help achieve the general objective. These were first, to uncover the level of awareness of farmers of the current Informal Social Security Pension scheme. Secondly, to find the involvement of farmers' and willingness to participation in the Informal Social Security Pension scheme and lastly to identify the factors that are likely stimulate farmers' participation in Informal Sector Social Security Pensions scheme.

### 5.1.1 Level of Awareness

To uncover the level of awareness of farmers of the current Informal Sector Social Security Pension scheme, the study established that all respondents have knowledge about formal sector social security pensions. The reason for this is because of the years of existence, the mandatory nature of it which calls for automatic registration of every public sector worker, the publicly funded First Tier and the fact that most retired persons return to the village to live there for the rest of their lives.

Respondents defined social security pensions differently and this revealed the depth of knowledge that each had about social security pensions. Seventy-Six (76%) defined pensions as salaries to formal sector workers who are 60years old. A further 12% said it is monies given to workers who have contributed to pensions and are 60years old. 4% of respondents explained that it is a time of rest for formal sector workers.

However, none of the respondents have heard about informal sector social security pension scheme that caters for the needs of farmers at old age. This is firstly due to the less government and the voluntary nature of the scheme. Since it is not compulsory, cooperate trustees who are private companies might choose to register farmers depending on their assessment of profitability. Secondly the voluntary nature of the policy does not compel contributors nor cooperate trustees to register farmers. Thirdly low levels of income and irregular earnings among farmers frustrate farmers' ability to contribute to the scheme. Lastly since the programme begun not too long, there is no record of any one in the village benefiting from the scheme.

The general level of education was very low. Seventy-Two (72%) of respondents within the qualified age range have only completed basic education of which males constituted 36% and females 36%. A total of 19% of the qualified age group have no educational attainment. The general low level of education among farmers can cripple their ability to arouse their curiosity about government programmes available to favour their livelihood.

Further to this, even if they are aware and are contributing to this laudable course tricksters might show up to exploit them. For instance the case of one respondent who is a cocoa farmer in another region, states that “I contribute to cocoa pensions even though I am 60 years. I hope to retire at 62 and begin to benefit from pension.” If indeed the respondent is contributing to pensions at age 60 then it means fraudsters are already out there exploiting illiterate farmers when the cocoa pensions had not even taken off.

Overall, 96% of respondents have never heard of Informal Sector Social Security Pension scheme which caters for farmers pensions. Whilst the rest who have some idea about farmers pension, related it to cocoa pensions which has not yet materialised and self employed pensions. Those who explained that it was the same as self employed pensions were retired formal sector workers who got to know of it during one of SSNIT education forums even before 2008 but could not relate it to farmers’ pensions.

Since respondents are not involved in the informal sector social security pension scheme because they are not aware the need to find out how they are planning for old age became eminent. A sizeable number (41%) of respondents believe in filial piety. They said they will take every opportunity to educate and take good care of their children so that their children will take care of them in future. Having as many children as possible is prominent to respondents. The average

number of children to respondents is 6 children. The least was 2 children and the maximum number recorded was 14 children. This is followed by savings (35%), investment in farming business (11%), and no plans of retirement (13%).

### **5.1.2 Involvement of Small Holder Farmers in participation**

At the time of the study 20% of respondents who said they will draw from their savings previously contributed to formal sector pensions when they were workers in the formal sector. When they lost their jobs, they could no longer contribute personally. Those who started a savings on their own are no longer saving due to the continuous fall in the quantum of harvest. Apart from this group of people, none of the respondents within the qualified age group of 15-45 years old had ever been involved in any social security pension scheme.

A further investigation from the administration of the questionnaires about the savings habit of respondents who plan to draw from their savings on retirement revealed that, none of the respondents had any savings at the time of the study. 80% of this group had never saved. In addition to the above, their involvement in informal mutual schemes was accessed and the findings revealed that most of the members of mutual scheme were young farmers who fall within the qualified age group. Respondents who were members of mutual schemes constituted 38% of the 15-45 years old.

### **5.1.3 Willingness of Small holder Farmers to participate**

In the absence of practical involvement in the informal sector social security pensions for farmers, the willingness of farmers to participation was questioned and the survey results shows that 98% of all respondents were willing to contribute including some over 60's. The 2% who showed no interest were over 60 who were aware that they would not qualify to register. All

respondents within the qualified age range were willing to participate should the scheme be available in the district despite their age.

To test if the willingness to participate have the ability to translate into involvement, their involvement in associations such as informal mutual scheme was examined. It turned out that, 38% are members of informal mutual schemes such as associations and church groups. 62% do not belong to informal mutual schemes. Those who were members of mutual scheme were all within the younger respondents. Results of the study showed that those who are not members of the informal mutual schemes tried to do so to save themselves from the humiliation of not been able to pay for weekly association dues. Of those who are members have problems of regular default and not able to make regular contributions.

A further justification to test whether those who are willing to participate in ISSSPS can sustain regular contribution was assessed. Within the qualified age bracket, 45% of respondents said they can make regular contributions; 16% male and 29% females. A total of 55% of respondent within the qualified age group are not sure if they can make regular contributions to the scheme.

Since contributions to pension increases annually with salary increment, the study questioned respondents through the administration of questionnaire if they could increase their contributions annually. Respondents within the qualified age bracket who can sustain contributions for a minimum of five years constituted 6%, those who are not sure 31% and respondents who cannot constitute 63%.

Another justification of respondents' willingness to participation was their existing savings saving habit. At the time of the study, none of the respondents had savings accounts. However,

eight representing (9%) used to have savings but no longer save because they can no longer save due to the continues decline in the yield of their produce.

From the discussion above, since voluntary contributory pensions is a generic term for long term savings, a good savings habit could be a good criteria to justify that those who are willing can afford to sustain contributions. Once respondents do not have savings, it is clear that although farmers are willing to participate in ISSSPS, their willingness is not backed by any evidence that they can afford to contribute or sustain contribution over the minimum savings of 5 years. The study went further to find out whether the policy tool targets the farmers. All respondents responded negatively and said it does not address them. Their reasons most of them cannot afford a contribution when they need monies to invest into their farms.

#### **5.1.4 Institutional Contributions to Participation**

Lastly, to examine the extent to which endogenous and exogenous factors can stimulate participation. The study found out that there is frantic effort by development partner, private and state institutions to help farmers secure their investments and have a meaningful livelihood. Institutions like MoFA, Ghana Agricultural Insurance Pool, German International Corporation, have not rested on their loins to provide farmers protection for their investments.

The MoFA has directly educated farmers through its extension services department to offer farmers valuable modern information on high yielding seed and seedlings, and farm practices. The German Federal Ministry of Environment, Nature Conservation and Nuclear Safety (BMU) had invested a total of: € 3,832,000 in the establishment of Agricultural insurance mainly to protect farmers' investments in crop and plant life. The USAID has invested \$150,000 through its Fin GAP project to Agricultural Insurance.

The Ghana Agricultural Insurance Pool came in handy to provide protection for farmers' investment in plant crop and animal life. They have protected farmers across the country by insuring their investments through various insurance products such as weather insurance, crop index insurance and multi peril insurance.

Agricultural insurance has benefitted policy holders by protecting their cost of production against extreme weather patterns and allowed them to remain in production following a disaster. Policy holders' have confident in investing more resources into their farming business. Banks are now expanding their agricultural lending portfolios once the risk of default is reduced by relevant insurance products. Input suppliers who pre-finance seeds and fertilizers to farmers have peace of mind. They no longer risk big losses as a result of crop failure.

Agricultural insurance is currently creating a virtuous circle. There is the reduced economic risk due to climate change and it is allowing players to act more boldly and take on more investment risk. Available data show that in 2011, the first weather insurance sold to four institutions in Ghana, and this covered over 3,000 Small Holder Farmers. In October 2012, 136 farmers who are policy holders in the Northern region received the first pay out of the under the Draught index insurance product.

However, the Ghana Agricultural Insurance is still in its pilot stages and as a result not being able to establish its presence throughout the country. Presently, most agricultural communities including the study area has not yet felt the presence of GAIP. Hence are still faced with the volatilities that harsh weather conditions have on their earnings.

## **5.2 Recommended Strategic Framework**

A strategic framework to increase participation of Small Holder Farmers in ISSSF would actively involve MoFA, NPRA on behalf of pension service providers and GAIP, Chiefs, Opinion Leaders of Small Holder Farmers, and Small Holder Farmers themselves.

### **5.2.1 MoFA / Government**

The Ministry of Food and Agriculture is government agency that serves as liaison to communicate government agricultural policies to Small Holder Farmers, and feedback from Small Holder Farmers to government. In some cases they offer training for Small Holder Farmers on best agricultural practices. In the light of this, MoFA should be allowed to make input into Small Holder Farmers Pension and be involved by NPRA to communicate the needed information on The Three Tier pension scheme to Small Holder Farmers. In this way awareness of the ISSSP will be created among Small Holder Farmers in a language they understand.

### **5.2.2 NPRA**

The collaboration between NPRA and MoFA can be an extended arm to facilitate awareness of ISSSP among Small Holder Farmers. At the same time feedback from Small Holder Farmers as to the reasons why they can or cannot participate in the ISSSP can be easily accessed by NPRA through MoFA. This can help to shape the ISSSP policy direction on Small Holder Farmers pension.

### **5.2.3 GAIP**

The Ghana Agricultural Insurance Pool should extend its operations to the Small Holder Farmer. In this way the inconsistencies in the Small Holder Farmers earnings can be stabilized through

the insurance of their farms. Small Holder Farmers can then predict their earnings and take calculated risk.

#### **5.2.4 Chiefs and Opinion Leaders**

Most Small Holder Farmers are illiterate but they normally have representatives who communicate their concerns to institutions. These leaders can be identified by NPRA for training on ISSSP. A periodic policy dialog among NPRA, Chiefs and Opinion Leaders can be held to identify the needs and capacities of Small Holder Farmers. This can help to draw a custom ISSSP that can address the needs of Small Holder Farmers. Chiefs and opinion Leaders can be also be trained to collate detailed and actual lifestyle feedback from Small Holder Farmers to NPRA.

Recommendations to Small Holder Farmers:

Findings of the study generated a number of submissions for farmers which can lead to some changes in their social and economic wellbeing, in reference to planning for retirement. These submissions are manifested in education, curiosity, and savings.

1. Small Holder Farmers are not to be blamed for their low levels of education but there is a learning path in any career that professionals in that career have to imbibe and master. Small Holder Farmers should make it a necessary need to educate themselves on modern methods of farming. Make the necessary effort to be abreast with the various policies and programmes that impact on their business and livelihood. Their associations and groups should lend itself to officials who would come in to educate them on government policies and initiatives. In additions to this, they should petition appropriate authorities through MoFA to factor in their concerns in their policy submissions.

2. Closely linked to the education, farmers should show keen interest in policies, programmes and initiatives of the government. Be prepared to question the impulse of these policies and initiatives to inform policy makers of their feasibility. If they look on for social policies that affects their lives to be solely formulated and implemented by government, their entitlement by right would be handed to them as welfare packages.

3. Long term savings should be encouraged at all levels. However small it might be to take care of long term needs like pension benefit. Farmers should not be pre occupied with immediate needs but be also concern about such products as insurance for their farms to protect their investments.

## **5.2 Recommendations for Policy Makers from Small Holder Farmers**

Findings from the study offered some submissions for policy makers in Ghana from the perspective of farmers: the various submissions are themed in Management, Education, Funding, and Public and Private Partnership.

### **5.2.1 Management**

Government should take every necessary step to convert the informal sector pension scheme to a compulsory scheme. This has the potential of drawing more participants into the scheme. It can also compel authorised corporate Trustees to step up actions to enhance participation. Authorised Corporate Trustees should be charged with additional duties of establishing their presence across the length and breadth of the country to make it easy for pension registration.

### **5.2.2 Education**

Policy makers should step-up actions that compel authorised Corporate Trustees to invest in the education of farmers on pensions and make services readily available to them. A Community level education with the spotlight on awareness creation on retirement issues. This can be done through education of the populace in the local media in local languages that they are familiar with. Government should also be involved in the education of the farmers through its existing established mechanisms and structures.

### **5.2.3 Funding**

The Defined Benefit of the First Tier should be extended to all Small Holder Farmers in the country. A percentage of the GDP could set aside to finance farmers' pension. The tax exemption in the Second and Third Tier should be removed and monies gained, invested in the payment of defined contributory pensions. The system could also be financed through specific food processing projects. The system could without doubt be faced with targeting errors but a national identification that specifies the occupations of nationals could help identify farmers due pension.

### **5.2.4 Public and Private Partnership**

Public and Private Partnership should be strengthen and each contributions to directly or indirectly stimulate participation of farmers in ISSSPS should be recognised and enhanced.

### **5.3 Future Research**

Route for future research could include the livelihood strategy of Small Holder Farmers who have lost their lands to commercial farmers and the extent to which institutional contributions can be enhanced to stimulate farmers' participation in the ISSSPS.

### **5.4 Conclusion**

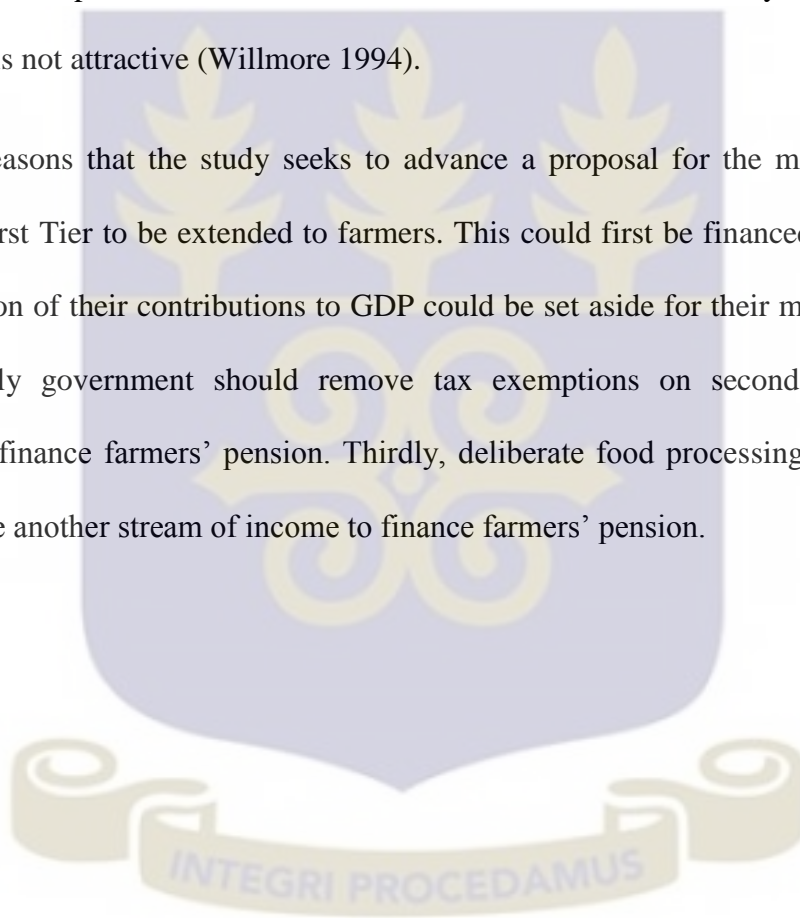
Throughout this research, the study has sought to explore informal sector social security pensions from the perspective of farmers. This is because of the failure of the voluntary pension scheme meant mainly for the informal sector to reach farmers. The sector is characterized by low levels of income, irregular earnings, and neglect by policy makers and exploitation by off takers. The majority of people are living with very little hope of being included to benefit from any laudable policy.

Extended assistance from NGOs and MoFA has been immeasurable but this has not been without exploitation. Government should give GAIP the needed policy guide and frame work to facilitate the scaling up of its services to all farmers. Its functioning restores the confidence of farmers, off takers, dealer in agricultural inputs and banks to take on more risk investment in the agricultural sector.

An analysis of the 3 broad objectives sheds light on the need for an all-inclusive policy tool to serve the social security needs of the farmers. Retired farmers who had contributed to GDP have nothing to show for their input to Ghana's development at old age. They live at the benevolence of their already poor relatives. There is no active policy that takes care of their needs at old age. The current pension policy boxes all informal sector worker into the Third Tier of the Three Tier Pension Scheme without recognising the unique characteristics of farmers.

Farmers are seasonal income earners; the perishable nature of their produce does not allow them to store for higher prices hence their low incomes. In addition to this, unpredictable hash weather conditions impact negatively on their harvest and this threaten the livelihood of majority farmers. Further to this, authorised corporate trustees by virtue of their profit orientation are not motivated to register farmers for pensions. Preview to the above, a consistent voluntary contribution to the pension scheme is not attractive (Willmore 1994).

It is for these reasons that the study seeks to advance a proposal for the mandatory Defined Benefit of the First Tier to be extended to farmers. This could first be financed by a percentage of GDP. A portion of their contributions to GDP could be set aside for their mandatory Defined Benefit. Secondly government should remove tax exemptions on second and Third Tier contributions to finance farmers' pension. Thirdly, deliberate food processing project could be set up to generate another stream of income to finance farmers' pension.



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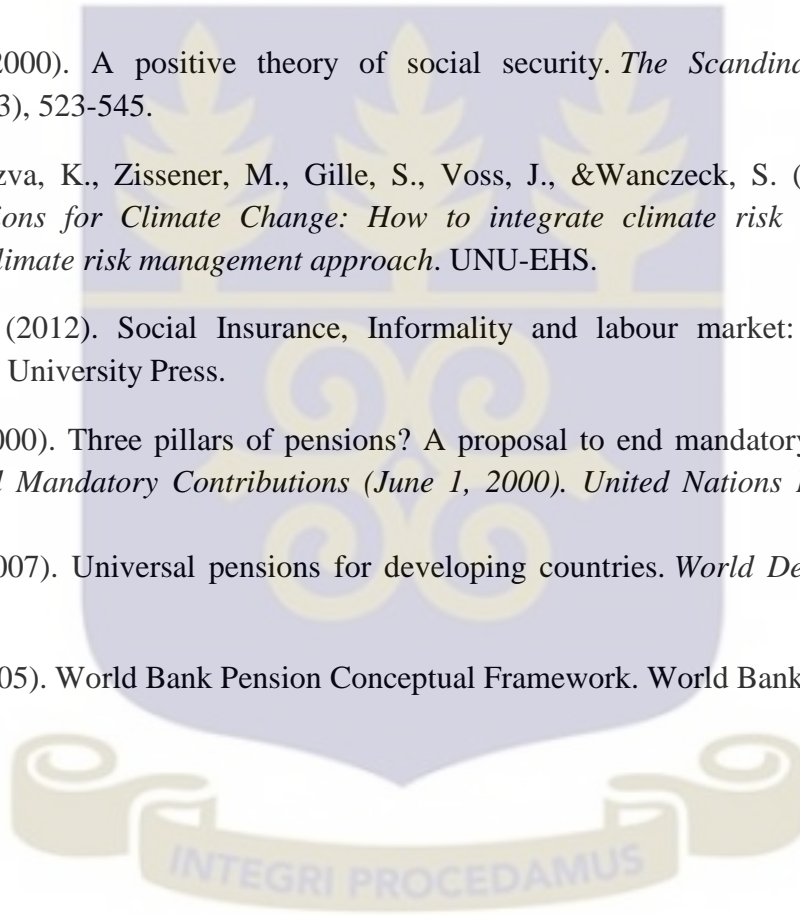
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## Appendix

### QUESTIONNAIRES

Social Security Pensions in the Informal Sector: The Perspective of Farmers in the ShaiOsu – Doku District.

I am an MA Social Policy student of the University of the Ghana, Legon. I am conducting a study on Enhancing Social Security Pensions in the Informal Sector: the Perspective of Farmers in the ShaiOsu – Doku District.

I would deeply appreciate some minutes of your time to respond to these questions. Your responses will be treated in strict confidence. Thank you for your time and responses.

#### SECTION A: Biographical Information

1. Community      Dodowa ( )      Ayikuma ( )
2. Date.....
3. Question No ( )
4. How old are you ( )
5. Sex    M ( )    F ( )
6. Marital Status    Single ( )    Married ( )    Divorced ( )    Widowed ( )
7. Number of Children(.....)
8. Educational Background      Basic ( )      Secondary ( )      Tertiary ( )
9. Occupation      Subsistence Farmer ( )      Employee of a Commercial Farm ( )
10. How many years have you been Farming? .....
11. Type of Farming      Crop ( )      Animal ( )      Mixed ( )      Other Specify.....

12. When do you intend to retire? a) when I am weak and can no longer work ( )

b) when I get a different job ( ) c) Specified Age ( )

13. Why do you want to retire at such a time or instance?

a) That is the retirement age ( )

b) I do not have any work to do ( )

c) I may not have any support till I am weak ( )

a) If stop early I would be weak early ( )

## SECTION B

First Objective: Awareness of farmers of the current Informal Sector Social Security Pension Scheme.

14. What is Social Security Pension Scheme?

a) Formal sector workers at 60 ( )

b) Formal sector workers at 60 and are weak ( )

c) Formal sector workers who contribute to pensions and are 60yrs ( )

d) Time of rest for elderly workers ( )

15. Do you have any idea about the Informal Sector Social Security Pension Scheme?

a) Yes ( ) b) No ( ) continue from question 25

16. If yes, what do you know about the scheme?

.....  
.....

17. How did you get to know about the scheme?

- a) Service provider ( )    b) Relative/Friend ( )    c) Assembly ( )

18. Are you a participant of the scheme?    a) Yes ( )    b) No ( ) continue from question 25

19. If you are a member, what are the requirements for participation?

.....

.....

20. Do you know anyone who contributes to the Informal Sector Social Security Pension Scheme?    Yes ( )    No ( ) continue from 23

### SECTION C

Second Objective: Find the involvement of farmers' willingness to participate in the Informal Social Security Pension scheme.

21. If you are participating, for how long have you being contributing? (.....)

22. How do you contribute?    a) Groups ( )    b) Agent ( )    c) Bank ( )    d) Mobile Money ( )

23. If No, why are you not a participant of the scheme?    a) Not aware ( )    b) No office here ( )    c) Cannot afford even if it was here ( )

24. If No how would you or have planned for your retirement?

a) My children will take care of me ( )

b) My Investment in business ( )

c) Draw from Savings ( )

25. Are you a member of an informal mutual scheme? Yes ( )    No ( ) continue from 28

26. What are the benefits of the mutual scheme?    a) Social support ( )    b) Care ( )

c) Financial Support ( )

27. Does informal mutual scheme support livelihood at old age? Yes ( ) No ( )
28. Do you have a savings account? Yes ( ) No ( ) continue from question 37
29. How regular do you save? a) Daily Susu ( ) b) Market days ( ) c) Harvest Sales ( )  
d) No available Saving( )
30. What is the purpose of savings?

.....  
.....

SECTION D

Third Objective: Challenges to participation by farmers in the existing Informal Sector Social Security Pension Scheme

31. If you are a member, of ISSPS are you able to make regular contributions? Yes ( )  
No ( )

32. Why are you not able to make regular contributions?

.....  
.....

33. If you were aware of Informal Sector Social Security Pension Scheme would you be able to make the same amount of contribution consistently for 5 years? Yes ( ) No( )

34. Would you be able to increase your contributions at the end of every year for 5 years?

Yes ( ) No( ) answer 37

35. Why would you not be able to increase your contributions at the end of every year for 5 years?

a) I cannot predict because farming depends on the weather ( )

b) Because my income is irregular ( )

36. What specific challenge do you anticipate could affect contribution? a) Service providers are not regular ( ) b) Contributions are too high ( ) c) My income is irregular ( ) d) I do not earn much ( ) e) My basic needs swallows up my earnings ( )

37. If you were a member of ISSPS what challenges do you anticipate?

I cannot make regular contributions:

Because my earnings cannot support my basic needs ( )

Because my earnings are irregular and it depends on the weather ( )

SECTION E

Fourth Objective: Institutional Contribution to participation

38. What is the work of Mofa in extending services on the farm

.....  
.....

39. Do you have any form of insurance to protect your farm crop and plant life?

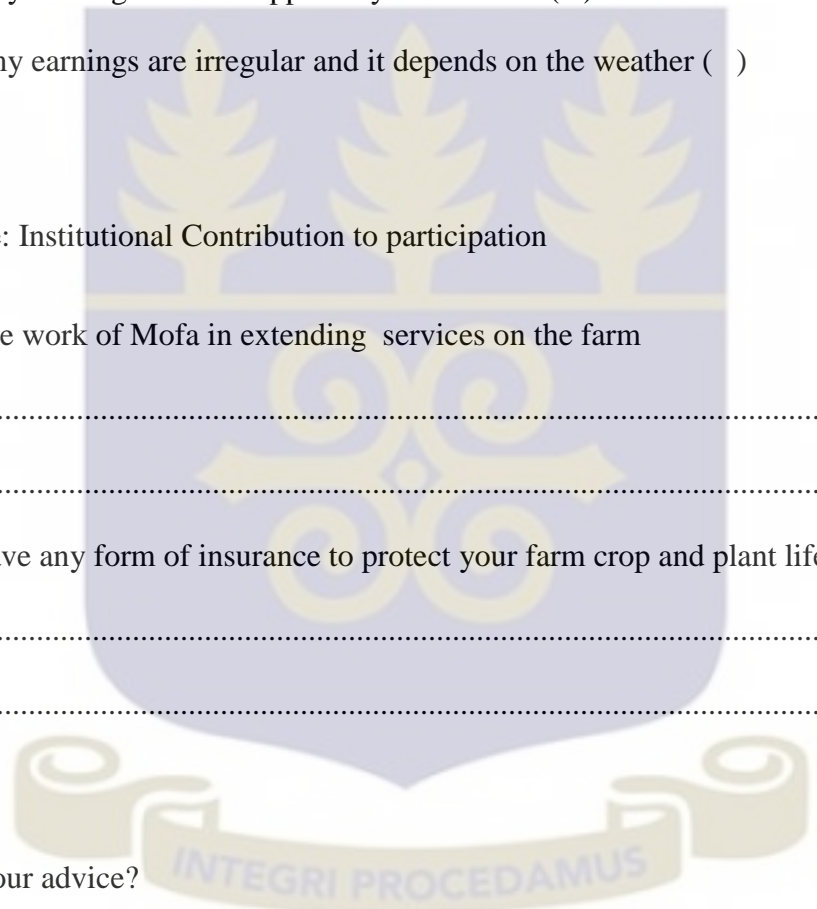
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SECTION F

40. What is your advice?

- a) Farmers' pension should be the same as Formal sector pensions ( )
- b) Farmers should not contribute to pensions but be given pensions ( )
- c) Farmers' contribution should be seasonal ( )

41. In your view, is the existing Informal Sector Social Security Pension Scheme good enough to attract farmers in ShaiOsu-DokuDoku District? Yes ( ) No ( )



42. Interviewee Comments

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.....

Social Security Pensions in the Informal Sector: The Perspective of Farmers in the ShaiOsu – Doku District.

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I would deeply appreciate some minutes of your time to respond to these questions. Your responses will be treated in strict confidence. Thank you for your time and responses.

SECTION A: Biographical Information

Name of Institution.....

Name of Expert.....

Tel. No. ....

1. Date.....
2. Question No ( )
3. Age of respondent ( )
4. Sex M ( ) F ( )
5. Marital Status Married ( ) Divorced ( ) Widowed ( )
6. Educational Background Basic ( ) Secondary ( ) Tertiary ( )

7. Position .....

SECTION B

8. What is the agricultural insurance about?
9. What is the level of awareness of agricultural insurance?
10. What situation(s) in the country informed the establishment of the agricultural insurance?
11. What policy frame work guide the implementation of Agricultural insurance?
12. What regulatory framework that guides GAIP?
13. How is the MoFA involved in agricultural insurance in Ghana?
14. Have they been able to meet targets in the delivered of their role?
15. What do you think are their possible challenges that seem to inhibit their performance?
16. What is the role of NIC?
17. Have they been able to meet targets in the delivered of their role
18. What do you think are their possible challenges that seem to inhibit their performance?
19. What is the role of MOFA
20. Have they been able to meet targets in the delivered of their role
21. What do you think are their possible challenges that seem to inhibit their performance?
22. Who are the TMU and what do they do?
23. Have they been able to meet targets in the delivery of their duties?
24. What do you think are their possible challenges that seem to inhibit their performance?
25. Who are the trustees
26. What is their roles

27. Have they been able to meet targets in the delivered of their role
28. What do you think are their possible challenges that seem to inhibit their performance?
29. Over all what does it aim to achieve?
30. What are some of the specific objective and the variables GAIP seeks to measure?
31. What specific agricultural areas are you targeting now and why?
32. What scales of agriculture are you targeting and why?
33. Is the insurance for the farmers or their businesses?
34. Why is it for business and
35. Why is it for farmers
36. What is the agricultural insurance covering?
37. How do you reach your target?
38. Is it a nationwide programme?
39. How easy are farmers able to access the programmed
40. What is the status of agricultural insurance delivery,
41. What structures have you put in place to ensure that the products are provided directly to farmers?
42. What are the challenges in providing agricultural insurance?

Supply side Challenges

Demand side Challenges

43. Do you have any presence in ShaiOsu-Doku District?
44. Comment

