PREPARATIONS OF GHANAIAN FORMAL AND INFORMAL SECTOR WORKERS TOWARDS RETIREMENT

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DECLARATION

I Delali A. Dovie hereby declare that this thesis was written by me under the supervision of Professor Dan-Bright S. Dzorgbo, Dr. Kofi Ohene-Konadu and Dr. Alhassan Sulemana Anamzoya, that, this is an original work, which has never been presented to any institution in part or whole for the award of any degree.

I further declare that full acknowledgement has been given to the ideas and views of other people used in this thesis.

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DEDICATION

I dedicate this thesis to my spouse and my family, whose unimaginable support and encouragement have propelled me to aim high and for the best in life.

May the good Lord bless you abundantly for being there for me.

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Glory, honour and adoration be to God for his grace, strength, protection, provision and guidance in the journey of life.

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ABSTRACT

The study sought to compare retirement preparation among formal and informal sector workers. The study's objectives are to: provide an overview of existing policies on retirement planning, profile state and other corporate institutions' role in retirement planning, investigate formal and informal sector workers' retirement aspirations and retirement planning information sources, articulate formal and informal sector workers' instituted retirement plans and explore challenges encountered. Using explanatory sequential mixed methods, qualitative and quantitative datasets were collected from institutions and individual workers utilising key informant and in-depth interviews and survey. The datasets were managed and analysed using Nvivo and SPSS. The findings indicate that pension policy fosters a conducive enabling environment for retirement preparation. Formal sector workers anticipate retiring early, dependence on pension income, lump sum and paid work beyond retirement. Informal sector ones expect reliance on investment income, susu and children. Planning information was obtained from organisations, family and friends, yet awareness about the national pension system was poor among workers, especially the informal sector. Income facilitates retirement planning. Approximately 86% of the respondents were planning for retirement. Formal sector plans were financial and informal ones were semi-financial in nature. The implication of the resolution of industrial action in relation to pension fund management and salary increment cannot be ignored. Formal workers are well prepared for retirement compared to their informal sector workers. Occupational benefits may supplement individual plans. In conclusion, the study's outcome has implications for the realisation of workers' retirement goals, adequate planning knowledge, salary increment has effects on further retirement investments. Pay review using job evaluation which yields pay that is commensurate to work demands is recommended.

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LIST OF ACRONYMS

AU	African Union
BOG	Bank of Ghana
CHRAJ	Commission for Human Rights and Administrative justice
CLOSSAG	Civil and Local Government
FWSC	Fair Wages and Salaries' Commission
GCCSFA	Ghana Cocoa, Coffee and Sheanut Farmers Association
GHOSPA	Ghana Hospital Association of Pharmacists
GNAT	Ghana National Association of Teachers
GOG	Government of Ghana
GPRTU	Ghana Private Road Transport Union
GSS	Ghana Statistical Service
ILO	International Labour Organisation
ISD	Information Services Department
JHS	Junior High School
JUSAG	Judicial Staff Association of Ghana
MGCSP	Ministry of Gender, Children and Social Protection
NAGRAT	National Association of Graduate Teachers
NCCE	National Commission for Civic Education
NLC	Nation Labour Commission
NPRA	National Pensions Regulatory Authority
NPS	National Pension Scheme
NRCD	Social Security Decree

OAEs	Old Age Entitlements
PNDC	Provisional National Defense Council
PNDCL	Provisional National Defense Council Law
PRE	Pre-retirement education
PSPs	Pension Service Providers
PTC	Presbyterian Training College
SHS	Senior High School
SIC FSL	State Insurance Company Financial Services Limited
SSNIT	Social Security and National Insurance Trust
SSNIT ISF	Social Security and National Insurance Trust Informal Sector Fund
TDC	Tema Development Corporation
TMA	Tema Metropolitan Assembly
TUC	Trades Union Congress
U.K.	United Kingdom
U.S.	United States
UN	United Nations
UNECE	United Nations Economic Community for Europe
UNIWA	United Informal Sector Workers' Association
UTAG	University Teachers' Association of Ghana
WAEC	West African Examinations Council

CHAPTER ONE

INTRODUCTION TO THE STUDY

1.0 Background to the study

Population ageing is occurring worldwide due mainly to fertility, decreasing mortality and lengthening life expectancy (Agbobli, 2011; Moody, 2010; Novak, 2006; Sharma and Agarwal, 1996; United Nations (UN), 2013; United Nation's Economic Community for Europe (UNECE), 2015; Zaidi, 2015). "The global share of 60 years old and above increased from 9.2% in 1990 to 11.7% in 2013, reaching 21.1% by 2050" (UN, 2013: 14). The UN (2013) intimates that about two-thirds of the world's older people live in developing countries. By 2050, nearly 8 in 10 of the world's older population will live in the less developed regions including Africa and Ghana. These are indicative of an impending burden for the elderly and it is imperative for both governments and individuals to prepare towards retirement especially in view of longevity.

With population ageing comes the issue of retirement, which occurs in the life course constituting a major transition period (Apt, 1996; Anibueze, 2013; Hervé, Baily, Joulain and Alaphilippe, 2012; Wilson and Aggrey, 2012; Muratore, Earl, and Collins, 2014). Retirement is a transition that denotes a new stage in life that has its own name and organisations dedicated to it, and its own financial and legal infrastructure (Anibueze, 2013; Roncaglia, 2010). Retirement is associated with the need for social security which can be obtained through formal and informal social protection. Formal social protection includes social security and/or pensions (Agbobli, 2011; Barrientos, 2004; Kumado and Gockel, 2003). Pension systems and the associated contributions worldwide are one of the major mechanisms for preparing towards retirement, the significance of which cannot be overemphasised. It is a key source of old age income support in the 21st century. Hence, its importance has been broadly recognised with respect to the nation's economic stability including the security of ageing populations (Holzmann and Hinz, 2005). Informal social protection on the other hand entails extended family support especially from children, participation in susu and credit union (Aboderin, 2004; Apt, 1996; Barrientos, 2004; van der Geest, 2002).

Whatever form retirement planning takes, whether from a formal or an informal sector point of view, it is affected by existing policy environment, particularly with respect to formal conditions, rules and regulations regarding pension scheme contributions among others. This may entail conditions of work, trending economic situation, and many more. All of which are pertinent in the context of this study.

1.1 Problem statement

Approximately two-thirds of the world's older people already live in developing countries as earlier indicated. By 2050, almost 8 in 10 of this number will live in the less developed regions. The that the highest representation of older people aged 60 years and above will be at 12% from Africa by 2050, while it estimated it to be 9.5% by 2030. Ghana's population of 60 years old and above is increasing and estimated to be proportionately 6.7% in 2010, while life expectancy has been estimated at 60 and 63 years for men and women respectively. It is for these reasons that there is the need to think about retirement planning more seriously. In Africa including Ghana in particular four other reasons may pertain. First, the weakened extended family support system due to urbanisation and modernisation of the economy. Second, there exists deteriorating economic circumstance with implications for support. Third, there is declining health conditions. Finally, increased numbers of those living longer need to do so in financially sustainable ways, otherwise face the consequences of poverty in old age.

In 2050, when all workers are 60 years, are they all going to depend on pension contributions, the family or is there going to be a shift? In other words, how are workers going to be planning for their lives? Further, in the Ghanaian context where there are more workers in the informal sector approximately 80% than the formal sector (20%), how is this going to be undertaken?

Available literature on retirement planning is mostly on pension contributions; pre-retirement planning and adjustment to retirement; adaptation to retirement. Additionally, some studies have concentrated solely on financial planning. However, there seems to be little research available on the voluntary preparations workers make towards retirement in addition to pension contributions.

The previous pension schemes that existed in Ghana were largely in favour of formal sector workers. On the other hand, the new 'three-tier pension scheme' elaborately creates the opportunity for all workers' participation, particularly informal sector workers.

Yet, the proportion of Ghana's population that is excluded from social security work largely in the informal sector. Many workers in the informal sector are not able or unwilling to contribute a relatively high percentage of their incomes to finance social benefits that do not meet their priority needs. Whereas, pensioners are not able to feed themselves well, with some living on a meal a day due to inadequate pension incomes, implying that post-retirement poverty may be rife in the absence of adequate planning towards retirement, which depicts a serious problem. In effect, in

Africa, and Ghana for that matter, people age poor even for the formally employed. As a result, there are older people who have never joined a pension system, neither have they had sufficient resources in aid of preparation towards a formal pension for their old age. One wonders how people in this category survive in post-retirement life. Moreover, previous researches have not disaggregated retirement planning along the life course from formal and informal sector divide.

The critical question therefore is, how else do formal and informal sector workers prepare towards retirement in addition to pension contributions? The essence of the above indicated question constitutes the core of the problem the study sought to explore. It gives credence to the fact that old age poverty may be rife if involuntary retirement plans are not complemented with voluntary plans. With rising longevity, more people are living to old age albeit counting on surviving close to eight decades, if not longer. In addition, population ageing has an effect on the burden of demographic dependency, which is looming. Moreover, rapid and extensive social change in contemporary times has significant alterations over time, over human thoughts, behaviour patterns, culture (including norms and values) and structure. These alterations as earlier mentioned may be due to modernisation, changes in family orientation including the nucleation of the family, incessant economic hardship, and many more in the Ghanaian society. These alterations reflect the need for formal and informal sector workers to adapt to life under these circumstances through the process of retirement planning. Doing so will enable them to adapt to the changing behavioural patterns depicted for instance, by increasing nucleation of the family as well as the weakening of the extended family system including the support it used to provide.

Essentially, retirement planning is incomplete without informal plans in addition to pension contributions and other savings and investments. Yet, few studies have clearly articulated what it means to plan for retirement beyond pension contribution including planning along the life course. Voluntarily, workers may institute informal arrangements which may be undertaken for a myriad of reasons including the building of social relationships. In consequence, how then do workers across the formal and informal divides negotiate the building of social networks in preparation towards retirement? It will be worth knowing whether or not workers encounter any forms of challenges in the process of preparing towards retirement. It will also be interesting to ascertain any forms of ensuing resistance between workers and institutions and/or policy in terms of issues related to salary and pension contribution. It is for these reasons that the study sought to investigate how else formal sector workers are planning beyond the mandatory pension contributions on the one hand, and the retirement preparations of the informal sector ones on the other hand.

1.2 Research objectives

On the one hand, formal sector workers do mandatorily plan towards retirement through pension contributions, yet this alone may not suffice for them in an era of increased longevity. It is not compulsory for informal sector workers, on the other hand to plan for retirement. Therefore the main objective of the study was to assess comparatively the preparations of formal sector and informal sector workers towards retirement. The specific objectives are to:

1. provide an overview of existing policies on retirement planning;
2. profile the role of state and other corporate institutions in retirement planning;
3. investigate formal and informal sector workers' retirement aspirations and sources of retirement planning information;

4. articulate the various forms of retirement planning undertaken by formal and informal sector workers; and
5. outline the challenges encountered by formal and informal sector workers in preparing towards retirement and make recommendations.

In addressing these objectives, the following specific research questions were developed for the study.

1. How does the Ghanaian retirement planning policy environment facilitate retirement planning among formal and informal sector workers?
2. What are formal and informal sector workers' retirement aspirations and expectations?
3. What are formal and informal sector workers' sources of retirement planning information?
4. How are formal and informal sector workers preparing for retirement in addition to pension contributions?
5. How do the experiences of individual workplace problems in relation to salaries and pension funds management among formal and informal sector workers foment collective responses and how do these impact retirement planning?

1.3 Definition of concepts

In discussing retirement preparation among formal and informal sector workers, such concepts as formal and informal sector work, retirement aspirations, financial literacy, retirement as well as retirement planning were found to be very useful. These have been explicated below.

Formal and informal sector work

In the literature on work, work has been classified into two, namely formal and informal. Formal sector work denotes work in the public and civil services including the private formal sector.

Formal sector work in this study's context relates to public and private service work. Self-employed work in this study relates to non-farm self-employed work situated in the urban setting. Informal work is taken to mean work that is not declared to the state but is legal in other aspects and is seen as a break on development and a residue of previous times (Round, 2009).

Retirement

Retirement is a life transition. It is the institutionalised separation of an individual from his/her occupational position with continuation of income from a retirement provision based on prior years of service (Roncaglia, 2010) mostly in the case of the formal sector. In the case of the informal sector, retirement denotes a gradual disengagement from active service often necessitated by ill-health or frailty.

Retirement aspirations

Preparation towards retirement requires the setting of certain goals that guide the process, hence the need for retirement aspirations. Retirement aspirations denote the retirement goals of the individual worker. Indeed, the basic principle which guides retirement preparation is the provision of the objectives or goals which forms the basis of the institution of plans aimed to achieve. It is on the basis of this that McAlister, Lindenmayer, and McLean (2005) and Zaidi (2015) have asserted that it is essential to understand the retirement aspirations, expectations and outcomes of pre-retirees. Discussing all the possible outcomes of these retirement aspirations and expectations is well beyond the scope of this study. Instead, the study only looks at the more obvious and significant aspirations and expectations.

Financial literacy

In preparing towards retirement, it is expedient to at least have knowledge of the products to invest in and how to do so. This brings to the fore the notion of financial literacy. Financial literacy has been defined in diverse ways. First, it has been defined with regard to numeracy (Lusardi and Mitchell, 2007). Second, financial knowledge has been defined as the ability to make informed judgments and to make effective decisions regarding the use and management of money (Worthington, 2005). Third, Remund (2010) on the other hand defined it as a measure of understanding key financial concepts. In defining financial literacy, Moores (2003:29) stated that:

> Individuals are considered financially literate if they are competent and can demonstrate they have used knowledge they have learned. Financial literacy cannot be measured directly so proxies must be used. Literacy is obtained through practical experience and active integration of knowledge. As people become more literate they become increasingly more financially sophisticated and it is conjectured that this may also mean that an individual may be more competent.

However, financial literacy is facilitated by financial education, which the Organisation for Economic Cooperation and Development (OECD) (2005:26) defines as:

> the process by which financial consumers/investors improve their understanding of financial products and concepts and through information, instruction and/or objective advice, develop the skills and confidence to become more aware of financial risks and opportunities, to make informed choices, to know where to go for help, and to take other effective actions to improve their financial well-being.

From the definitions above, financial education provides retirement planning information from sources such as pension service providers (PSPs), family, friends, colleagues and host of others. Such information then translate into financial knowledge that facilitates the understanding of key retirement planning concepts including informed decision making. The usage of such information for retirement planning decisions and associated actions on the part of workers denotes financial literacy.

Retirement planning

The literature on retirement shows that it is an inevitable phenomenon during which individual's experience reduction in their incomes. As a result there is the need to plan for this phenomenon. Retirement planning refers to the diverse preparations and preparation portfolios workers institute during active service in anticipation of life after retirement (Agbobli, 2011; Moody, 2010; Novak, 2006). It may occur at both the organisational and individual levels encompassing savings and accumulation of assets among others. Based on the above definition, retirement preparation and retirement planning are used interchangeably in this study. A framework for analysing the experiences of individuals in particular those of retirement planning at the given stages of life is one provided by the life course approach.

1.4 Significance of study

The outcome of the study has the propensity to contribute to policy implications for planning towards increased life expectancy especially gaps in policy response to consolidate retirement planning, drawing on the findings on retirement planning by virtue of projecting into the future. The study further intimates that pre-planning towards retirement elicits comfortable adjustment to post-retirement life.

Retirement has been an age old phenomenon and even though studies on retirement exist on Ghana, none provides a complete chronological picture of retirement planning dynamics. Therefore, the lack of adequate literature on retirement planning in Ghana justifies the significance of this study. The study contributes to the retirement literature in general and pre-retirement planning in particular with the examination of how formal and informal sector workers plan over the life course. The purpose of the study was to provide rudimentary information about how workers from the formal and informal sectors prepare towards retirement including institutional role in the process of retirement planning. It also explored the linkage between retirement aspirations, financial knowledge and retirement planning. The study's outcomes yielded both financial and semi-financial products. The findings from the study has the propensity to assist the makers of policy to determine the specific stage of retirement planning especially financial education, security of financial assets, salary regimes among others that need support and intervention.

Further, an explanatory sequential mixed methods study of pre-retirement planning among formal and informal sector workers assisted in fostering a better and in-depth understanding of how they will adapt to post-retirement life. It also provided suggestions on the kind of support services and resources that might be helpful in the reduction of high level of distress, potential occupational and social problems. The study may be useful to the academic community as well as serve as the foundation block on which other similar empirical studies may be undertaken.

1.5 Organisation of study

Chapter one consists of the introduction (problem, objectives). Chapter two reviewed relevant literature including the history of ageing and pensions, and formal or state policies and institutions on retirement planning in Ghana. Chapter three focused on the methodology of the research. Chapter four profiled pension policy in contemporary Ghana including the role of state institutions and other corporate organisations in the facilitation of workers' preparations towards retirement. Chapter five examined the retirement aspirations and sources of retirement planning knowledge among formal and informal sector workers and how they facilitate the process of retirement planning. Chapter six is constituted by the various forms of retirement planning undertaken by formal and informal sector workers including selected gender differences and problems encountered in preparing towards retirement. It explored the behavioural and financial characteristics and trends discernible in the Ghanaian working population relating to retirement. Chapter seven summarises and concludes the study as well as provides recommendations based on the outcome of the study.

CHAPTER TWO

LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.0 Introduction

This chapter carefully reviewed literature in the present area of study. The entire review touched on selected ageing processes, the notion of vulnerability, the dynamics of work, the history of retirement, retirement aspirations and retirement planning information, retirement preparation including social networking and challenges to retirement planning. These are of significant relevance to retirement planning experiences. In the developed and developing world, there exists a variety of information that has been collected in relation to retirement preparation among workers. Some such information is of peculiar relevance to this study. Mention is made of such information in this chapter's literature review section. The significance of this section is that it enabled knowledge of studies conducted in the topical area, terms used and conclusions reached in other contexts. It provided an up-to-date understanding of the subject and its significance to practice; it identifies the methods used in previous research on the topic, it listed and synthesised previous scholarship and showed the scope, focus, limitations of empirical evidence as well as provided comparisons for the findings of this research. This is carefully followed by theories of relevance in the present study.

In essence, there is an array of theories that attempt to explain the phenomenon of retirement planning even within the confines of social gerontology. Some of these theories that are of relevance to retirement planning namely the phases of retirement, precisely the pre-retirement phase and the wealth flow theory are discussed.

2.1 Selected issues of ageing

Age norms are rules that have been implicitly and explicitly spelt out on the basis of societal expectations of different age strata (Anderson and Taylor, 2000). The age norm in traditional African societies is that the younger generation will cater for the older generation. However, with the increasing nucleation of the family system the requisite function of the younger generation is gradually reducing and if care is not taken, it will become non-existent. One prominent aspect of old age norm is that the aged are expected to retire from active service. Significantly, age norms of this nature become laws, which every country worldwide has encountered because retirement age varies from country to country. Whereas it is 65 years in the United Kingdom (U.K) and United States (U.S), (Wood, 2013), in Ghana, it is 60 years. The retirement age in Ghana is 60 years, with variations in certain areas for example, judiciary at 70 years (Doh, Afranie and Bortei-Doku Aryeetey, 2014).

Society has undergone social change including increased population in the urban areas, inner city problems, the rise of nuclear family and ageing of society. Age norms change as society changes and so they are not fixed. In Ghanaian culture, becoming old traditionally meant not working and thus seen as not contributing to society. With social change, it has been recognised that a norm of this nature can change because older people are productive members of society. For example, they help in caring for their grandchildren and children at large including engaging in other economic activities. For instance, older people who are retired from active service are still engaged in economic activities to be able to secure the needed economic resources required for survival. Similarly, social change in contemporary times has led to older people returning to school and obtaining degrees, mixing up the application of various age norms to the various age groupings.

This is illustrative of the fact that age norms change overtime. A nation's age structure has implications for socio-economic policy issues such as investment in more educational facilities and employment for the youth and health facilities and other old age entitlements (OAEs) for older people.

Population ageing is occurring in almost all the countries of the world including the developing world (Sharma and Agarwal, 1996; UN, 2013). In Africa in general and Ghana in particular, population ageing is occurring in an era where traditional support systems for the care of older people have undergone tremendous transformations due to the processes of modernisation and globalisation including the absence of public welfare systems (GSS, 2013). Preparing for a secured ageing is a process that must commence from childhood and early adulthood. Parents have children as a security measure against old age as well as the transmission of wealth and social status and the need for children as economic resource - farm labour and domestic tasks. The cultural value of reciprocity ensures parents care for their children. As earlier mentioned, having been cared for by their parents either biological or social, the same norm of reciprocity requires that children would in turn provide their parents with their requisite needs (Apt, 1996; Aboderin, 2004; GSS, 2013; Doh et al., 2014).

The life course approach highlights the fact that human behaviour is also influenced by a variety of psychological, social, historical and economic factors. Thus, human development may be based on biological processes. This approach takes congnisance of how the timing, duration and order of life's major events including retirement preparations are shaped by demographic changes as well as individual experiences and opportunities including large-scale socio-economic and political events such as government policy changes. Some key issues worth mentioning are age and cohort effects in the life course of individuals. An age effect depicts changes that occur due to advancement in age. An example of age effect is the decline in health (Quadagno, 2002, 2014). This may find expression in the fact that as people age their retirement plans may become more extensive than those of lower ages. According to Quadagno cohort effect refers to the social changes that take place as one cohort replaces another. In the context of this study, it may as well mean the differences between age cohorts in terms of retirement plans. From the life course perspective, early life experiences, opportunities, decisions and actions have implications for future life changes (Atchley, 2000; Atchley and Barusch, 2004, Moen, 2006; Quadagno, 2002, 2014) including post-retirement life.

2.2 Notion of vulnerability

In Ghana, disability, sickness, unemployment and old age (Apt, DeBrennea, Agbenyiga and Ame, 2012) constitute the major life cycle risk factors. Due to the many risks individual workers are faced with, they may experience shocks that may culminate into a wide variability in their endowments and income. Vulnerability may depict the "probability of a household or an individual falling into poverty in the future". (Baiyegunhi and Fraser, 2011:89) Workers are exposed to diverse forms of vulnerability in the labour market particularly the informal sector (Dugbazah, 2012) due mainly to their relative lack of education and training (Chen, 2007; Dugbazah, 2012; Round, 2009; Tsikata, 2015). Insecurity is an important component of welfare and can be understood as vulnerability to a decline in well-being. Vulnerability encompasses the probability or risk today of being in poverty or to fall into deeper poverty in the future. Vulnerability denotes a major dimension of welfare. This is because a risk of large change in income exists that may constrain workers to lower investments in financial products while having the need to hold some reserves in liquid assets.

It is an undeniable fact that the poor may be more vulnerable than any other group to economic down-turns, natural castrophies, health hazards as well as man-made violence (Philip and Rayhan, 2004). Shocks that take the form of illness, injury including the loss of livelihoods may have tremendous consequences on workers and which may depict significant causes of poverty. Further, economic, social, cultural, political and environmental factors may constitute vulnerability and poverty (Baiyegunhi and Fraser, 2011).

2.3 Work dynamics in the formal and informal sectors

The field of work is constituted by formal and informal sectors (Apt, 1996; Dugbazah, 2012; GSS, 2013; Round, 2009). The formal sector is further constituted by private formal and public formal sectors. Ackah, Turkson and Opoku (2012) argue that the public sector forms a major part of the formal sector. In all societies, the two forms of economic activities namely formal and informal sector activities exist side by side. But in other contexts, they overlap. The difference between workers who earn monthly salaries and those who are self-employed and yet do not enjoy opportunities in terms of monthly salaries is the key distinction between formal and informal employment opportunities. The key characteristics of the formal sector entail operation under the support of accepted rules and regulations that have been enacted and implemented by government (Chen, 2007; Addai, 2011). Further, it has been recognised by organised associations such as the Ghana Trades Union Congress (TUC), Ghana National Teachers Association (GNAT) (Addai, 2011), University Teachers' Association of Ghana (UTAG), etc.

Some studies (for example, Palmer, 2007) purport that the majority of the labour market in Sub-Saharan Africa (SSA) is self–employed in the informal sector including agriculture and non-farm work. The informal sector in Ghana is a loose combination of small-scale organisations and people who are self-employed (Addai, 2011; Palmer, 2007), who operate independently of the rules and regulations that the formal sector is endowed with. This suggests that the informal sector does not provide its employees with 'privileged facilities' existent in the formal sector (Chen, 2007; Round, 2009; Addai, 2011). It may not also comply with the minimum wage payment regulations and to some extent does not have plans and benefits e.g. social security (Round, 2009) for its employees in terms of retirement or compensation for its employees in the case of the termination of appointments (Addai, 2011; Round, 2009), though not necessarily. This depicts engagement in "vulnerable employment with high level of informality in the labour market". (Ackah and Baah-Boateng, 2012, p. 33) Further, it is exposed to a highly volatile labour market (Dugbazah, 2012; Holzmann and Stiglitz, 2001; Kpessa, 2011). It has been observed that it is difficult for the informal sector to secure credit (Round, 2009; Dugbazah, 2012). Workers in this sector are forced to accept cash-in-hand wages (Round, 2009) or that informal payments are demanded in order to secure employment not necessarily by chance (Round, 2009; Dugbazah, 2012).

Only 20% of Ghana's active population is employed in the formal sector (GSS, 2010), which is characterised by rules and regulations in relation to working conditions (Addai, 2011; Chen, 2007; Round, 2009) including monthly salaries (Addai, 2011). The informal sector employs 80% of Ghana's population (Osei-Boateng and Ampretwum, 2011). It is characterised by poor pay; lack of formal job descriptions including terms and conditions of service (Chen, 2007; Round, 2009; Tsikata, 2015). Compared to their informal sector counterparts, formal sector workers are mandatorily compelled to prepare towards retirement via pension contributions. Yet, there is no fixed age for retirement in the informal sector, except dictated by ill-health (Apt, 1996; Sharma and Agarwal, 1996) or frailty.

2.3.1 Reaction of workers to work related issues

The notion of reaction denotes a misunderstanding or failure to accept a policy statement or its implementation based on the views of workers or their interpretation of the consequences of the intended actions. This form of disagreement may be expressed differently. However, in this context it finds expression in the reaction of workers to organisations or government's policy statements, the associated actions and the inherent foreseeable repercussions. Over the years in Ghana such issues or disagreements can be observed in terms of planning towards retirement, especially in pension scheme implementations particularly during post-independent Ghana including conditions of service.

Workers from both the formal and informal sectors respond to policy and institutional requirements through strikes, lock outs, to mention but a few. These have been considered as constituting the undeniable rights of workers and employees. There are several types of strikes and these can be categorised by the objectives they seek namely economic strike, which denotes an action by the union of withdrawing its labour in support of bargaining demands, including pay increase, conditions of service, unpaid salary arrears, increase in utility tariffs, imposition of petroleum levy among others. Others are unfair labour practices on the part of employers, recognition strike, sympathy strike, and finally, jurisdiction strike (See Englert, 2016; Obeng-Fosu, 2007 for details). A strike action is simply a refusal by employees to work. From all these, the economic strike is connected to retirement planning via salary increment. A lockout, on the other hand, is a refusal by management to allow employees to work (Government of Ghana (GOG), 2003:54).

When a dispute or an impasse ensues over an issue under negotiation - three things may occur namely strike or lockout or arbitration. For purposes of the latter the National Labour Commission (NLC) is the national arbiter in the resolution of industrial disputes with its interventions sought jointly or on individual basis (NLC, 2006). As indicated earlier, labour agitations from the Ghana Cocoa, Coffee and Sheanut Farmers Association (GCCSFA), Ghana Private Road Transport Union (GPRTU) and a host of others for being underserved by formal arrangements for old age income security (GOG, 2006; Kpessa, 2011) depict informal sector labour reaction towards policies, institutions and conditions of service.

It started from the era of the compulsory savings scheme instituted in 1961, i.e. Act 70 (Social Security and National Insurance Trust (SSNIT), 2015), and continued with the Social Security Act (Act 279) of 1965 (Agbobli, 2011; Kpessa, 2011; SSNIT, 2015) including the regime of the new 3-Tier pension scheme, 2008 (Act 766). There are several scenarios to this effect. In the case of the compulsory savings scheme, most workers were said to have developed apathy towards the scheme as a result of the "lack of education on the scheme. This attitude was made worse by inefficient system for refund under which many workers failed eventually to withdraw their savings". (SSNIT, 2015:11) Eventually, the scheme was abolished in 1965. This establishes the fact that usually pension schemes and/or Acts are abolished or amended with the emergence of worker agitations and/or reactions against it. It is worth noting that such disagreements go a long way to forestall impending challenges that may be inherent in these Acts, which may be detrimental to the welfare of workers. This is a facilitator of amendments to existing Acts and Laws to a large extent. This also entails changes in contribution rates. For instance, there was reduction to 5% from 7.5% and 12.5% from 15% for workers and employers respectively due to workers' outcry over high rates of contribution in 1966, (SSNIT, 2015). On February 16, 2016, the National Association of Graduate Teachers (NAGRAT) threatened to go on strike over unpaid salary arrears.

2.3.1.1 Measures to addressing reactions from the labour

There are seven measures to addressing labour reactions, first, collective bargaining, which is crucial to the attainment of industrial peace. Thus, the Labour law of Ghana provides for automatic recognition of trades union for collective bargaining purposes (Obeng-Fosu, 2007, 2013), with the duty to negotiate with it and conclude agreements. This entails the settlement and determination of terms and conditions of employment (Donovan, 1970). Hence, a refusal by an employer to recognise and bargain with a union or adhere to the agreement arrived at could lead to strikes by the workers to realise such improvements in working conditions. Collective bargaining entails a series of consultations and negotiations of terms and conditions of employment between employers and workers, usually through their representatives.

In other words, the primary aim of workers engaging in collective bargaining has been thus expressed by Thompson (1989:281) that:

> By bargaining collectively with management, organised labour seeks to give effect to its legitimate expectations that wages and other conditions of work should be such to guarantee a stable and adequate form of existence and as to be compatible with the physical integrity and moral dignity of the individual, and also that jobs should be reasonably secure.

Workers can best strengthen their negotiating position by uniting and bargaining collectively with employers. Workers resort to collective action because by banding together, they are able to consolidate their strength far more effectively than they could as individuals (Weiler, 1980:25; Wood, 1988:6; Pencavel, 1996:10). Second, negotiations occur when two parties set forth the type of remedy each desires, and try to reach some sort of an agreement that satisfies everyone involved. Third, on reaching an agreement, the parties then have to create a written statement that reflects the terms of the negotiation. Fourth, mediation is an alternate form of resolution. It entails the assignment of a neutral third party to assist the couple in coming to a fair and equitable agreement on the issue of conflict and thus the cause of it. Fifth, arbitration is a process that involves both parties in an impasse having to agree to allow a third party to mediate as well as come to a final decision on the issues. Both parties then decide on the arbitrator or the non-biased party, who afterwards listens to testimonies from both sides, upon which a decision is made (GOG, 2003; Kadian-Baumeyer, 2016). Sixth, adjudication is a dispute resolution mechanism that is used when mediation or other non-adversarial dispute resolutions to settle issues are not utilised if they fail to yield the requisite outcome. Then the case goes for adjudication after a preliminary hearing. It is at this point that the court decides on which agency to handle the matter (Child and Family Services Reviews Information Portal, 2017). Finally, there is hold out which like negotiation ensures issues are resolved amicably without strike action (Murwuraipachena and Sibanda, 2014). Others entail family and community intervention.

2.4 History of retirement

The aftermath of the industrial revolution that occurred in the 19th century brought in its wake a myriad of complex changes such as the notion of retirement (Barrow, 1986; Moody, 2010) as a social institution. In consequence, a great number of people moved away from being self-employed into working in large factories and industries. The emergence of retirement as a social institution has three distinct conditions. First, a number of people must live long enough to retire in later life. Second, the economy must produce adequate surplus to support those who do not work. Third, certain forms of social insurance such as pension plans and health insurance schemes must exist to offer support to those who disengage from active service (Barrow, 1986). For instance, the Roman Emperor Augustus commenced the payment of pensions to Roman legionnaires who had served for 20 years in 13 B.C. Further, Britain and other European economies paid pension to their troops in the 16th century. This started with officers and was followed by enlisted men. Old age pension system was introduced in the U.K. after the industrial revolution in 1909 with a retirement age of 70 years. This was also later reduced to age 65 because it was felt that too few people were benefiting from the system (Seattle Times Staff, 2013). However, Marx and Engels (1973) contend that the industrial revolution was associated with such negative effects as the exploitation of workers, inhuman treatment of workers and gross inequality.

However, 65 years was first introduced as the basis for a pension by Otto von Bismarck, the Prussian Chancellor (Moody, 2010; Novak, 2006; Wood, 2013). It is worth noting that Bismarck first set the retirement age at 70 years but later lowered it to 65 years. In consequence, many European countries by the 20th century started the institutionalisation of retirement through the pension systems of governments. This development made disengagement from the labour force more attractive to workers.

The trend towards retirement can be traced to three main factors, first, the spate of people living beyond their 20s and 40s into their 60s (Seattle Times Staff, 2013). Second, industrialised countries instituted and applied 'the retirement principle' which proposes that workers should disengage from work at a 'fixed age' (AU, 2002; Eshun, 2009; GOG, 2010; Tonah, 2009) irrespective of their physical and mental abilities. Interestingly in the U.S., the retirement principle served as an economy that values workers who are faster, stronger and younger. However, before the emergence of this principle, people worked for as long as their energies and strengths could hold them out. For example, in agricultural societies owners of land only withdrew their services from work due to intense levels of frailty. They then bequeathed their properties to their children, although they could perform household chores if they have some strength left (Novak, 2006). Although the retirement principle opened the door to retirement, few workers walk through that door due to partial retirement and second careers (Barrow, 1986; Moody, 2010; Novak, 2006; Quadagno, 2002).

The 'retirement wage' is the third factor that has made retirement a universal phenomenon to an extent. For example, in the U.S., it took the form of social security programmes implemented in 1935, commencing with small benefits, which were increased with time. The retirement wage enables almost every worker including those with very low incomes to retire (Novak, 2006). It is an entitlement that the state makes available.

Before the institutionalisation of retirement, there were other forms of assistance that were offered to retired workers. For instance, in Europe, poor houses existed for older people including charities and hospitals. Further, parishes and churches operated funds that older people benefited from. In the U.S., there was the emergence of the earliest forms of public and private sector pensions. Before the 1900, Union Army veterans' pensions for the public sector were paid to northern white males. Yet, by 1900, 35% of white males aged 55-59 were receiving Civil War pensions (Costa, 1998). Graebner (1980) opines that ill health and unemployment constitute the factors that influence the determination of retirement rates. However, the availability of the retirement wage facilitated disengagement from the labour force. In the context of the private sector, employers instituted pension schemes as a promulgation to control the labour force's age composition and ensure labour stability.

From then on similar laws were passed across the globe namely South Africa in 1928 (Wood, 2013), Japan in 1941, Malaysia in 1954 and Singapore in 1953. Canada began its social security in 1940. In Ghana, the social Security Scheme was a provident fund from 1965 to 1990. It became a Social Insurance Scheme in January 1991 by Provisional National Democratic Council Law (PNDCL) 247 (Budu-Ainooson, 2011; Kumado and Gockel, 2003).

There has always been a warm place for retired older people in Africa, especially Ghanaian traditional society, who can no longer contribute to productivity. In this context, community savings are undertaken to smoothen consumption against volatile and unpredictable incomes. Here, savings depict stock to protect a low minimum level of consumption.

Essentially, the rationale and significance of retirement provisions from the British stance places emphasis on minimum income protection including social assistance, which serve as a safety net for the entire population. From the Bismarkean viewpoint, it includes the availability of earnings and related benefits derived from employees and employers with the objective of obtaining social solidarity particularly from a social insurance component of social security for instance (Khoza, n.d).

Worldwide, different family systems exist. Two major types of family systems are extended and nuclear in nature vis-à-vis the level of development and/or industrialisation. In developed countries such as Japan and U.S., people live in nuclear families centred around their children (Barrow, 1986, Quadagno, 2002). Under this system once the children grow up and leave their natal homes, the parents are left living alone. However, economic downturns such as those of the great depression of the 1930s and the recent credit crunch in 2007 has had effects on all aspects of human life, social, political, economic and cultural. These have also had effects on the family system across the globe, especially the nucleation of the family system due mostly to modernisation while resulting in the weakening of the extended family support system (Aboderin, 2004; Apt, 1996; Barrow, 1986; Doh et al., 2014; Tonah, 2009). Yet, the family is still the main support source for the aged (Anderson and Taylor, 2012).

2.5 Retirement

Retirement refers to "the defining institutional feature of old age". (Moody, 2010, p. 15) It is an inevitable stage in the life course serving as a major transition period (Apt 1996; Hervé, Baily, Joulain and Alaphilippe 2012; Muratore, Earl and Collins, 2014; Wilson and Aggrey, 2012). According to Roncaglia (2010) retirement is a transition that denotes a new stage of life that has its own name, organisations dedicated to it, and its own financial and legal infrastructure and a host of others. Old age is synonymous with retirement to a greater extent albeit some retire earlier than others depending on the age of retirement associated with their respective occupations, making it a legitimate stage. It is either mandatory or voluntary (Apt, 1996; Barrow, 1986; Moody, 2010; Quadgno, 2002). Mandatory retirement may force some older persons to retire naturally or prior to that due to illness.

Some people are forced to retire at the retirement age or beyond that in the life course as a result of mandatory retirement laws or illness, some continue to work because of the organisations they are affiliated with, some others continue to work because they cannot afford not to due to contractual issues or personal desires (Apt, 1996; Kunawotor and Adjei-Mantey, 2014; Quadgno, 2002). Retirement induces changes in routines, changes in personal habits including changes in opportunities for social interaction (Atchley and Barusch, 2004; Barrow, 1986; Novak, 2006; Quadgno, 2002). The 'retirement principle' mandates that people leave work at a fixed age irrespective of mental or physical ability (AU, 2002; GOG, 2010; Novak, 2006; Tonah, 2009). Generally, given good health and sufficient income, older people adjust satisfactorily to retirement while some others do not (Apt, 1996; Barrow, 1986; Hervé et al., 2012; Otoo-Addo, 2001). Retiring from active service may have impacts on the income, status, role, meaning, identity and interpersonal relations in the home (Anibueze, 2013; Quadgno, 2002, 2014; Roncaglia, 2010) including residence and economic variability. Retirement also entails the loss of income structure, organisation, routine interaction with co-workers, reduced status as well as prestige (Patri, 1996). It also led to poor health conditions, less satisfaction and increased mental illness.

Individuals who undertake voluntary retirement including those who adequately prepare towards retirement have a stable mental health (Quadgno, 2002, 2014; Wilson and Aggrey, 2012).

Disengagement from active service may be direct for formal sector workers. But it can be undertaken gradually in the case of workers from the informal sector. In which case, most often retirement is showcased as a diminished rate of activities including the shifting or relocation of trading from market areas to their homes or doorsteps (Apt, 1996) particularly in urban settings. Contrarily, older people in rural settings farm, collect and sell fuelwood including diverse other forms of economic activities in a continuous manner by way of contributing towards the sustenance of the household.

Decisions related to retirement are influenced and affected by a myriad of factors such as the role of social security, greater wealth which facilitates early retirement, prevalent financial crisis, and poor health including the employment status of a spouse (Moody, 2010; Novak, 2006; Quadgno, 2002). There is the reliance on pension income rather than salary as the primary source of support accompanying retirement (Kpessa, 2011; Moody, 2010).

Retirement in today's context barely resembles that of the early definition. Instead of stopping work entirely, in contemporary times, a lot of individuals today have the propensity to move on to more flexible work, rediscovered passions, or even entirely new careers - sometimes even very late in life (Novak, 2006). For these reasons, the word 'retirement' gets used less and less. For many, 'retirement' is more about being able to do what's next. To enable what's next, there is the need to prepare a plan for income that can be sustained through a variety of circumstances. Understanding what an individual's income sources are and how those can be used to match expenses can be a simple way to plan.

Retirement is complex and requires a well-designed plan. Recognising the changing landscape of retirement, knowing about the building blocks of a retirement income plan (Templeton, 2015) are of essence. It is also important to make sure that use is made of the appropriate income sources to sustain life for the long term. Significantly, the way a state plans for its care of the aged, finances its costs and monitors its quality of care is an indicator of the society at large and its values.

Retirement is perceived, apprehended, expected and experienced differently from one individual to another (Anibueze, 2013; Otoo-Addo, 2001; Moody, 2010; Roncaglia, 2010). Hence, Otoo-Addo (2001) argues that adjustment to retirement is influenced by gender differences in experiences of retirement for men and women. For some retirement may be an opportunity to set new goals and start new activities which can facilitate greater satisfaction in life (Anibuezse, 2013; Hervé et al., 2012), whereas for others it may include difficulties of adaptation and rapid deterioration of physical and psychological health (Anibueze, 2013; Hervé et al., 2012). The relationship between retirement planning and the consequent adaptation is moderated by the retirement environment as well as change management resources. This includes the match between an individual's financial, social and work-oriented needs and the extent to which these are addressed in retirement planning and satisfied in the post-retirement environment (Taylor and Schaffer, 2012). Involuntary retirement may have a negative impact on adaptation, since individuals who retire involuntarily appear to be more anxious, depressed or stressed than their counterparts who retire voluntarily (Knox, 2003). Having discussed the history of retirement and retirement, attention now turns to retirement aspirations and financial education.

2.6 Retirement aspirations and financial education

Retirement preparation is a process that entails retirement aspirations that articulate clearly retirement goals, financial knowledge as well as actual institution of retirement measures. These three distinct phenomena complement each other in the preparation process. Retirement aspirations distinctively outline the retirement goals (Atchley and Barusch, 2004; McAlister, Lindenmayer and McLean, 2005; Zaidi, 2015) of a retirement planner. These goals may encompass type of retirement, approach to retirement, financial security, prospective leisure activities and living arrangements in retirement life, OAEs among others. These determine the amount of effort put into the institution of retirement plans. Yet, these goals may either be met, changed along the trajectory of planning or not met. However, these goals serve as a benchmark for retirement preparation, giving focus to planning actions.

Similarly, financial education and knowledge is another core constituent of retirement preparations, particularly because of the information it provides in relation to knowledge of retirement investment avenues namely financial products such as life insurance, provident fund, pension schemes among others. Such knowledge facilitates smooth financial investments with available resources. It results in financial literacy as an end product. Often times, financial information dissemination is conducted by PSPs (as discussed in Chapter four), insurance companies, banks including family and friends. Financial literacy is a predictor of financial behaviour, whereas retirement planning is a powerful predictor of wealth accumulation for life in old age. Financial literacy varies across educational groups (Lusardi, 2008). But most individuals lack basic financial knowledge and numeracy (Lusardi and Mitchell, 2007; OECD, 2005). Further, there is a sharp gender difference in financial literacy where women display a lower level than men (Lusardi, 2008).

A variety of evidence exists on financial education programmes in tandem with retirement planning with two contrasting sets of results. First, Bernheim and Garrett (2003), Clark and d'Ambrosio (2008) and Lusardi (2004) opine that retirement seminars have an effect on savings and retirement plans. Second, Duflo and Saez (2004) and Madrian and Shea (2001) contend that there is little or no effect of financial education programmes on savings.

2.7 Retirement planning

Social protection is a contributing factor to economic development and a means to social stability and democratic participation by most groups in society. Formal social protection includes social security and/or pensions (Agbobli, 2011; Barrientos, 2004; Kumado and Gockel, 2003; Kunawotor, 2013), whereas informal social protection comprises extended family support, participation in susu and credit union (Aboderin, 2004; Apt, 1996; Barrientos, 2004; van der Geest, 2002). Formal social protection measures usually implemented through cash transfers, social security and a host of others foster human survival and improves the lives of individuals, especially older persons and societies through the development of human capital, the facilitation of structural change and the promotion of social justice and economic dynamism. For instance, Article 22 of the Universal Declaration of Human Rights of 1948 states that all societal members have the right to social security (International Labour Organisation (ILO), 2002). Article 9 of the 1966 International Covenant on Economic, Social and Cultural Rights refers to the right of everyone to social security, including social insurance.

A retirement income plan is constituted by two distinct building blocks. First, there is the prioritisation of unique goals with financial security as an example and second, translation of retirement goals[1] and concerns into expenses. Prioritising retirement goals enable the identification of the anticipated retirement expenses. In addition, it also assists in reflecting on expected expenses in relation to what they would be used for, namely basic needs or discretionary nice to haves including how each type of expense may change over time, assessing whether they may rise with inflation. Retirement expense categories and potential retirement income sources have unique characteristics. Templeton (2015) asserts that fixed expenses such as mortgage, life insurance, fixed loans and many more are less impacted by inflation and need to be funded by a relatively stable source of income. Rising expenses including health care, food, and utilities are more impacted by inflation and also need to be funded by a relatively stable source of income, but one that has the potential to grow over time. The potential for growth also increases the risk. Discretionary expenses namely travel; hobbies, legacy among several others are also impacted by inflation, but have more flexibility in terms of the risk that might be assumed with potential sources of income.

2.7.1 Savings and investments

Globally, a retirement savings overview may be constituted by five distinct savings strategies namely safety net for emergencies, wealth building, house fund, employer contributions and social networking. Funds saved for emergencies should not be touched except in the case of emergencies namely car and home repairs, job loss, medical bills among others. In effect, instead of keeping the safety net funds in a checking or savings account, it could be kept in a betterment bucket. This

[1] Retirement goals are goals set to be met with retirement in focus.

may serve as a less form of temptation to use that money unless it's an actual emergency. In the absence of such emergencies, the safety net will grow while yielding good dividends. Having built an initial safety net, next is to accumulate cash into a retirement savings account albeit through the national pension scheme (Doh et al., 2014; Kumado and Gockel, 2003; SSNIT, 2015; Tonah, 2009) as well as susu (Aboderin, 2004; Apt, 1996; Barrientos, 2004; Dugbazah, 2012; Quartey and Prah, 2014; van der Geest, 2002), wherein any additional retirement savings can be deposited in the wealth building bucket. The house fund may come in two distinct dimensions, namely for formal sector workers, which finds expression in the tier two and three of the new pension scheme wherein workers can draw on their savings towards the purchase of a primary home respectively. Alternatively, other personal housing acquisition means may be used in the acquisition of a house including utilising taking home loans.

With regard to employer and worker contributions, which within the context of the new 3-Tier pension scheme is 5.5%, an upward adjustment from 12.5% to 13.5% and 5% to 5.5% respectively (Agbobli, 2011; Doh et al., 2014; Kpessa, 2011; Kumado and Gockel, 2003; SSNIT, 2015) as previously was the case. Funds from retirement savings account could be used to undertake the institution of other financial products such as T-bills, bonds, stocks, provident funds, mutual funds and non-financial instruments including social networking. These depict the diversified nature of retirement plans and related portfolios.

In sub-Saharan Africa, the rotating savings networks or susu is one of the most significant source of informal credit (Apt, 1996; Barrientos, 2004; Dugbazah, 2012; van der Geest, 2002) for workers in the informal sector. In various African countries, it has different names. It is called susu in

Ghana; Chama or merry-go round in Kenya; Tontine in French speaking African countries; Ligelemba in Democratic Republic of Congo; Mshayelo in South Africa and Upata in Tanzania (Dugbazah, 2012:91). This saving network is flexible and allows savers to invest in their businesses, pay children's school fees, to mention but a few.

Retirement planning is frost with investment value and asset volatility, which may serve as the wrong measures if the goal is to obtain a particular future income. This in turn makes safe, risk-free asset today that guarantees the objective of an inflation-protected annuity that makes no payouts for 20 years and then pays the same amount (adjusted for inflation) each year for 20 years. But if the goal is income for life after age 60, the relevant risk is retirement income uncertainty, not portfolio value (Robert Charles Merton, 2014). Similarly, an income-focused investment strategy may require that individuals invest in a mixture of risky assets (mainly equity) and risk-free assets, with the balance of risky and risk-free shifting over time so as to optimise the likelihood of achieving the investment goal.

Moreover, a sensible balance needs to be found between saving towards retirement and saving for the here and now. In the worker's twenties, thirties and often now even in the forties, saving for a house may feel more pressing for both than a retirement and for the here and now. In these years, it can make sense that more immediate financial commitments will take first priority. Beside this measure, it may be better to put some of it in an easy access savings account. Practically, it will be more sensible to use any spare cash or savings to pay off short-term debts, such as personal loans or long-term mortgage debt, before starting a pension. This needs to be done in order to avoid paying high accumulated interests on them. The individual worker can institute an emergency fund that can be drawn from during a rainy day, particularly in case of the loss of a job or being hit by a major expense such as a leaky roof or healthcare. This should be about three months' salary and should be held in an easy access account where the funds can easily be accessed (Kiyosaki and Lechter, 2002).

Ideally, it is prudent to start planning early enough towards retirement, even in a small way, then the individual worker would not miss out on several years-worth of retirement savings. This may occur when there is a fairly modest contribution and increasing the emergence of a pay rise in the future. The decision as to how much money to allocate to immediate savings goals as against how much to put in a retirement savings depends on the stage in life of the worker in question vis-a-vis his/her immediate goals and priorities. A rough guide may be produced by the individual taking the age he/she plans to retire and divide it by half (Kiyosaki and Lechter, 2002). This may give the rough percentage of salary required to be put into a pension each year to ensure the accumulation of enough funds for retirement. However, the closer an individual is to retirement, the more important it may be to save towards it. Yet, the earlier the process of saving is commenced, the longer money would be invested for and the more time it has to benefit from compound interest and the better prepared one will be for retirement. Compound interest is the additional interest that can be earned on the interest on savings. Over time this can accumulate and seriously accelerate funds growth in the retirement pot.

From development perspective, the idea of saving money either in savings accounts or susu form is undertaken for the future development of the individual involved. The idea of time is futuristic since saving money is an investment for one's future development. Thus, workers work at their personal development or comfort in the future. This suggests that some people save to spend, enhance the future, and enhance the self among others. There is a larger informal sector economy in Africa including Ghana, how then are workers in the sector arranging for life in the future?

2.7.2 Social networking

The formation of social networks takes the form of joining associations such as the pensioners' association, churches, mosques including caring for children and investing in them financially and relationally. This also entails expansion in interests beyond work (Barrow, 1986; Moody, 2010; Novak, 2006; Quadagno, 2002). Social support takes several forms namely material, economic, emotional, companionship and social inclusion (Pelcastre-Vilafuerte, Treviño-Siller, González-Vázquez et al., 2011). The formation of social networks denotes a form of social security which requires that for instance, as earlier stated children take care of their parents, who had taken care of them in the past (Aboderin, 2004; Apt, 1996; Doh et al., 2014; van der Geest, 2002) as well as support from non-familial sources. This concept of reciprocity still resonates within the context of care for older people. Thus, the popular proverb among many Ghanaian ethnic groups intimates that "if your elders take care of you while cutting your teeth, you must in turn take care of them while they are losing theirs" (Apt, 1996:22; Doh et al., 2014:34). This depicts social networking both at the family and non-familial front including taking care of children, siblings, cousins, nephews, nieces as well as joining religious groups and associations.

Social networking facilitates the integration of individuals into the larger society. Information and contacts are shared among members of the network, whereas it fosters ways of thinking and perceiving the world and identities are shaped and sustained (Hagestad and Uhlenberg, 2006).

Social change notwithstanding, family networks, religious societies, traditional councils, saving groups and burial societies constitute the institutions identified by older people as forming part of their support networks even in African societies (Apt, 2002). Family networking, Apt (2002) and Sackey (2009) opine may take the form of actual physical care, provision of money as well as other necessities of life or the making of arrangements or decisions to that effect. However, this is not attained without an array of challenges impeding it as discussed below.

2.7.3 Challenges to retirement planning

The challenges to planning towards retirement may be diverse and span the spectrums of costs, tax increases, poor saving attitudes and market volatilities on the capital market. First, the rising costs of living constitute a form of impediment to retirement preparation. This is because rising costs may affect the availability of money budgeted towards retirement saving. For example, recently in Ghana, organised labour pitched a strike action against increases in electricity and water tariffs in January 2016. The basis for this is that these will compound an already difficult situation of high cost of living. Second, the government has imposed a petroleum levy that has implications for increases in petroleum products, transportation fares and finally the costs of goods and services. Third, Ghanaians attitudinally are not very promising in terms of saving money. The capital market is very volatile (Wilson and Aggrey, 2012) in the sense that both market and bank rates are unstable due to the influence of the forces of demand and supply. These generally include poor conditions of service for workers, which have implications for retirement-oriented investments.

2.8 Theoretical framework

The theoretical framework underpinning this study is constituted by Atchley's (2000) stages of retirement theory, Caldwell's (1976, 2005) wealth flow theory and Dahrendorf's (1959) class conflict in industrial society theory discussed below.

Stages of retirement theory

Atchley's (2000) stages of retirement theory intimates that retirement has several phases, pertinent among which is the pre-retirement planning phase (Atchley, 1999, 2000) which this study adopts. This phase occurs prior to the event of retirement. The other phases entail the honeymoon, immediate routine, rest and relaxation, disengagement, reorientation, retirement routine and termination of retirement. The pre-retirement phase of the theory espouses planning along the life course, constituted by the remote and near stages, each with distinguished features and sets of actions to be undertaken. Key among these stages is the notion that the near stage is more heightened with anxiety related to retirement planning whereas the remote stage shows otherwise.

The remote stage in the pre-retirement phase depicts middle adulthood which generates a somewhat vague but positive attitude towards retirement. During this stage workers in their 30's make investments towards retirement. At this stage, retirement aspirations and expectations may be preliminarily developed without greater seriousness attached to them. The near stage is usually characterised by anticipation of and planning for retirement. Yet, the order of the plans may vary per individual which implies that the stages are not tied to chronological age. This stage occurs almost immediately before retirement. Workers plan on retiring from work, check on retirement investments and fill out forms. These depict planning for retirement along the life course. At this stage, workers prepare to separate from the workforce and work context, develop detailed retirement aspirations and expectations, yielding fairly accurate representation of the future and vice versa. Formal retirement preparations include preparing a budget, developing written goals and actually instituting plans and a host of others. The most significant retirement preparation measure is financial planning (Atchley, 2000). Perhaps, because life is worth living when the financial aspect of it is well balanced.

Further, whilst the pre-retirement planning phase is also constituted by pre-retirement education (PRE) which relates to financial planning including health and life-style topics; legal issues; housing information; work after retirement; fitness and relationships and many more can be obtained at any of the stages of the phase. This suggests that retirement planning should be pursued as an ongoing process.

However, Atchley's theory failed to clearly articulate someone who retires early. It also was unable to highlight social relationship development platforms such as family, associational membership among several others and the significance thereof. This shortfall has been supplemented by Caldwell's wealth flow theory discussed below.

Wealth flow theory

In an extensive study of the developing world (including Ghana and Nigeria), the wealth flow theory propounded by Caldwell (1976, 1978) argues that the incentive for childbearing is determined by the economic value of children and the attendant direction of the flow of intergenerational wealth. High fertility rates exist in developing countries, yet the explaining and offering of contraceptives has yielded little improvement (Caldwell, 2005). To some extent, these change with the emergence of modernisation, industrialisation (including institutional undertones, working outside the agrarian sector) as well as change in the orientation of the individual (Caldwell, 1976) and the entire process of economic and social development. Nevertheless, the survival of the children born is important but equally important is the fact that such children are well-spaced and by extension, families limit the number of children born. Caldwell argues "thus, the pressure to have fewer children results principally not from forward-looking educated parents but from forward-looking investing parents" (2005:736).

The underlying principle for childbearing and the associated economic value here is the fact that societies and therefore parents are economically rational. Wealth from the Caldwellian point of view encompasses money, goods, services and guarantees. These can be divided into monetised (for example, money) and non-monetised (for example, goods, services, guarantees) wealth, hence providing a visualisation of money-equivalents. Further, "gifts of goods or services and later reciprocation allow the creation of a security system of mutual obligations" (Caldwell, 1976:339). Normally, services have obligatory elements, albeit investments in future security. Caldwell (2005) argued that decline in fertility is a result of the decline of the old-age insurance value of children in developing countries. However, this notion turns out more in African societies wherein parents allegedly bear children who are socially bound by the rationality of an economic goal in the form of social insurance in old age. In consequence, the flow of wealth from the younger generation to the older one including flows in the opposite direction occurs. These two dimensions of wealth flows are of key interest in the context of this study.

From a wealth flow stance, Caldwell contends that no matter the type of society, children have a myriad of demonstrable values expressed in doing enormous work for and with their parents both at a younger age and during adulthood, acceptance of the care responsibility of their parents in old age including giving their family's political power and economic advantage, ensure family name and lineage survival and undertake religious services. In order to increase the ability of their children to make returns, parents invest in the training or education of their children. Wealth flow may be direct and indirect. The indirect routing of wealth flow pertains to "the augmentation of political strength to allow the tapping of a larger share of communal wealth" (1976:344).

The theory intimates that children more than parents denote the net economic beneficiaries of family life, a process Caldwell (1978) termed the 'reversal of intra-familial wealth flow'. It also espoused wealth flow within strong extended family relationships vis-à-vis nucleation of family contexts. Caldwell (1976) argues that the net flow from children to parents is the predominant situation in primitive and traditional societies, for example, among the Yoruba in Nigeria, yielding substantial returns. Parents provided their children with food and educational needs by ensuring that their children attained the highest educational laurels and encouraged family relations to support with the payment of school fees, accommodation and sustenance in institutions of education. In addition, parents' payment of their children's educational expenses denote an investment beyond which other motives such as the pride of parents, family honour, valuation and appreciation of children in marriage pertains. The capacity of parents to support their children adequately in the educational system implied well-planned and spaced children. This assertion of Caldwell's indicates that in the absence of other investments, a significant reaction to risk in old age is caring for children.

In the same vein, older children are obliged to help younger ones. The situation in which parents spend a great deal of resources on their children and yet demand and receive not much in return Caldwell termed the "emotional nucleation of the family" (p. 352). Such a situation is due to the factor of westernisation, which is the social change that follow economic development. This also depicts the notion of mass infusion of European culture through mass education and the mass media for example among the Ibadan of Nigeria.

A better understanding of the notion of children as an insurance culminates in an explication of the reversal of wealth flow (Caldwell 2005:721). Children's insurance value in times of disaster, danger and old age of parents (Caldwell, 1976, 2005) cannot be underestimated. Thus, Caldwell demonstrated the insurance potential of children to be an equivalent of current payments for an insurance policy which is normally redeemed at a future date. As Caldwell notes, "the insurance role is more important than the investment role" (2005:724). From studying the modern urban elite, Caldwell observed that "…older children had often received little formal education while their younger siblings had benefited from the great expansion of schooling over the previous decade" (2005:723). However, the wealth flow theory ignored workers' investment in the significant others in society.

Class conflict in industrial society theory

In his theory, Dahrendorf (1959) analysed and evaluated functionalism and Marxism arguments and came up with the notion that they collectively account for society. Hence, Dahrendorf formed his own belief drawing on aspects of both structural functionalism and Marxism. These theories concentrate on consensus and conflict respectively. The latter is of key importance to this study.

Essentially, Dahrendorf's theoretical underpinnings were tremendously influenced by structural functionalism. It was however, on the basis of these that Dahrendorf postulated a central thesis that the differential distribution of authority "invariably becomes the determining factor of systematic social conflict (1959:165). For instance, the different levels of authority between employers or institutional heads and employees is at play with regard to low salary levels and pension fund management challenges and the attendant industrial action. Dahrendorf believed in two approaches to society, utopian and rationalist, utopian denotes the balance of values and solidarity and rationalism refers to dissension and disagreement. It is worth reiterating the fact that dissensions and disagreement, especially in the context of this study in relation to salary issues and pension fund management best practice are the key focus of the challenges workers encountered in the process of retirement planning.

In his book, "class and class conflict in industrial society, Dahrendorf (1959) concentrated on conflict and order in modern industrial societies with particular emphasis on authority and authority structures as sources of social conflict. Dahrendorf argues that within every human association are people who are in command class or positions seeking to maintain the status quo (for instance owners of organisations or organisations as a whole as well as institutional heads in terms of resisting salary increase including following best practice in pension fund management) while those the in obey class (for example, employees) seek to change the status quo (by demanding for salary increments and designation of an independent pension fund manager external to state apparatus). Thus, a situation of conflict of interests is latent in all associations. This conflict of interest may be acted on, as expressed in industrial actions or strike actions in terms of the issues raised such as salary inadequacies and the attendant demands for increments and change in pension fund management dynamism.

Further, in investigating the dynamic relationships between groups, conflict and change, Dahrendorf (1959) distinguished between quasi group(s), interest group(s) and conflict group(s). In terms of theoretical relevance, the interest and conflict groups are of interest in this study. Sociologically, interest groups are true groups that possess common interests, a structure, a programme or goal, leadership, and personnel of members. Such interest groups may be seen in the light of trade or labour unions in various fields of the labour economy in Ghana. An interest group in this context has the capacity to engage in group conflict, which means from the Marxian perspective that it can transform itself into “a group-in-itself”. Out of the many interest groups often emerge conflict groups, those groups that actually engage in conflict in society. The conflict group then depicts the various labour unions namely CLOSSAG, GCCSFA, GHOSPA, GNAT, GPRTU, JUSAG, NAGRAT, TUC, UTAG among others that amalgamate in embarking on industrial actions on sector or national basis. Prior to which these unions or workers developed a collective awareness of their objective interests as a striking class. Dahrendorf notes with respect to change, that some conflicts maintain the status quo whereas others culminate into change and development. It is noteworthy that in the context of this study, this finds expression in the resolution of industrial actions with respect to salary increments and the attendant additional income that may be channelled into retirement related investments without open violence.

In consequence, Dahrendorf (1959) extends Marxism with the perception that conflict does not always derive from the tension between the ownership of the means of production and the lack of it, or between bourgeoisie and proletariat, rather it can result from the tensions between those who possess power and authority (for example, employers) and those who lack the same in modern society (for example, employees). According to Dahrendorf, conflict is existent in diverse organisational levels of society.

Dahrendorf's (1959) theory provides critical insights for interpreting modern society and social phenomena such as conflicts and associated industrial actions therein, particularly by examining conflicts contrary to what Marxism suggested, that do not necessarily lead to open violence or revolution. The latter category of conflicts rather pertains to tension, hostility, competition and disagreement among labour unions over goals and values namely salary arrears and increment, and pension issues in society such as employees versus employers and a host of others.

Yet, Dahrendorf's theory as earlier indicated, comprises two alternative theories of order and conflict, rather than a theory that combined the two. In addition, the theory takes only a macro-sociological perspective. The theory fails to address much of social life.

Collectively, these theories essentially underscore the fact that the process of retirement planning requires more than an individual's bank account (Atchley, 2000) or cash savings. The framework integrates both the core tenets of Atchley's phases of retirement and Caldwell's wealth flow theories. On one hand, the theory of the stages of retirement explicitly illustrates the accumulation of money or finances and properties namely houses, businesses among others constructed along the life course. On the other hand, the wealth flow theory demonstrates how social networks are built over a period of time to be used either in the short, medium or long terms in the form of social insurance. Further, Dahrendorf's class conflict theory articulates the contestations that ensue among employers and workers issues concerning conditions of service. The connectivity between these three distinct theories relates to the accumulation of a reservoir of retirement portfolios, which is constituted by both economic and social forms of plans as well as the pursuance of strike actions in reaction to work related injustices.

Atchley's theory highlights the undertaking of saving beyond the articulation of retirement aspirations, expectations, fears and fantasies. The latter assists in shaping retirement plans and strategies including pre-retirement education. Atchley stipulated the start of planning at 30 years by white workers in a westernised context. This may vary in other contexts such as Ghana for reasons such as personal comfort, change in ideology, longevity and a host of others. Savings is on the ascendency in less developed countries. Culturally, people do not save money for retirement. Instead, they invest in their children, a notion that gives credence to Caldwell's intergenerational transfer conception. In recent times, savings and investments in children are undertaken alongside each other, signifying the diversification of retirement resources. The foregoing items are supported by incomes expressed in terms of conditions of service. Yet, when employees perceive and/or observe inequities and anomalies in their service conditions including salary issues they unionise, engage in discussions and based on the outcomes whether favourable or unfavourable embark on industrial actions. A situation that denotes industrial or class conflict as Dahrendorf puts it and the associated change.

An integrative synthesis of these theoretical underpinnings hinges on the significance of these theories especially Atchley's and Caldwell's converge at the point where workers anticipate support of one form or the other from their family relations including children during old age in relation to retirement planning and beyond. In other words, their integrative association can be obtained at the dimension of retirement aspiration, which depicts the foundation for retirement preparation especially the expectation of planners from significant others especially children and the goal thereof. Essentially, investing in direct financial and indirect financial portfolios suggest that to a large extent these complement each other in providing a holistic security for individuals in old age as espoused by Atchley's (2000) and Caldwell's (1976, 2005) theories respectively. Similarly, Dahrendorf's (1959) theory complements the contribution of both theories from improvement in conditions of service exploits point of view, in aid of the retirement planning process with implications for salary increments and the attendant enlargement in and consolidation of retirement portfolios put in place. Because the availability of financial resources facilitate the institution of both financial and non-financial plans at large.

2.9 General overview of retirement preparation

The preceding discussion indicates that an individual's net worth comprises the total value of all assets entailing real estate, savings, and personal property minus debt (Moody, 2010). The distribution of assets varies across the spectrum of social class, gender and ethnicity. Preparation is essential for adaptation to retirement. However, only few people are able to prepare beyond contributions towards social pensions which most often is mandatory in the formal sector and involuntary for the informal sector, particularly in Ghana. In their study on teachers' retirement planning in the Sekondi Circuit, Wilson and Aggrey (2012) observed that social security pension was the only measure of future security employed by teachers to a large extent including the associated retirement benefits.

Workers who retire before 60 years intimate boredom compared to their counterparts who retire later. People who retire after 60 years have more time to prepare towards new lifestyles in relation to when a change occurs, thus, the "probability for the retired person to be satisfied with this change is greater than if retirement is seen as being early" (Hervé et al., 2012:326).

Retirement preparation depicts a holistic process which combines both financial and quasi-financial products and plans. This establishes the fact that laying emphasis on one component to the detriment of the other is incomplete and may therefore denote 'partial planning'. This clearly criticises studies that stress financial products over and above non-financial aspects of the process, for instance, studies that lay emphasis on pensions (Holzmann and Stiglitz, 2001; Kpessa, 2011; Kumado and Gockel, 2003; Kunawotor and Adjei-Mensah, 2014). Other studies (for example, Agbobli, 2011; Dugbazah, 2012; Quartey and Prah, 2014; Wilson and Aggrey, 2012) dwell on only savings and investments to the exclusion of relationship and/or social networking (Apt, 1996; Sackey, 2009). Rather, both components combined in a single set-up makes preparing towards retirement quite conclusive. Thus, studies that combine both financial and quasi-financial plans (for example, Aboderin, 2004; Atchley and Barusch, 2004; Doh et al., 2014) depict the ideal situation for retirement preparation reflective of a holistic process, since both are required to ensure adjustment to post-retirement life. This indicates that retirement preparation is an all-encompassing process. In other words, the more the better syndrome applies in this context. The coping strategies employed entail portfolio diversification, a gradual shift to bonds, gradual purchase of annuities as well as the purchase of variable annuities (Holzmann and Stiglitz, 2001). Significantly, preparation for retirement is often associated with better adaptation and low level of psychological stress (Herve et al., 2012:326).

Retirement is a unique stage in life that needs careful thought by individual workers irrespective of the sector involved, be it formal or informal, and the requisite actions taken to guard against vulnerability in the form of old age poverty in the future. In effect, preparation is essential for adaptation to retirement. Yet, only few people are able to prepare beyond contributions towards social pensions which most often is mandatory in the formal sector. This leaves a gap in the literature on the kinds of preparations formal and informal sector workers undertake in anticipation of retirement in addition to pension contributions. There is also limited research and empirical literature on retirement planning in Ghana. This is the gap that this present study sought to fill.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

The aim of the study was to employ the use of explanatory sequential mixed methods research strategy to examine how formal and informal sector workers prepare for retirement and therefore the retirement planning experiences of an occupationally diverse sample of workers. The chapter discusses the sources of data, research methods, research design, study area, target and study populations, sampling design, sampling frame, sample size, research instruments, data handling and analysis, reliability and validity of the data. The study adopted the explanatory sequential mixed methods strategy to investigate retirement preparation among formal and informal sector workers in Tema. It is constituted by three phases. Phase I was an initial qualitative stage which explored institutional contribution to retirement preparation. Data for this phase was obtained from key informant interviews. Phase II was the subsequent quantitative stage that sought to address the following objectives: investigate formal and informal sector workers' retirement aspirations and sources of retirement planning information, articulate the various forms of retirement planning undertaken by formal and informal sector workers and explore factors that mitigate against retirement planning by workers. The data for addressing these research objectives were gathered using survey questionnaire. Last but not the least, Phase III denotes the final qualitative phase that sought deeper insight in terms of explanations for key issues raised in the survey such as susu, development of interpersonal relationships and a host of others that required further explications, with the use of in-depth interviews.

There are seven sections in this chapter. Section two presents the sources of data, section three articulates the research design, section four outlines the features of the study area, section five discusses the sequencing of the research process, section six highlights ethical issues and section seven profiles limitations of the study.

3.1 Sources of data

Primary and secondary sources of data were used in the study. The primary sources of data generated encompassed key informant interview data; questionnaire data; and in-depth data. The secondary data for the study however were obtained from previous research works namely official statistics particularly the population and housing census, mass media; government reports and/or documents.

3.2 Research design

The philosophical assumption that underpins this strategy is the pragmatic worldview (Camaron, 2011; Creswell, 2009, 2014). The pragmatic worldview opines that the research problem of the study is better understood and best provided by the collection of diverse types of data. The central premise of this study was that retirement planning is facilitated by institutional role, organisational or employers' retirement benefits and individual workers preparations, an idea that has some support in the literature yet requires further empirical validation. Explanatory sequential mixed methods strategy (Camaron, 2009; Creswell, 2003, 2009, 2014; Tashakkori and Teddlie, 2003) was employed in the study. Using a three-phase approach, the study gathered both qualitative and quantitative data. The design consisted of a procedure for collecting, analysing and ‘mixing' both qualitative and quantitative data in three phases respectively at a point in the research process.

Following the guidelines of Creswell and Plano Clark (2007), thematic analysis of the data collected in phase I was utilised in informing the development of a survey instrument for phase II. Phase III sought to understand the lived experiences of workers' retirement preparation behaviours (namely susu, family connotations in retirement preparation, association membership) that emerged from phase II, and which have sociological importance for the study (See Figure 1 below). In other words, in the design of the study, the qualitative component took place first followed by the quantitative component and then the other qualitative component. Implementation was descriptive and explanatory sequential, integration occurred at the point of instrument development, the data analysis stage of the research process between data analysis from phase I and the subsequent phases, while analysing the data and when reporting the results.

It however took a lengthy time to complete the respective phases of data collection. The researcher had to decide on the findings from the initial qualitative phase that had to be focused on in the quantitative phase namely pension contributions, other plans and financial literacy and the findings from the subsequent quantitative phase namely retirement aspirations, sources of information, role of family among others in the final qualitative phase.

Mixed methods have been used for the following reasons, first, to explore the phenomenon of retirement preparation and expand on the quantitative findings. The rationale for using mixed methods found expression in the fact that "there is strong support for working both qualitatively and quantitatively" (Brannen, 2008:175). Second, this includes undertaking a complementary assistance, where different strengths of the different methods and instruments connect the contribution of the performance of one to the other. Third, Furstenberg (2006) also divulged the need to capitalise on the strengths of qualitative and quantitative data in the same study. Fourth, the quantitative findings may be generalised to refer to statistical preference i.e., the parent population. Fifth, the advantage of mixed methods was to use qualitative methods to explore issues further. Its use supported the quantitative data. It drew on the strengths while minimising the weaknesses of both methods in a single research enabling triangulation. Finally, the purpose was to understand the research problem more intricately. However, Lierberman (2005) contends that some mixed methods strategies may generate more confusion than clarity.

3.3 Study area

There may be no fixed steps in field research, yet there were issues of concern that were taken into consideration in this study such as selecting the site, gaining access to the study locations, entering the field including the development of rapport with individuals in the field. The Accra and Tema Metropolises in the Greater Accra Region of Ghana were selected as study sites for the following reasons. They present a web of social relations, occupational diversity, a variety of activities as well as diverse events overtime that provide richer and more interesting data (Ghanaweb, 2015).

Accra and Tema were chosen as epitomes of urban settings because the study aimed at investigating retirement preparation in an urban context. Accra has an urban population of 1, 848, 614 and a growth rate of 3.1% (GSS, 2010). Accra was selected for the purpose of interviewing officials in charge of pensions and retirement planning at SSNIT, Ministry of Gender, Children and Social Protection (MGCSP), National Pensions Regulatory Authority (NPRA), SIC Financial Services Limited (SIC FSL) and Ecobank, Fair Wages and Salaries Commission (FWSC) and NLC. Being an urban area and industrial city, Tema is a repository of people with diverse socio-economic backgrounds. The purpose for selecting Tema was to obtain workers for participation in phases II and III of the study. The population of Tema is 297, 772 according to the 2010 population and housing census (GSS, 2014) which comprises of 189, 659 males and 197, 389 females. Tema has an annual growth rate of 2.6%.

3.4 The research process

The first phase of the study was a qualitative one that ascertained retirement planning provisions and services rendered to workers to facilitate their preparations from an institutional perspective. The cross-sectional survey design, which implies the data was collected at one point in time was employed. The second quantitative phase was used to obtain the views of workers on a relatively large scale in terms of the issue of retirement planning. The second qualitative phase of the study was aimed at explaining the results of the statistical data analysis, obtained in the quantitative phase as earlier indicated using the multiple case design. It constituted the third phase of the study. The cases were bound by virtue of time, activity and context. The key focus here was on the nature of the lived experiences of workers regarding retirement aspirations, sources of retirement planning information and financial literacy and institution of retirement measures. Representativeness of qualitative data in this study was based on the saturation school of thought.

3.4.1 Phase I

The institutional entry process for the phase I of the study took the form of recognisance visits to the study sites in Accra which started in November, 2015. The Accra site, precisely the Ministries was the first place of call. The idea was to visit the institutions first and have some appointments scheduled after the researcher and the study objectives have been introduced to the requisite officials. The NPRA is situated near the West Africa Examinations Council (WAEC) in Accra was the first institution visited. Here, the first place of call was the reception and then to the Corporate Affairs Manager, who was given a copy of the study's introductory letter obtained from the Department of Sociology. In the process, the purpose of the research and objectives were shared with the personnel involved. Generally, on arrival in an organisation, the Human Resource Managers (HRMs) or the head of department of unit was approached.

This process was repeated at the Social Protection Division of the MGCSP, SSNIT, SIC FSL, FWSC, NLC, Ghana National Pensioners' Association. During these visits, some salient policy documents were obtained such as the National Pension Act, 2008 (Act 766) and Act 883, which is an amendment to Act 766, list of PSPs, SSNIT's 60th anniversary report/brochure including the National Labour Policy. Consequently, a number of interview appointments were scheduled including the conduction of some preliminary interviews.

Sample selection

In Phase I of the study targeted officials from NPRA, MGCSP, SSNIT, SIC FSL, SSNIT IFS, Ecobank, FWSC and NLC who are in charge of pensions and/or perform retirement planning and associated functions were approached. The study then targeted institutions that work on pensions, salary and other auxiliary institutions that handle work related dispute resolutions, labour, social protection. The targeted and chain referral sampling techniques were employed in the sampling process because only few people occupy such positions in the organisations which are of interest to the study. During this phase, at each organisation visited the researcher sought the HRMs who gave directions to the appropriate officials involved with whom to conduct key informant interviews. After the official was located, he/she was briefed on the theme and purpose of the study. Because the officials are usually few, 12 of them were purposively selected (See Table 2 below). The clear-cut criteria is based the characteristics of the sample – few organisations work on pension policy, labour or wage issues, and the attainment of the study's set objectives. It is worth noting this institutional level sample size was selected because they provided information that assisted in answering the research questions including the achievement of the research objectives. For this reason, the researcher used her own judgment in order to choose these officials for the study. Chain referral sampling was also used among organisations and their related officials to obtain study participants with the relevant information. For instance, in the case of the issue of OAEs, specifically the reduction in property rate, TMA was initially contacted about the issue after the researcher had read about it in the Tabloids, after which the TMA official directed the researcher to the President of the Veteran Association of Ghana. The latter also provided information in relation to the Eban card, confirming information from the Social Protection Unit of MGCSP. Similarly, FWSC was a referral institution.

Data collection

Key informant interviews were used to elicit the requisite data from the officials (See Figure 1 above). It was utilised because it facilitated access to institutional level information which was highly insightful for the study. Interview appointments were scheduled initially during the visits with designated officials from the above indicated institutions. On the appointed interview days, the researcher reported to the agreed location where the key informant interviews were conducted normally in the office of each targeted official. Sometimes, such key informant interview appointments were honoured by 6.00 am, for example SSNIT. During the interviews, the voices were recorded, prior to which the consent of the participants was sought for both participation in the study as well as voice recording. The researcher also wrote down notes of key issues being discussed including probes, which serves as a backup to the voice recordings, while watching the recorder to ensure it worked and therefore recorded the full interview. Additionally, extra batteries were carried along to the field to guard against the batteries in use going off and not being able to replace them because of the unavailability of another set at the time of need. The researcher developed rapport with the participants and probed for more details to clarify opinions about a particular issue.

The interviews were conducted in a quiet and private place to afford the participants had the freedom to express themselves as well as allowed for comfortable interaction between the researcher and the participants. In each case, the researcher introduced herself as well as thanked the participants after the interview. However, initially SSNIT and FWSC did not allow the recording of voices, for which reason a separate letter was obtained that sought permission to solely record interviews. The key informant interviews elicited rich, in-depth data for the study and it took the form of a face-to-face and one-on-one in-depth discussion including information on the inception of retirement planning in Ghana and other policy issues. Further, public documents such as official documents, minutes as well as archival material(s) were obtained. Table 1 profiles the number of key informants and the institutions they were drawn from.

Table 1: Sample for Phase I

Institutions	Number of officials
NPRA	2
SSNIT	3
SSNIT ISF	1
SIC FSL	1
Ecobank	1
FWSC	1
NLC	2
MGCSP Social Protection Unit	1
Total	**12**

Source: Author's survey data, 2017

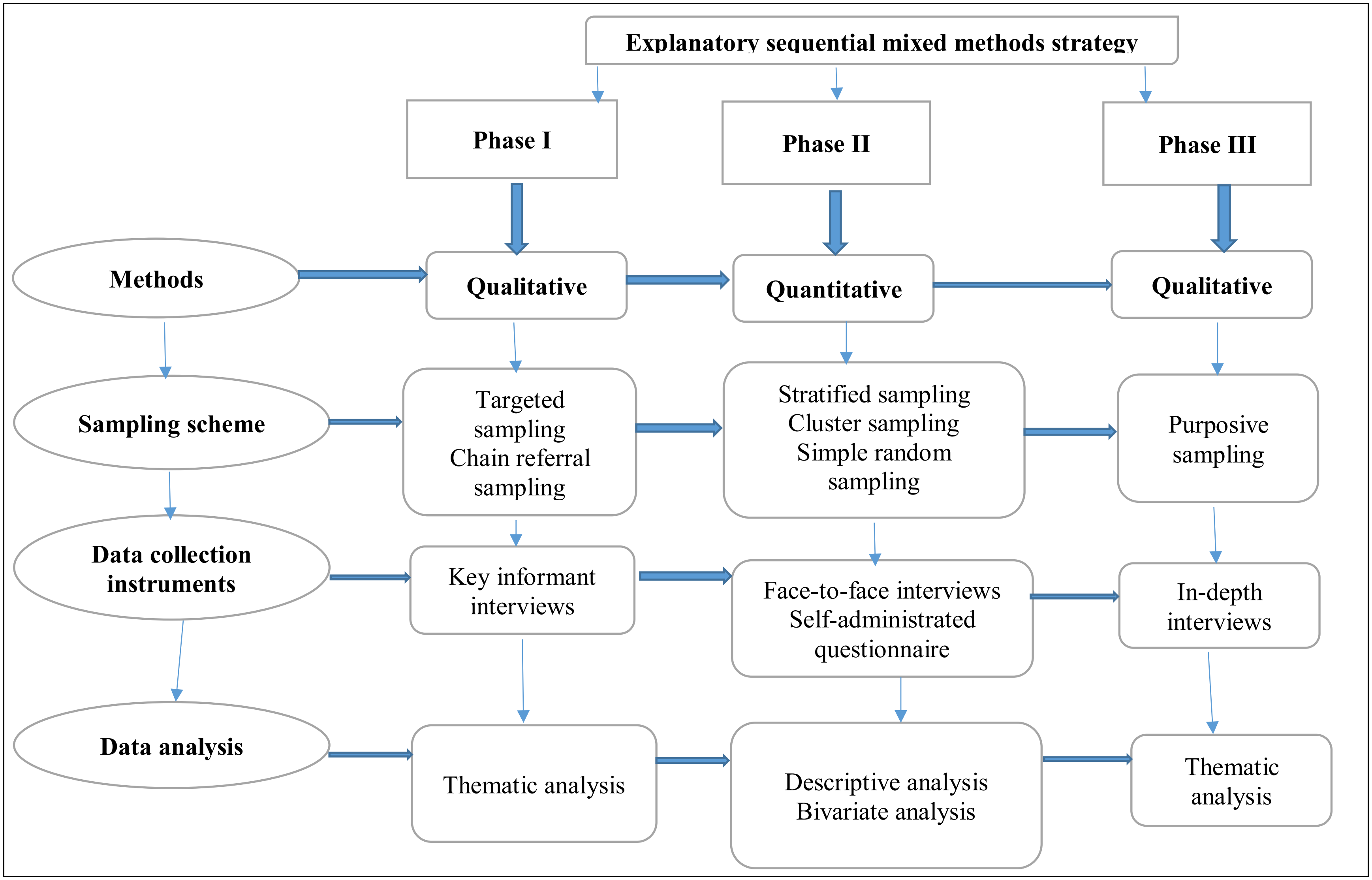
The key informant interviews guide was piloted for appropriate wording and clarity. The key informant interviews elicited information acquired over the past years on institutional role in pension contribution including conditions of service issues. Data collected from this phase addressed the objective on institutional and other corporate organisations' role in retirement preparation. The interviews lasted between 60 and 90 minutes. The interviews were preliminarily analysed as they were being collected based on which modifications were made in the sampling strategy before the next series of interviews to ensure gaps were ascertained and rectified. This act preserved the multivocality and complexity of lived experiences while maintaining focus on the theme of the study.

All the targeted institutions possessed characteristics of interest to the study's theme and required information. An official each was selected from each institution with the exception of NPRA, where two, SSNIT where three and NLC where two officials provided the required information including supporting figures.

Data handling and analysis

The data analysis process was constituted by the following steps along Tesch's (1990) and Bryman's (2008) strategies. The first step involved the transcription of interviews, with majority done alongside data collection; while optically scanning material and typing up field notes. The data were sorted and arranged into different types depending on the source of the data. The second step entailed editing of the data in order to obtain a general sense of the information; reflected on its overall meaning; ascertained the general ideas emanating from the participants alongside with writing notes in margins and finally recorded thoughts about the data. Step three involved data coding which entailed the review of transcripts and field notes and labelling their parts. The process of coding related to the creation of analytical categories in terms of the data; different data were grouped together on the basis of sameness. The researcher generated an index of terms; codes were developed based on emerging information obtained from participants, reviewed, finalised and categorised. The interview data were then managed using Nvivo software and analysed with the use of thematic analysis. These analytical tools were used because they facilitated the appropriate organisation of the data and data management as well. Further, the quotes were intertwined with the researcher's interpretations. The participants served as check throughout the analysis process. An ongoing dialogue regarding the researcher's interpretation of the participants' reality and meanings ensured the truth of the data. This process of data validation also consisted of the taking of the obtained data back to the key informants who validated it.

Figure 1: Study design



Source: Author's survey, 2017

The researcher made sense of the data; while taking note of lessons learnt from the study including the researcher's personal interpretation namely meanings derived from comparison of the findings, coupled with information gleaned from the literature and theories reviewed earlier. Based on this, there was the observation that the findings confirm past findings or diverge from past findings and suggested new questions that need to be asked (future research). Significantly, this helped to obtain the requisite conclusions and recommendations.

To ensure credibility in the qualitative data, the key informant interviews were audio taped as earlier mentioned and a second person was contracted to read through the transcripts for sameness of themes. Similarly, a second person also transcribed the interview data in lieu of quality assurance. The description of themes could be transferred to specific situations beyond this study, hence ensuring an extent of transferability. An audit trail was undertaken. Dependability was ensured by subjecting the qualitative research process to clear descriptions and therefore could be audited. Thus, confirmability was enhanced by this act of transparency. Finally, the data obtained was taken back to the participants who validated it, they also asked for a report of the findings.

3.4.2 Phase II

This phase constitutes the survey component of the study. Choosing survey as an instrument of data collection in this study was on the premise that "survey research affords the greatest control over error and bias associated with sampling" (Singleton and Strait, 2010:451). On completion of phase I data collection, community entry was undertaken in Tema in relation to Phase 2 of the recognisance visits, which took place in January 2016. It encompassed visits to the Tema Metropolitan Assembly (TMA), the Tema Development Corporation (TDC), The Department of

Social Welfare and Community Development (SWCD), the Survey Department of the Land's Commission, Tema Senior High School (Temasco), Chemu Senior High School (Cheme SHS), market workers and drivers' union. During the visits the purpose of the research and objectives were shared with the stakeholders involved. In addition, each organisation visited was given an introductory letter. Further, at each institution, the HRM was sought, in the absence of whom, the head of department or unit was approached.

The TMA like the NPRA also deals with informal sector workers on association basis but with a motive entirely different from that of the NPRA. The TMA's purpose is to fix fees chargeable to these market associations. During the recognisance visit a list of such associations were obtained from the TMA, namely Charcoal sellers' association, butchers' association, plantain and cassava sellers' association, seamstresses' association, yam sellers, fish sellers' association, store operators' association, food vendors' association, petty traders' association, Tema roadside association, etc. This was indeed critical for the study because it facilitated the constitution of a sample frame for the informal sector workers. Later on during the research, they were approached individually for actual data collection.

3.4.2.1 Target Population

The target population in the study was workers in both the formal and informal sectors of the Ghanaian economy in Tema. The criteria of inclusion and exclusion were based on the type of unit, which are individual workers as well as the research topic. The included cases were based on a combination of location, selected demographical variables namely sex, employment status, and age. The excluded cases entailed non-working individuals, the economically not active and unemployed individuals including national service personnel.

3.4.2.2 Study population

The study population constituted the subset of the target population available for the study. Further, it is usually not possible to reach all the members of the target population, thus the researcher identified the portion of the population accessible for the study who were 18-59 years. However, the nature of the accessible population depended on time and available resources. Given the target population as ‘all workers’, the study population entailed individuals who were working in the public and civil service sectors including those situated in the informal sector namely traders, artisans and drivers.

3.4.2.3 Sampling frame and sample selection

The sampling frame for the study was constructed in two distinct ways. First, there was dependence on a list of all cases and second, a membership defining rule provision. It consisted of all workers in the public service and civil service of the formal sector in Tema. It also included informal sector workers situated in the trading, artisan and transport services of that sub-sector. The sampling frame encompassed the public service list, civil service list and traders, artisans and transport services lists of the informal sector received at both the organisational and individual levels. The informal sector lists were obtained from related trade associations and unions. Whereas the formal sector list was obtained from each organisation’s HRM, the formal sector is so wide for which reason the study sample was restricted to the public formal sector. Table 2 contains the number of workers in the sampling frame which is 134,640 workers out of Tema's total population of 292,772 extrapolated from the 2010 population and housing census (GSS, 2014).

Table 2: Number of personnel in the sampling frame by service

Occupation	Number of workers
Managers	9,132
Professionals	13,198
Technicians & associate professionals	7,938
Clerical support workers	5,957
Service & sales workers	42,423
Skilled agricultural forestry & fishery workers	5,630
Craft and related trades workers	27,154
Plant & machine operators & assemblers	8,830
Elementary occupations	13,986
Other occupations	392
Total	**134, 640**

Source: GSS, 2014

The criteria for selecting the participants for phase II included: (1) being in the formal sector, albeit the civil and public services; (2) being in the informal sector, particularly working in the services sub-sector. This enabled the presentation of multiple perspectives of individuals to "represent the complexity of our world" (Creswell, 2002:194). The decision in relation to the best sample size was dependent on the degree of accuracy required, the degree of variability or diversity in the population and the number of different variables examined simultaneously as required in the process of data analysis. Thus, the population has a great deal of variability or heterogeneity for which a large sample was required. In addition, the analysis of data on subgroups equally affected the decision in relation to sample size. As earlier indicated, the total population of Tema according to GSS (2014) is 292,772, out of which 135, 640 are employed, and it was from this that the sample for the study was selected.

At a confidence level of 95%, with a confidence interval (z*) of 1.96 and a 5% (0.05) margin of error (m), and a reasonable assumption that formal and informal sector workers constitute approximately 46% of the population in Tema, a sample size (n) for the study was calculated using the formula by Moore and McCabe (1993) below:

$$n = [z^*/2m]^2$$

$$n = [1.96/2(0.05)]$$

$$n = [384.16]$$

$$n = [384]$$

From the above, a sample size of approximately 384 was required. However, this was rounded up to 442, because an anticipated non-response was built into the survey design in order to achieve the required sample size by drawing a larger initial sample of 460 than was the case with a 96% response. This consisted of 58 respondents, with 221 each from the formal and informal sectors respectively.

The nature of the survey phase of the study was such that the stratified, cluster and simple random sampling techniques were used (See Figure 1 above). First, the stratified sampling tool was used in the study because the worker population of Tema was heterogeneous and constituted by different groups, namely governmental and non-governmental (informal) groups of organisations. Some of which are related in terms of the topic of the study. Second, the cluster sampling technique was used in the selection of organisations because the population comprised units of individuals expressed in units of organisations instead of individuals themselves. This sampling method was easy and convenient for use. Last but not the least, the usage of the simple random sampling method facilitated the representativeness of all the layers in the population.

The sample from the population was stratified on two layers namely formal sector work and informal sector work. After stratifying the sample, clusters were used to categorise the units of organisations which comprised administration, education, services, manufacturing and processing formed the clusters. This became necessary because each organisation encompassed units of individuals. Out of these, the randomly selected clusters entailed administration, education, and services. Within each of the above indicated clusters, simple random sampling was used in the selection of organisations namely TMA and Survey Department under the administrative cluster.

All the organisations were listed separately. The administrative and education clusters comprised state organisations, whereas the services cluster contained both state and non-state organisations. The education cluster was constituted by the Ghana Education Service (GES), Chemu Senior High School (Chemu SHS), Tema Senior High School (Temasco), Our Lady of Mercy Senior High School (OLAM SHS), Methodist Day SHS (MEDAS), Tema Technical Institute (TTI), Manhyia Secondary Technical and Presbyterian SHS. In the case of the education cluster, GES and Chemu SHS were randomly selected. The services cluster was further sub-categorised into formal and informal. The formal sector cluster consisted of SWCD, TDC, Tema High Court (THC), District Court; Circuit Court, Family Tribunal, Commission for Human Rights and Administrative Justice, Drivers and Vehicle Licensing Authority, Ghana Commercial Bank (GCB). The informal sector consisted of markets and transport services. For the former, TDC, THC, SWCD were respectively randomly selected by writing their names on pieces of paper in a charade basket, picking and shaking the basket after each pick until the required sample was obtained in each case.

The markets included Community 1 market, Community 2, Community 4, Community 5, Community 7, and Community 11 markets. The transport services entailed Tema Casino Cooperative Taxi Society, Sakumono Estates Junction Taxi, Tema-Accra Taxi/Hiring Branch, Tema West Taxi Branch, Tema North Taxi Branch, Communities 5 and 6 Taxi Drivers' Union Branch, Fishing Harbour Cooperative Taxi Union, Community 7 High Street Taxi Rank, Meridian Plazza Taxi Rank, Tema Melcom Area Cooperative Taxi Drivers Society, City Cabs Cooperative Society, Adom Cooperative Society, Shalom Spot Taxi Rank, Lashibi Emef Estates Taxi, Overhead Taxi Rank, Mankoadze Taxi Drivers, Baatsona Taxi Rank, Community 10 Junction Cooperative Taxi Branch, State Fishing Corporation (SFC) Taxi Society, Agyenkwa Cooperative Taxi Driver's Union, Klagon Taxi Drivers' Union, Yehowa Dromo Taxi Drivers' Association, Manet Cottage Taxi Rank, Tema Community 12 Taxi Branch respectively. Out of these the Communities 1, 2 and 5 markets were selected randomly including the Communities 5 and 6 Taxi Drivers' Union.

From each of these participating organisations a list of workers was obtained from the HRM. Then, each member on the list's name was written on piece of paper for easy identification. Simple random sampling was then performed in the selection of individual workers from each selected organisation from the charade basket while shaking it after each pick until the desired sample was obtained. This process started at the Survey Department of the Lands Commission with a sample of 5, and subsequently at Chemu Senior High School (Chemu SHS) -53; GES – 29; SWCD – 7; THC – 19; TDC – 70; SSNIT – 11; and TMA – 27 (Table 3). However, it is noteworthy that in the case of TMA, there was a challenge in getting approval from the appropriate authority figure initially. Hence, when permission was finally obtained due to inability to access the appropriate authority, the sample obtained was 415 respondents. As a result, it was only the first 27 randomly selected workers using the method stated above who participated in the study. Thus, though TMA was one of the first organisations to be visited, it became the last to participate in the study. The population thus consisted of public formal and private informal groups of organisations. This whole procedure ensured representativeness of all the layers in the population. But it is time consuming and tedious. The goal of this sample size of 442 respondents was to secure a study population that is representative.

Table 3: Participating organisations, total staff strength and selected sample

Formal sector			**Informal sector**		
Organisation	**Total staff strength**	**Selected sample**	**Organisation**	**Total staff strength**	**Selected sample**
Chemu SHS	120	53	Community 1 Market	200	75
GES	84	29			
SSNIT	35	11	Community 2 Market	110	57
Survey Department	14	5	Community 5 Market	40	34
SWCD	20	7			
THC	26	19	Communities 5 & 6 Taxi Drivers' Union	120	55
TDC	364	70			
TMA	1, 020	27			
Total		**221**	**Total**		**221**

Follow up interviews	
Organisation	**Number of officials**
CHEMU SHS	1
GES	1
Ghana National Veteran's Association	1
National Pensioners' Association	1
SSNIT	1
TDC	1
Total	**6**

Source: Author's survey, 2017

3.4.2.4 Research instruments, measurements, data collection and analysis

A questionnaire containing six sections was used in data collection in this phase. Section one was on the socio-demographic characteristics namely age, educational level and ethnicity. The second section explored workers' retirement aspirations and expectations, which also depicts one of the independent variables in the study. This section contained some Likert type scale questions that the respondents were required to answer. Retirement aspiration was measured with the use of a 5-point verbalised scale from 'a lot' to 'not at all'. Section three which comprised retirement planning literacy was measured with 5-point verbalised scale from 'extremely helpful' to 'not at all helpful'. It is also one of the independent variables in the study which sought to articulate the influence of financial knowledge on the retirement planning process.

Section four focused on the actual process of retirement preparation. It was measured using a variety of scales namely a 5-point verbalised scale from 'very prepared' to 'not at all prepared'. The items were also developed to assess each stage of the planning process for financial, house, health, interpersonal relationship development and leisure. Section five concentrated on the challenges that workers encountered in the process of planning for retirement, aimed at exploring the relationship or association between these reactions and the overall retirement planning.

Some of the questions were borrowed from Atchley (2000). Similarly, some of the response options were borrowed from Krosnick and Fabrigar (1997), Barnett and Monda-Amaya (1998), Hershley and Mowen (2000) and Novak (2006). Together these were collectively contextualised to fit this study's scenario and for that matter the Ghanaian scenario. Percentage scores for the respondents were calculated using in Statistical Package for Social Science version 20.0 software.

The measures of variability assessed the degree of spread or dispersion that characterises a group of scores. This finds expression in the range, which assessed the differences between the highest and lowest scores in a given distribution. It indicated the general spread or size of the difference between extremes. The standard deviation was used to measure variability, particularly the average amount of which each individual score varied from the mean of the set of scores. Others include mean, mode, median, minimum and maximum. Measures of association explored the extent of correlation between variables. Correlation statistical tools namely the Pearson Chi-square, Cramer's V test and Pearson correlation coefficient were used in the study as the standard to assess the relationship between the degree of relatedness and un-relatedness. These statistical tests used in the study were chosen based on the design of the study, but also the characteristics of the data.

This phase addressed the objectives on retirement aspirations and sources of retirement planning including the various forms of retirement plans among workers and impediments to retirement preparation. Furthermore, the survey was used because of the coverage of wide numbers of respondents it facilitates. The administration of the questionnaire was undertaken in two distinct modes namely face-to-face and self-administration to eliminate the situation of unreturned questionnaires. To facilitate this, interview appointments were booked, rebooked in some cases and rebooked again in other cases, even five or six times.

For purposes of secondary analysis, parts of the survey data were recoded. For instance, the age at which respondents commenced retirement planning was recoded as 17-29; 30-39; 40-49; 50-59, and 60+. Similarly, education was recoded to read 0= < high school; 1= high school; 2= > high school and 3= college. This was later recoded as non-formal; pre-tertiary and tertiary levels of education.

Quantitative data gathered from respondents were analysed using SPSS software. This statistical tool was used to analyse the relationship between the variables including the conduction of correlation analysis such as Pearson chi square analysis. Bivariate analysis in terms of cross-tabulations was also undertaken.

The analysis of the data was conducted following Nardi's (2006) guidelines that "it is important to do one variable analysis and look at every item in the study to get a sense of the variability of responses" (p. 128), before any further analysis was undertaken. Data analysis was undertaken in steps. Therefore, analysing the data entailed conducting univariate statistics, the purpose of which was to determine if the themes from the questionnaire were actually variables, which could not be used for data analysis later by virtue of printed responses in SPSS format were critically assessed and reviewed. The procedure also highlighted the items on the questionnaire that were variable(s) enough for further analysis. Further, it facilitated the evaluation of the research questions developed using inferential statistics. It also enabled the description of the characteristics of the sample through the display of socio-demographic findings. Information about variables in the study was presented using frequency distributions namely tables, charts, and statistical measures such as cross-tabulations. This was obtained through the exploration of relationships between two or more variables at a time. Hence, bivariate relationships were investigated on the basis of which the association between two variables at the same time were assessed with the aim of demonstrating whether the independent variables significantly influences the dependent variables (for example, retirement preparation) including describing how the dependent variables varied in terms of different categories of the independent variable (for example, age, gender).

3.4.2.5 Verification steps

The survey questionnaire instrument's reliability was ensured in diverse ways. First, the number of items or observations was increased. This culminated into the largeness of the sample in the universe that was investigated, thus, increasing the representativeness and reliability of the data. Reliability of the instrument was also facilitated by clear instructions and wording of questions. The questionnaire contained standardised instructions namely 'please tick where appropriate'. Second, trait sources of error were minimised through interviewing respondents at their convenience. To attain this, interview appointments were booked, rebooked and rebooked severally as earlier mentioned, until when respondents could get off their busy schedules for the purpose. Third, the effects of external events such as visiting research units during strike periods for example, at TMA and THC in June and July, 2016 respectively was avoided because at the time, that act had the likelihood of taking centre stage at the expense of respondents' interviews. In both instances, interviews were postponed until the strike actions were called off. Obstacles to reliability in this study included behaviours that may have misled the researcher including misinformation, evasion and fronts.

The validity of the survey data was attained following Nardi's (2006) guidelines. Validity of the data was obtained from face-to-face interviews. In addition, the survey sought an alternative source for confirmation through further in-depth interviews of institutional officials, for instance, in SSNIT and TDC in relation to employer's retirement benefits; in the case of Chemu SHS and GES, mutual fund matters; TMA property rebate incentive for older people and pensioners' association official on its benefits. Similarly, there were follow up interviews with Tema Communities 5 and 6 Drivers' Union executive member, Market queen mothers and a treasurer. These follow up interviews were conducted to confirm factual information that was important to the study. Further, the confirmatory interviews elucidated above serve two purposes, first, they provided more explanatory information to the issues raised and second validated the data collected for the study. The inclusion of items supported by literature review guaranteed the content validity of the questionnaire.

3.4.3 Phase III

It is worth noting the fact that community entry was not conducted during this phase is because the participants were part of those drawn for the survey in phase II. The sample for the second qualitative phase was selected from that used in the quantitative phase as indicated earlier based on the criteria of falling within the 18-59 age range. A sample of 20 workers from the formal and informal sectors was selected utilising the purposive sampling technique. Purposive sampling was used for diverse reasons. These may be because of its importance in the selection of participants who had specific characteristics such as number of children cared for, which not all the survey sample had including income and essentially the kind of information required.

Statistical analysis from the quantitative phase was used to guide case selection for this from which additional information was gleaned. At this phase, respondents who had participated in Phase II also took part in follow up interviews with the purpose of obtaining explanation for issues raised in relation to individual level retirement preparation measures such as retirement aspirations, financial knowledge, susu, family connotations among others as indicated earlier. The participants were purposively selected on the basis of sex, sector of work including number of children. In consequence, the data was sorted into formal and informal sectors, sex and number of children in SPSS where the first 221 people represented females and the second represented males. The number of children cared for were recoded into 1=1; 2-3= 2; 3-4=3 and 6 or more=4, after which 10 formal sector workers constituted by 5 males and 5 females were also purposively selected and 10 informal sector, constituted by 5 males and 5 females were selected, who participated in this phase. The clear-cut criteria is based the characteristics of the sample – workers who had a range of 1 to 6 children and/or wards being cared for were selected and the achievement of the study's set objectives.

Data collection

In this phase, in-depth interviews were used in the gathering of data from the participants. Having selected the sample, interview appointments were then scheduled with the selected participants, on the basis of which the interviews were conducted at locations of their choice namely offices and shops at their convenience. Prior to which permission to tape record discussion including informed consent were sought. Before each interview, the purpose of the phase was clearly articulated and after each interview, the participants were thanked for participating. It entailed open-ended face-to-face in-depth interviews. The in-depth interviews were employed for the collection of very detailed information from a smaller number of workers for depth. They also engendered and embraced a diverse range of topics and allowed for themes, most unexpected to emerge from the participants' varied experiences rather than preconceived ideas. Face-to-face in-depth interviews are endowed with the merit of the provision of historical information while allowing the researcher the opportunity to control the line of questioning. This was however associated with the demerit of providing information that is filtered through the views of the participants.

During the interviews, before that participants' consent was sought, rapport was also developed with them. Key points were jotted down in the form of notes as a backup to the audio tape recordings as well as probes. The recorder was constantly watched to ensure that it worked. Furthermore, extra batteries were carried along in case the one in use went off including easy access of it. Table 4 provides a general overview of study participants in this phase of the study.

Table 4: Sample for Phase III

Sector of economy	**Sample**	
	Males	**Females**
Formal sector	5	5
Informal sector	5	5
Total	**10**	**10**

Source: Field data, 2017

Data handling and analysis

With regard to data handling, each interview was transcribed immediately after the interview section to enable the ascertainment of core issues that could have been further explored in subsequent interviews. The in-depth interview guide was piloted for clarity. The field notes contained diagrams; interviews; tape recordings; memos from jotted notes and detailed field notes written away from the field, including direct observational notes. Data analysis followed the guidelines of Tesch (1990) and Bryman (2008), (See section 3.4.1 for details) regarding data handling and analysis as well as verification steps. To ensure reliability of the qualitative data, qualification for participation in the in-depth qualitative component, the quantitative data was analysed before participants were selected for the subsequent qualitative phase as indicated. Reliability of the instrument was also facilitated by wording of questions. Like in the case of the key informant interview data, the participants served as check throughout the analysis process. An ongoing dialogue in terms of the researcher's interpretation of the participants' reality and meanings ensured the truth of the data. This process of data validation also consisted of the taking of the data obtained from the interviews were taken back to them for validation.

3.5 Ethical considerations

Prior to the data collection process permission was sought from the relevant gate keepers at each institution studied. The participants' informed consent was sought in relation to the nature and consequences of the study, eschewing deception of any form from the respondents and participants. This entailed voluntary participation and the right to withdraw or not to participate. They could also decide later whether or not to take part in the phase III of the study. The nature of this study is such that it did not harm the participants physically or emotionally. Precautions were taken not to harm the participants either physically or emotionally. However, research like this, may violate people's privacy. Thus, the researcher assured them that the information provided will be treated confidentially.

Anonymity was also ensured. All the information gathered were kept private, wherein no one else would be able to distribute or use the individual information. Every effort would be made to prevent anyone beyond the investigator from accessing the data obtained. Pseudonyms were used in place of the exact names of the study participants. In effect, study participants were assigned a code number that protected participants' identity. The code would be kept in a locked cabinet, where only the investigator would have access to the codes.

3.6 Problems encountered in the field

At the initial stages of the study some officials, especially those from SSNIT and FWSC appeared to withhold information. For this reason, a separate letter was written for purposes of obtaining permission to interview including the recording of interview data on audio-tape. The back and forth this induced had implications for the timing of research actions.

Second, study participants' refusal to disclose some information deemed vital, private, and personal or may distort the truth constituted a limitation to the study, for example, some refused to indicate their monthly incomes. Third, workers' financial literacy and the retirement plans instituted relied on the ability of the participants to recall, which might have resulted in alteration and errors in their outlined instituted portfolios, especially those who have done that for over 20 years ago. It is worth articulating the fact that the act of measuring workers' behaviour through the usage of the questionnaire encountered two shortfalls. The respondents assessed their retirement planning behaviour through memory recalls of previous events or extrapolate into activities outlined for the future. However, these memory recalls may not necessarily be accurate.

Finally, data entry challenges were encountered at the initial stages of data entry, especially in the case whereby when 35 entries of questionnaire data were done in a day, 15 entries were lost. This observation was made for three consecutive days. This situation was resolved by constantly saving the outputs that open when the data window in SPSS was opened. Further, the data was saved on seven (7) different pen-drives including an external hard drive on a daily basis as well as emailing the data file.

In conclusion, the study is a three-phase research that employed explanatory sequential mixed methods strategy to obtain both qualitative and quantitative data, providing an in-depth insight into formal and informal sector workers' retirement plans. Chapter four below catalogues pension policy development in Ghana.

CHAPTER FOUR

PENSION POLICY DEVELOPMENT IN GHANA, STATE AND OTHER INSTITUTONS AND RETIREMENT PLANNING

4.0 Introduction

This chapter contains vital information that documented the development of pension policies in Ghana along pre-independence and post-independence pension schemes pathways. It also outlines the core tenets of the law(s) and acts including Provisional National Defence Council Law (PNDCL 247) and Acts 766 and 883. This also entails adjustments made during implementation and challenges encountered in the process.

Presently, there are three pension laws that are running concurrently in terms of implementation namely Social Security Scheme (SSS) under PNDCL 247 (1991), the new three-tier pension system under Act 766 (2008) and Act 883 (2014). The latter Act is an amendment to Act 766. They outline the processes and benefits related to pension contribution currently in Ghana, which denotes one of the major ways for preparing for retirement. The chapter also highlights how retirement benefits are calculated, procedures to follow in terms of collecting benefits as well as what to do prior to that. In essence, this chapter recapitulates the salient features of pension policy namely institutional role in facilitating the process through socialisation, pension contribution collection and their investment, payment of pension benefits including employers' provision of retirement benefits. The chapter addresses the objective on the role of state institutions and other corporate organisations towards retirement planning. It is worth mentioning that information provided in this chapter is based on existing empirical sources and interview data. The rationale behind the latter is to clearly articulate how the new pension policy is being operarionalised and implemented in practice.

The rest of the chapter is organised as follows: Section two presents the core tenets of pre-independence pension policies, section three profiles post-independence pension policies, section four highlights the types of functions state pension service providing institutions perform in aid of workers' retirement preparations, section five outlines employers' retirement benefits, section six discusses issues raised and section seven concludes the chapter.

4.1 Pension scheme development in Ghana

This section contains information related to the development of pension policy as earlier mentioned. All these are based on existing literature in exception of the new pension policy (Act 766). The aim of which is to vividly outline how the policy is being implemented in practice considering it is the latest pension policy.

4.1.1 Pre-independence pension schemes

Prior to the nation's independence, private pension schemes were instituted aimed at wage earners in urban areas, a rudimentary system of material security in Ghana, prior to the establishment of the SSS in 1965 (SSNIT, 2015). Similarly, public and private pension schemes were in existence to cater for the security of diverse categories of workers. A case in point is the ILO Convention on workers adopted by Ghana in 1940, which provided cash payments to workers who were injured in the course of duty.

This was followed by the Pension Ordinance of 1946. It was a non-contributory scheme instituted for workers who were categorised as African Senior Civil Servants. It made provisions for widows and orphans albeit to some extent (SSNIT, 2015). However, this scheme was replaced by Chapter (CAP) 30 pension scheme.

The CAP 30 pension scheme of the public sector constitutes the Chapter 30 of the 1950 British Colonial Ordinance (Agbobli, 2011; Doh et al., 2014; Kumado and Gockel, 2003; Tonah, 2009). It emerged as a colonial legacy which obtained its authority from the Pension Ordinance Number 42 of 1950. The Pension Ordinance was instituted in 1950, yet took retrospective effect from January 1, 1946. It is a replacement for the erstwhile Pension Ordinance CAP 29 of 1936 for European Officers and the Pensions Ordinance, CAP 30, 1936 for Non-European Officers. It offered benefits to both expatriates and indigenous civil servants in the then Gold Coast (Ashidam, 2011). The scheme sought to guarantee a comfortable and decent post-retirement life.

The function of the CAP 30 scheme was to facilitate the payment of pensions, gratuities and/or annual allowances. Originally, it was a non-contributory scheme that was intended to be the colonial government's reward to civil servants in lieu of a minimum of 10 years unblemished and loyal service, attainable at the voluntary retirement age of 45 years or the compulsory retirement age of 50 years. The encouragement of a lifetime of employment and efficient career development in the civil service (Ashidam, 2011; Kumado and Gockel, 2003) was the aim of this scheme. An extrapolation of this from Section 6 (1) of the Pension Ordinance intimates that 'pension and other benefits under the scheme are not a right'. This articulates the extension of the right of the employer by the provision of the Pension Special Provision Act of 1959. This facilitated the suspension of the payment of pensions to detained pensioners under the Preventive Detention Act of 1959. Other features of the CAP 30 scheme entail 10 years of contribution for full retirement compared to 20 years under the SSS Law discussed below. It also provides 70% of final salary compared to 50% of average of three highest years' salary under the SSS. Last but not the least, payments under CAP 30 is indexed annually to current salary scale (Kumado and Gockel, 2003). However, the CAP 30 scheme was restricted to selected officers within the public service (Agbobli, 2011; Doh et al., 2014; Kumado and Gockel, 2003; Tonah, 2009) namely social security services for the armed forces and a host of others.

Additionally, in between pre-independence and post-independence pension scheme development was that which was prevalent in the private sector. Thus, in the private sector, some foreign trading and commercial firms operated superannuation, pension and provident fund schemes which paid retirement benefits to their African senior employees. In the same vein, ex-gratia was paid to workers who were not covered by any of the above stated schemes (SSNIT, 2015).

4.1.2 Post-independence pension schemes

The first attempt at the development of a SSS with nationwide coverage was the institution of the Compulsory Savings Act of 1961 (Act 70), (Agbobli, 2011; Asamoah, Agbesi, Pountney, and Larbi, 2009; Ashidam, 2011; Budu-Ainooson, 2011; SSNIT, 2015). It was intended to facilitate an increase in savings at the national level, an agenda that was essential for economic development at the national level. But this did not materialise due to reasons such as inadequate funds for refund, the lack of education in relation to the scheme including worker apathy. All these factors contributed to the abolishment of this Act. Under Act 70, compulsory deductions were made from workers' wages and salaries which were paid into government's chest amid the promise that such monies will be paid back to them with interest (SSNIT, 2015). The Social Security Act of 1965 (Act 279) replaced the Compulsory Savings Act of 1961 (Act 70).

The Social Security Scheme of 1965 was intended to extend pension coverage nationwide to all establishments that employ five or more workers excluding those who are under CAP 30, the military, universities, foreign missions and diplomatic corps (Ashidam, 2011; Doh et al., 2014; Kumado and Gockel, 2003; SSNIT, 2015). The SSS of 1965 was a provident fund for a period of five years and was converted into a pension scheme thereafter. The provident fund was administered collaboratively by the Department of Pensions, Ministry of Finance as well as the State Insurance Corporation (SIC) (Asamoah et al., 2009; Ashidam, 2011; Kumado and Gockel, 2003; SSNIT, 2015). Interestingly, the first all-encompassing scheme was instituted with the passage of the Social Security Decree, termed NRCD 127 in November 1972 (Agbobli, 2011; Ashidam, 2011; Budu-Ainooson, 2011; Doh et al., 2014; Kumado and Gockel, 2003; SSNIT, 2015). It rectified certain shortfalls in the 1965 Act of Parliament. It also instituted SSNIT, which is a corporate body that administered a universal SSS in Ghana as a sole agent until the enactment of the National Pension Act of 2008, Act 766. However, the provident fund was not really converted into a pension scheme until its real value eroded in the 1980s due to high rates of inflation. In 1991, the PNDC government repealed NRCD 127, replacing it with the Social Security Law, 1991 (PNDCL 247).

The PNDCL 247 of 1991 mainly sought to convert the SSS from the payment of lump sum benefits into a pension scheme as intended under NRCD 127. A distinct element of this scheme is that of social solidarity in terms of the pooling of resources to meet requisite contingencies (Ashidam, 2011; Budu-Ainooson, 2011). This Law is open to all categories of workers, both formal and informal. Since its inception, the scheme has encountered changes in the percentage of contributions payable to it on the part of employers and employees. For instance, between May 25, 1965 to July 31 1966, contribution to the scheme was at the rate of 7.5% and 15% from employees and their employers respectively. From August 1, 1966, the contribution rates were reduced to 5% and 12.5% due to workers' outcry over high rates of contribution (SSNIT, 2015). In a similar vein, this was replaced with Act 766 due also to workers' agitations. However, they are being implemented simultaneously.

In addition to the pension schemes earlier mentioned, there are other schemes that operate concurrently with the combined schemes namely SSS of 1965 and the new three-tier pension scheme, that is Act 766 and Act 883. They encompass the following: CAP 30, Ghana Armed Forces Pension Scheme, Ghana Universities Staff Superannuation Scheme including the Cocoa Research Institute of Ghana Pension Scheme. It is worth noting that from the preceding discussion not all pension schemes were abolished irrespective of the challenges inherent in them. Rather, they for example, CAP 30 sometimes exist alongside the newly promulgated scheme, for instance the new three-tier pension scheme. But this also means that challenges therein may be rectified with and within the institution of a new pension policy.

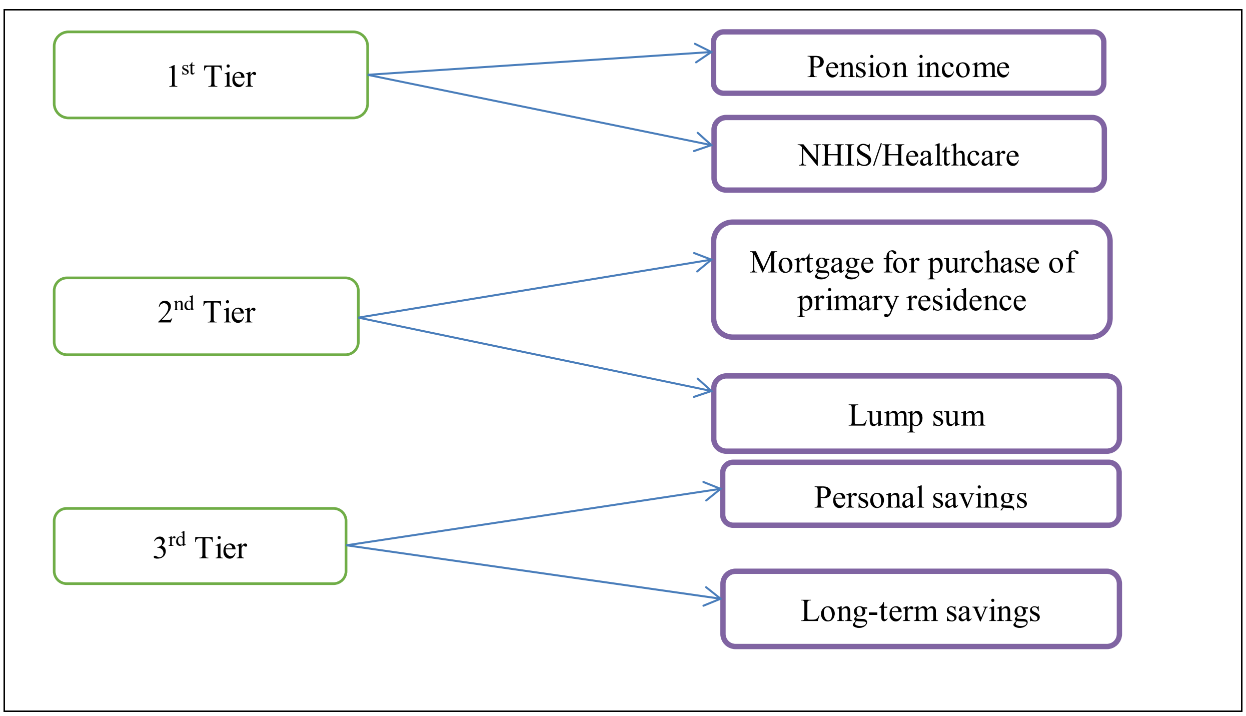
4.2 The new three-tier pension scheme

The new three-tier pension system was established after a presidential commission was set up by former president John A. Kuffour in 2004, chaired by Mr. T. A. Bediako in 2004 based on agitations and protests from the labour front such as the GCCSFA including a host of others against the inadequacy of provisions for them under PNDCL 247 or the SSS of 1965 (SSNIT, 2015). The responsibility of this commission was to recommend a pension system that ensured retirement security for all Ghanaian workers. An aim it attained using a participatory approach, hence, the promulgation of Act 766 or the new three-tier pension scheme. The new three-tier pension scheme comprises Act 766 (2008) including Act 883 (2014), an amendment to the former (NPRA, 2014). The new pension act has three core pillars namely tiers one, two and three, denoting blocks of pension contribution domains and their associated individual benefits. The details of this have been discussed below.

The new pension policy system is structured as follows: NPRA, the mother organisation, PSPs (for example, SSNIT, SSNIT ISF, SIC FSL, Ecobank, etc) and contributors. The new national pension scheme has distinguishable characteristic features that provide it with a degree of uniqueness, setting it apart from those that existed prior to it. First, it is constituted by three tiers namely Tiers one, two and three (Figure 2). Tiers one and two have been designed for formal sector workers yet informal sector workers can participate as well. Tier three has also been purposely designed for informal sector workers but formal sector workers can also contribute to it. This makes the three tiers not mutually exclusive. Tier one is managed by SSNIT whereas tiers two (for example, Old Mutual) and three (for example, SSNIT ISF) are privately managed. It is a motivation for workers if employers institute Tier three, it provides employees with additional income, especially in the case of contributions for Tiers one and two.

Second, it categorises who should participate and contribute to the schemes by virtue of the notion of eligibility exemplified by the existence of worker-employer relationships, which is a mandatory prerogative for both formal and informal sector workers. This provides a dynamic dimension to eligibility to contribute to and benefit from the schemes. This is a distinguishing feature between previous pension schemes, for example, those under SSS of 1965 under the auspices of SSNIT and Act 766. The former emphasises formal sector eligibility over and above the regime of the combination of formal and informal sector workers. Works by Barrientos (2004) and Kpessa (2011) assert the fact that globally, pension reforms have been on the ascendency in response to accelerated demographic transitions in developing countries vis-à-vis old age support (Barrientos, 2004).

Figure 2: Composition and benefits of the new pension system



Source: Field data, 2017

4.2.1 Tier one and tier two

The system is characterised by five distinct benefit pillars namely monthly pension income including invalidity pension wherein SSNIT will have to take care of retired workers till death. Superannuation which relates to qualifying conditions and how to go about them including healthcare from tier one. Others entail the provision of mortgage for the purchase of a house and a lump sum from tier two, a situation where contributions are used as collateral including additional savings obtainable from tier three which is supposed to provide an additional financial cushion. Figure 2 provides a summary of the components of the new pension policy including their respective benefits.

The tier one pensions is categorised into three strata namely invalidity pension, old age pension, which is sub-divided into full pensions for people aged 60 years and reduced pension for people aged 55 to 59 years. The latter is termed ‘voluntary retirement’. It may often be undertaken for purposes of ill-health, leisure, balanced time management and many more. Associated with these are old age lump sum and, death and survivors lump sum. By contrast, there is no age attached to invalidity pension, all that is needed is 36 months made in contributions. Also, in existence is the SSNIT medical board’s full pension ‘pass credit’, which is not for those who fall under the new three-tier pension scheme (Act 766) instead of SSS of 1965.

Tier one contains a category of contributors termed ‘voluntary contributors’, the age range for which is 15-45 years. Here, individuals who already exist as pension contributors, but the process got truncated through redundancy or other reasons are accommodated and made to contribute to pensions again. In such instance, when the individuals return to pension contribution they are termed ‘voluntary contributors’. As a result, the voluntary contributor will negotiate with SSNIT how much he/she is willing and able to contribute per month. Yet, such a negotiated amount should not be below the minimum wage. Strikingly, individuals in this category are not taken to the courts for defaulting to pay, or that such actions are hardly taken because they mostly inform SSNIT when they get into difficulties. They are made to use the same SSNIT number they used previously. Those who fall outside the age limit that is from 46 years onwards as far as the stipulated age eligibility indicates are put under SSS of 1965 wherein they contribute 17.5% instead of 18.5%. Contributors in this category will exit the scheme at 60 years only with a lump sum which is contribution plus interest. But if the individual is below 46 years (i.e., 15-45 year range) he/she is put under new three-tier pension scheme and charged at 18.5%.

The number of years for contribution towards SSS of 1965 was reduced from 240 months or 20 years’ to 180 months or 15 years of pension contribution to the new three-tier pension scheme which is worrisome. This is because the benefits of the system make it restrictive, since people aged 46 when registered only receive a lump sum excluding a monthly pension income, even if they wanted. This may depict a weakness in the new three-tier pension system. Besides, the new three-tier pension scheme was enacted to increase the coverage of workers across all divides. At best, those people who are excluded from the national pension system may have to turn to alternate measures such as undertake pension contribution services provided by insurance companies nationwide.

It is worth reiterating the fact that under SSS of 1965, contribution rate for the worker was 5% and the employer’s is 12.5%, yielding a total of 17.5%, all of which went directly to SSNIT. Presently, under the new three-tier pension scheme, the contribution rate for the worker is 5.5% whilst that of the employer is 13%, yielding a total of 18.5%. The distribution of the latter is SSNIT (i.e., tier one) takes 11% in addition to 2.5% for National Health Insurance Scheme (NHIS) whilst tier two takes 5%. The benefits of tiers one and two are constituted by collateral or mortgage for the purchase of primary residence after 10 years of contribution by formal sector workers and five years by informal sector workers. In addition, Trustees provide statements of accounts to contributors with accompanied individual passwords. They also provide Master Trust Scheme(s) for individual contributors. For instance, Gen Trust does have a Master Pension Fund for individual pension contributors. Finally, the 5% for tier two, part of it is never taken by service providers, rather it is part of the yields of investment that are taken as service charges.

Whereas invalidity cases are seldom encountered, when a pension contributor becomes deceased, it is required of the wife or husband and children to seek court order in relation to the collection of his/her remaining uncollected contributions. In cases of minors Act 566 is complied with, that is the Children's Act on the basis of which 60% is allotted to children. Alternatively, use could be made of PNDCL 111 that is, the Interstate Succession Law, in a situation where perhaps a man included his parents and not his children and he passes on. This will ensure that the children also benefit from the pension contributions of their fathers and/or parents, and subsequently have their future including education protected to a large extent.

4.2.2 Tier three

By design, contributors are supposed to contribute 16.5% monthly to the scheme but it appears in practice it is not the case. Contributing to Tier three for a period of 10 years with an investment of

¢20, 000.00 would yield ¢3, 000.00 and more. The way forward is that there is the need for change in direction. It is mandated that contributors are aged 15-59 years, excluding individuals aged 60 years and above. This depicts a 14 year gap between the qualification age for enrollment and contribution under this third tier, which increases the upper age limit for enrolment on the scheme in the formal sector from 45 years to 59 years in the informal sector.

Unlike formal sector contributions that are usually deducted on monthly basis, contributions for informal sector workers can be paid daily, weekly, monthly or yearly. Two accounts are opened under the names of each of the contributors, one of which is the retirement account and the other is the occupational scheme (See Figure 2). After contributing for six months, contributors can withdraw all or some of the money in the occupational scheme and subsequently start all over again. In terms of the withdrawal of accrued funds and by operational regulation cash up to ¢200.00 is paid to contributors. For funds above ¢200.00, a cheque is paid to the contributors. The following quote by SSNIT official 1 delineates Tier three to the core of its mandate:

> Tier three is voluntary. It was meant for people in the informal sector, so they can also make some money for their old age. So when you subscribe to Tier three, it is in two parts. Workers can borrow from part A but not from part B. It is kept compulsorily until you retire…

The NPRA stipulates that personal savings accounts can be accessed and utilised after five years while the other remains untouched until the event of retirement. The former may also be used to secure a house when used as a mortgage facility. Resultantly, the following quote from an NPRA official 1 shows that:

> The personal savings scheme can be touched after five years of saving tax free. Part of it can be accessed for business expansion. But a lot of people think it cannot be touched before that time. It can actually be touched before that time but it means the payment of tax on it. So it is a bit flexible so that it can motivate the informal sector people to access the scheme.

What is worth emphasising is that "fund managers treat pensions as an investment and observe the inflow of cash and figures" (SSNIT ISF official). This statement places excessive emphasis on pension funds from an investment perspective.

Compared to tiers one, two and three, officers often needed to reach out to their contributors, the reverse of which applies to the former tiers. As the quote below shows the third tier provides a provident fund which is a voluntary scheme that is meant for informal sector workers. This offers this category of workers with some level of flexibility in terms of the moblisation of financial resources towards life in retirement. According to an NPRA official "the voluntary pensions was meant for the informal sector workers. Tier three is loaded. There is a provident fund scheme over there which is for the formal sector workers. And the personal pension schemes target the informal sector". Further, most organisations have turned their provident funds into Tier three and put under the management of Trustees designated under tier three namely United Pension Trustees, Enterprise Trustees, Gen Trust, Petra Trust among others. Yet, the nature of informal sector work makes it difficult to locate and take pension contributions from workers due to the changes in contributors' locations including employment of personnel for contribution collection. This frustrates the officials involved. Thus, one SSNIT official opined:

> Locating them to collect the contribution is a problem. It means getting marketing personnel to be going around them collecting their monies at a cost. And then some of them, they eat into it and cannot contribute again. Some of them also change their locations. It is a whole problem. Take it that it is the Kumasi market that is burnt and take it that it is this branch, where is the informal sector worker going to?

For the above reason, the NPRA thus seeks to formalise the sector in order to foster increase in participation from this point of view. Perhaps, the new digital address system may be helpful in this direction.

Participation in this tier can be undertaken on individual or group basis, which implies that individual informal sector workers come together and contribute to the tier and which may take the form of the formation of associations such as orange sellers' association, tomatoes sellers' association, etc. This is reflective of the formalisation of the informal sector to some extent. This process facilitates access to this category of workers more easily.

What is worthy of note is that five years is documented as the intended years for the usage of funds but in practice, accessing funds is undertaken after six months of contribution according to SSNIT ISF. The tier has a loan facility in-built in it. Despite this effort, the pension system still favours formal sector workers to a greater extent. The informal sector constitutes approximately 80% of the workforce in Ghana, however, they are the least covered under the pension system.

A worker not knowing the constituents of the personal savings scheme is indicative of a lack of awareness of it. Perhaps more efforts must be channelled into increasing the level of coverage for informal sector workers' sensitisation. This can be attained through a combination of processes namely the intensification of public education, targeting informal sector workers in an aggressive manner. Furthermore, sensitisation information can also be obtained from civic education[2] forums. In addition, the intensification of the formalisation of the informal sector may serve as a seemingly encouraging strategy that will facilitate participation and contribution in pension scheme activities.

Besides everybody feels that his/her money is not much and so he/she cannot save but no matter how low one's income, there is the need to save for retirement. It is necessary to encourage workers

[2] See Arnot, Casely-Hayford, Chege, and Dovie (2010).

irrespective of their income levels, whether high or low to save, after all, it is their own money and future that is at stake. Since Tier three seeks to satisfy the needs of the informal sector, a sector that is dominated by females, the policy the way it stands may deepen the tendency of women refusing to save but rather make them dependent on their male counterparts. This may further entrench the notion of 'dependency syndrome' in old age.

Up till now, it has been six years and counting, but house acquisition even as part of tier three is not practically included in the numerous benefits of the fund. It may take some time for it to be become feasible. Even so, perhaps it could be attainable via an attachment to government's affordable housing scheme, due mostly to the cost of purchasing a house in recent times. The SSNIT ISF official said:

> I wonder how Tier two funds could be used to acquire a house. A house costs more than ¢100,000.00. Thus, if an apartment or flat is going for ¢50,000.00, acquiring it through the fund may be difficult. It can only be attained when government's housing scheme namely the 'affordable housing scheme' is involved but not one by a private real estate developer such as Trassacco or Devtraco, etc.

This may be feasible in a regime in which the government provides houses at subsidised prices for workers.

4.2.3 Qualifying for pensions, pension claims and calculations

Under SSS of 1965, workers had to work for 240 months and attain 60 years and these two conditions should come together before qualifying for a full pension. Therefore qualification is also based on date of birth. Hence, a contributor could attain 240 months of work but would not have attained 60 years and does not qualify for a full pension and vice versa. Under the new three-tier pension scheme, the condition for qualifying for a full pension has been reduced to 180 months or 15 years. In this case, the contributor must have attained 60 years. Consequently, five years have been taken away, which may contribute to the scheme's suffering. It means that a lot more people will be retiring because of the five years reduction in contribution length than previously would have been the case.

Previously old age pensions were received after 240 months or 20 years' contribution under SSS of 1965, which is no more the case. Yet, every additional month contributed for gives additional benefits. In other words, the reduced contribution window of 240 or 20 years to 180 months or 15 years gives more pension income to compensate for the reduced years of contribution. Inability to contribute for those required number of months leaves the people involved to be paid a lump sum under the stipulations of the new three-tier pension scheme instead of pension income as earlier stated for contributors covered under SSS of 1965. Those who opt for coverage under Act 766 are mandated to receive pension income from SSNIT as well as 25% of lump sum from NPRA. Contributing for 240 months or 20 years yields pension rights of 50% whereas 180 months or 15 years yields 37.5%. Any one additional month earns 0.3% pension rights.

There have been situations where people stop work and go seeking to claim pension benefits. Such cases are interrogated, on the basis of which the contributors involved are aptly informed that they could do so only if they fall within the 55-59 age bracket. After such information, if the workers concerned insist on claiming their pension benefits, they will be paid a lump sum. In addition, workers can also be given 'refund contributions' if they fall within the requisite age bracket. The refund contribution is calculated at 75% of prevailing government's T-bill rate. It is worth noting that SSNIT started paying pension benefits under Act 766 in 2015. On the whole, pension benefits are calculated taking into consideration the contributor's age, the number of months made as stated earlier as well as the average of three best years' salaries.

4.2.4 Pension income

Retiring individuals need to claim their pension benefits in aid of which the SSNIT biometric card with 16 digits is required for onward facilitation of the process. Participation in pension contribution yields pension income, yet dependent on how much is put in by the contributor. In recent times, pension incomes have increased considerably. For instance, the maximum pension income in 2015 was ¢26, 000.00 and the minimum was ¢230.00. The following statement attests to this: "The highest pension income earner in 2015 had ¢26, 000.00 a month and the minimum is ¢230.00" (SSNIT official 1). It can also be deduced from this statement that salary levels are low. This has implications for the quantum of funds set aside for retirement during planning.

If a retiree lives up to 100 years and beyond, he/she will still be paid pension income. Under Act 766, when the retiree passes on at 75 years, then the payment of pension income ends, a situation that attracts no survivors' benefits. In the event where the retiree passes on before age 75, the family will have an amount of money to the tune of five years' unexpired pension to claim as survivors' benefits. The minimum pension income in 2015 was ¢230.00. So 230 x 5 years (i.e. 60 months) is a lot of money. In effect, it is assumed that individuals live 15 years after retirement. This may be the norm, but there are outliers below and above this age limit since people die in their 60s, 70s, 100s respectively. This component denotes an addition to the pension system. Formerly, it was 72 years and people are now living longer. In other words, pensions are paid to people throughout post-retirement lifetime. Moreover, participation in the pension system is a qualifier for being a member of the pensioners' association.

After retiring, a life certificate is needed and provided to a pensioner who attains 75 years under the new three-tier pension scheme and 72 years under SSS of 1965 respectively. He/she is required to report at the nearest SSNIT office to first of all show that he/she is still alive and not dead. Second, he/she will be made to fill certain forms that will enable him/her get a life certificate for payment of monthly pension income to continue else it will be terminated. Hence. The life certificate is simply a mode of documentation. It is supposed to be done every three years. The rationale behind this is the assumption under SSS of 1965 and the new three-tier pension scheme that some pensioners may die by ages 72 and 75 respectively. For instance, from the viewpoint of SSS of 1965, it must be undertaken at 72 years, 75 years, 78 years, 81 years among others, whilst under the new three-tier pension system of Act 766, it must be undertaken at three years intervals namely at 75 years, 78 years, 81 years and many more. By its nature, the life certificate may be said to have been programmed on the ores of increased life expectancy. These stipulated years depict the annuity period, which is an assumed number of years one is expected to live.

4.2.5 Features of new pension policy implementation

There are three pension policies, as mentioned earlier, in operation concurrently in Ghana namely PNDCL 247 for people born from 1924 to 1954, Act 766 pensions for those born from 1960 to date and Act 883 for people born between 1955 and 1959. Act 883 brought a change in terms of age 15-49 years to the NPS and 50-60 years to PNDCL 247. With respect to all these Acts, date of birth is what determines what a retiree takes including the number of months contributed for as indicated earlier. In 2013, SSNIT made raw payments with no cushion to some pensioners, which led to agitations from retirees. This reversion defeats the reduction from 240 months or 20 years to 180 months or 15 years. More so, people aged 15-49 years, including those in the 50-60 year old bracket, would be better off under the PNDCL 247. This led to the promulgation of Act 883, an amendment to Act 766.

Act 766 was enacted in 2008 and operationalised in 2010, however, when the workers who had been under this Act attained the age of retirement, the NPRA which has been managing such affairs was not ready to pay them their pension entitlements and needed time to organise 25% lump sum for them. It was on the basis of this that Act 883 was enacted as an amendment to Act 766. During the implementation of Act 766, contributors aged 55-60 years were given the choice to join the new pension Act or remain under the coverage of the old one. Only a few exercised that option. Act 766 had five years transitional period that is 2010-2015. In 2015, there was going to be a uniformity of all pension groups namely the armed forces, the police, public universities, which signifies an amalgamation of all units of pension schemes nationwide but this did not materialise. This may denote a limitation of the new pension policy.

As mentioned above, the eligibility age for first time enrolment into tiers one and two is 15-45 years. The upper age limit is 45 and therefore the contributor can at least contribute for a maximum of 15 years. Workers, who enroll at 46 years and above, are only eligible to contribute to tier two which is also compulsory, where all the 17.5% goes excluding 2.5% for NHIS. It is noteworthy that tier two pays lump sum, so does tier three. Nonetheless, since tier three is not compulsory, it makes its contributors suffer, particularly because of its voluntary nature resulting in comparatively low patronage. Indeed, the worse scenario is where tier three is voluntary, which also suggests that only few people may become beneficiaries. This is the provision under a scheme that is largely for 80% of Ghana's working population. In the NPS, there is 35% of basic salary channelled into pensions, which is non-taxable. Yet, this facility has not been quite used as may be anticipated, probably due to lack of knowledge. In cases where it is used, the maximum attained thus far has been 18.5%. In addition, trustee portability including fund transferability can be undertaken by following the requisite procedures in consultation with employers.

The introduction of such a policy requires the identification of beneficiaries and tailoring policy to suit workers' characteristics. Facilitating the process of implementing the new policy to the letter also entails ensuring compliance at all levels, right from pension PSPs for example, SSNIT, Gen Trust, Petra Trust, Daakye Pensions, SSNIT ISF stakeholder organisations including workers. Comparatively, it is easier to ensure compliance from the formal sector stance than the informal one. In the case of the formal sector, it is relatively easy to locate employers and their organisations but the same cannot be said about the informal sector to a greater extent, mostly due to their self-employed nature. In consequence, NPRA official 2 argued that "the NPRA tries to encourage the association system, where informal sector workers can group themselves into an association so that they can access pension benefits easily".

The above issue of concern has been raised by both SSNIT and the NPRA, which presupposes that the identification of a problem signifies the need to search for its solution. One such solution appears to be found in the formalisation of informal sector workers, via operation in associational blocks such as tomatoes sellers association, dressmakers association, traders association among several others, which then makes it less difficult to reach out to them. The situation gets complicated because informal sector workers are not on regular monthly salary, which militates against compliance with the 16.5% contribution. For which reason, the payment of this percentage has been circumvented to the dictates of this category of pension contributors as to how much they can afford to contribute. As the quote from an NPRA official 1 below explains:

> That is why a voluntary scheme suits them. So the decision lies with them. Thus, a kayayo may say every day I earn ¢50.00 and may resolve that every day I will save ¢5.00 and at the end of the month save that into my personal scheme.

The quote above is suggestive of some form of a challenge for the PSPs in compliance enforcement to designated amounts to be taken from workers, especially informal sector workers in terms of regularity of income flow in aid of pension contribution. The prospects are better with formal sector workers due to the earning of regular monthly income but the same cannot be said of their informal sector counterparts. Perhaps with time there could be a streamlining of the system with respect to the percentage quotation, albeit a minimal one.

The findings show that until 2015, SSNIT was responsible for the collection of tier two contributions which were deposited with Bank of Ghana (BOG). This falls short of an independent body managing the requisite tier two funds, since this was not the original plan. It denotes a circumvention of the Acts that govern retirement planning in Ghana. This scenario was a precursor to rampant worker agitations over the demand for government designating an independent body to manage their tier two funds backed by industrial actions (See Chapter 6 for details). This is because the proceeds from tier two are the lump sum that workers go home with and the fear of losing that cannot be underestimated. In addition, the mere fact that SSNIT has been perceived largely by workers as wasting pension funds, was put in charge of this fund including the propensity of government to dip its hands into the fund were the core issues of concern to worker groups.

From the acquisition of a primary residence perspective, the interview data clearly shows that since 2010 up to 2016, no contributor has used or applied to use the mortgage facility in tier two to acquire a house. This situation could be due largely to the lack of awareness of the facility to contributors as well as the benchmarked period for it has not elapsed for tier two but it has elapsed for tier three. The key informant interviews show that this is not feasible because of the cost involved in acquiring a house. Such cost perhaps may be much higher than the amount in the fund for the individual contributor and the mortgage facility taken together. It is for this reason that seven years into the implementation of the new pension act, tier three funds can only suffice usage and loans in aid of business expansion.

All these emerging issues regarding the implementation, operationalisation and functionality of the NPS may imply that the NPRA and the state were not quite ready to fully implement the new pension Act or that the preparation mechanisms instituted for its implementation were woefully inadequate. This gets compounded by the experience of expediting action in this field by the over 30 PSPs enrolled and incorporated into the NPS in Ghana. It is a fact that laws are made for men and can therefore be changed when the need arises, but the flaws in this context are magnanimous. It rather reflects a deficiency in the new pension system particularly because retirement issues are involved in a context of changing lifestyle, increased diseases in old age, weakening extended family support, longevity among several others.

Having discussed the core tenets of pension policy development in Ghana, and thereby addressed the objective on the provision of an overview of existing pension policies in Ghana, the next two sections discuss the role of PSPs in retirement planning including employers' retirement benefits.

4.3 Types of institutional functions

A dynamic range of state institutions by virtue of their mandates influence preparations towards retirement in diverse ways through their respective functions. These functions have been categorised into informational and direct financial functions including organisational contribution to workers' retirement benefits. It is worth of note that the information provided in this section addressed the objective in relation to the role of state institutions and other corporate institutions in retirement planning.

4.3.1 Informational functions

The informational functions consist of financial education provided to workers on entering an organisation due to gainful employment. It can also be undertaken in the course of working life by way of guidance provision. The results show that the informational functions are performed by NPRA, SSNIT including SSNIT ISF at the large-scale level in relation to the functionality, operationalisation and benefits of the new three-tier pension system (See Table 3 below). At the small-scale level, indeed some organisations provide their individual employees with 'pep-talks' regarding retirement preparations.

It is required of these institutions to sensitise all workers including the general public about the operationalisation and functions of the NPS as a whole. It entailed the respective tier constituents and benefits. This is indeed essential because there have been slight changes made to the pension system compared to what existed under the regulation of SSNIT namely the three core tiers and their benefits, hence, the need to educate the general public. Yet, this singular function is performed differently by all the different institutions involved such as the number of times sensitisation is undertaken, the modus operandi within the context of financial availability and/or constraints. All of which have almost the same goal – mainly financial literacy and a host of others. The key informant interviews revealed that all pension service providing institutions systematically hold financial information provision sessions for workers via a myriad of mechanisms.

Public education is supposed to be a two way affair between responsible institutions and workers, which presupposes that just as these institutions must undertake public education, workers should in turn also seek after knowledge and aim higher. A FWSC official observed that "the worker must seek knowledge and must also not be content with the position that he occupies".

Sensitising the general public particularly workers on the operationalisation, functionality and benefits the NPS offers individuals and/or workers retirement planning opportunities. This may facilitate preparing adequately and effectively towards retirement. This implies that workers may not be adequately knowledgeable about the pension system, although they may have been sensitised under the SSS of 1965, particularly those who were already employed before the institution of the new three-tier pension system under Act 766. However, the new system highlights new items worth knowing by the general public. The requisite institutions such as the NPRA, consultants, Trustees and many more undertake sensitisation programmes individually and on a continuous basis. Presently, sensitisation programmes are undertaken by institutions for example, SSNIT who on their specific mandates provide a general overview of the NPS.

The informational messages that emerge from public education campaigns come in two forms namely worker and employer-oriented messages (Table 5). First, worker-oriented messages focus on providing workers with insights into the mandate and benefits of the NPS, updating their recurrent personal records, how to ensure they receive prompt payments including the fact that even retirees are occasionally entitled to bonuses. These facts have been elucidated by SSNIT 3 official in the following quote:

> We do education on SSNIT. But sometimes, we trespass and talk more elaborately. We educate them on how to receive their payments promptly, how they can update their current information. With the pensioners once in a while we give them a bonus.

The messages also cover a broad spectrum and come in two distinct forms namely informal and formal sector orientations. First, informal sector workers' information centres on the need to participate and contribute to pensions, thus the opportunity to save for the future and the ability to obtain a lump sum. Second, messages for the formal sector workers concentrate on certain benefits that exist under tier two namely the use of the tier's funds to secure a primary residence (Figure 2).

Table 5: Informational function

Function	**Institution**	**Strategic tools**	**No. of times per year**
Financial education	NPRA	Regional tours	-
		Radio	24
		Workshops	-
		Face-to-face outreach programmes	-
	SSNIT	Face-to-face outreach programmes	260, 764
		Media forum	3
		Seminars	-
		Brochures	-
		Leaflets	-
		Television	-
	SSNIT ISF	Face-to-face outreach programmes	4

Source: Field data, 2017

Second, the employer-oriented messages concentrate on encouraging employers to safeguard the interest of their employees via the deduction and onward payment of pension contributions on behalf of the latter promptly, which eventually goes a long way to protect their future – symbolised by post-retirement life. They are required to report any challenges they encounter in the process of doing so for remedial actions. Failure to follow this directive is tantamount to a penalty in the form of payment of fines, prosecution in the courts of law including imprisonment. See quotation from SSNIT official 1 below:

> They should pay the social security and when they have problems they should come to us. We also tell them that if they default – the penalty applies, so we refer them to the section of the law with regard to the penalty. We tell them we are obliged by law to take them to court and prosecute them... and when they do not pay we send them a demand notice and when they come we do a reconciliation. They go to court, and then they pay. If they do not have the money, they arrange with the court in relation to how they will pay.

This notwithstanding, the outcomes are dynamic in the sense that sometimes there are some employers who comply with these regulations whereas others fail to. In consequence, the rule of thumb is that recalcitrant employers undergo reconciliatory records of accounts and then go to the court to pay the requisite deficits. In the absence of prompt payment of the money involved, the court arranges with defaulters in relation to how to pay.

The sensitisation programmes are undertaken using a variety of strategic tools. First, television, exemplified by SSNIT, second, radio used by both NPRA and SSNIT, particularly the trending and most listened to radio stations such as Obonu FM, Vision 1 FM, Hot FM, Kasapa FM, Uniiq FM to mention but a few. Third, outreach programmes utilised by the NPRA, SSNIT and SSNIT ISF enables the audience to ask pertinent questions, fourth, media forums between SSNIT and media editors and/or practitioners, fifth, workshops and finally seminars. Others entail the production and distribution of brochures and informatory leaflets including reaching out to people in churches, mosques, markets and other significant public gatherings. The minimum time slots these institutions use for public education is 30 minutes and a maximum of two hours. The messages are propagated through the English Language, Ga, Twi, Ewe, Dangbe.

The sensitisation messages function to create structures of meanings from the life worlds of the listeners and viewers. Such messages generally invite listeners to recognise themselves as they might want to be in terms of post-retirement life. Significantly, the effectiveness and efficiency of financial education is determined by viewers and listeners. The kinds of messages disseminated to the populace during senitisation programmes relate to the structure of the three-tier pension scheme, wherein tiers one and two are mandatory for formal sector workers whilst tier three is voluntary for informal sector workers but not exclusive to them as earlier outlined.

The foregoing discussion projects sensitisation messages in two distinct pathways. First, the vagaries of retirement, for instance, its timing irrespective of which financial security assures workers the retirement they desire. Second, organisations' advice and investment instruments constitute vehicles that simplify participation in pension contributions. However, according to the NPRA, whilst the new three-tier pension system under Act 766 was enacted in 2008, sensitisation on it commenced with urgency in 2012. Hence, this observation by a NPRA official 2, "very serious public education work on the three-tier pension scheme started in 2012 when the authority was able to recruit staff. But a lot of education was also done by the pensions' commission".

As the statement above depicts, the time lag between inception and sensitisation is worrisome since it may have stifled pension knowledge provision and acquisition. Ideally, intensive education should have commenced prior to or immediately after the Act's enactment. This may be the reason behind some workers not being aware of the system and its associated benefits. Besides, strategic timing is of key essence here. Theoretically, the study's findings confirm the PRE postulations of Atchley (2000), since state institutions in their contribution to the process of retirement preparation sensitise workers with information on what to do regarding retirement investments. It confirms the phenomenon of PRE as a retirement planning prerequisite.

4.3.2 Direct financial functions

These direct financial functions performed by PSPs entail the creation of employment opportunities, NPS regulation, collection of pension contributions, protection of pension funds including provision of statements of accounts. These functions are mostly provided by NPRA, SSNIT, SSNIT ISF, SIC FSL and Ecobank. Their respective functions have been below summarised:

- Pension service providing institutions namely NPRA, SSNIT, SSNIT ISF, SIC FSL and Ecobank have been designated to render pension services to the Ghanaian populace.
- Regulation of NPS is undertaken by the NPRA (See Table 6 below). In addition, the NPRA protects collected pension funds in the form of contributions from SSNIT, SSNIT ISF among others. For instance, the scheme trustees are required to invest in fixed deposits (35%), T-bills (65%), First Fund (5%), Home Finance Company (HFC), Unit Trust (5%), HFC Real Estate investment (5%), bonds (10%), stock (10%), and shares (10%) including 30% for all collective investments. The reason is that "the new pension scheme is supposed to give us 60% more than what pertain in the old pension scheme in terms of what people used to get from under the old scheme" (SIC FSL official). Further, the NPRA (2015) also monitors and supervises the pension industry in Ghana, a role SSNIT once played, promotes transparency and accountability, analyses financial statements, undertake stakeholder engagements including handling transitional issues.
- Protection of pension funds performed through the NPRA's receipt of monthly reports from the PSPs in relation to received pension contributions on a monthly basis. This ensures the tracking of what amount is collected and how that has been invested.

- The registration of pension contributors unto respective pension schemes is a function performed by SSNIT and SSNIT ISF.
- Collection of pension contributions is undertaken by SSNIT and SSNIT ISF.
- Provision of statements of accounts is under the mandate of SSNIT and SSNIT ISF. Evidentially, SSNIT official 3 noted that "we have even put the printing of statements of accounts on hold due to migration unto a new system". In the case of the SSNIT ISF, it is in the passbook that all transactions are recorded on regular basis.
- As an investment institution, SIC FSL performs several functions as a fund manager under the pension system. First, it writes a report on every month ending to trustees and custodians in relation to market and investment performance and status. Second, it writes settlement request letters to custodians, for example, Ecobank to settle investments with details pertaining to counterparty's account in the bank. Third, it receives reports from Ecobank regarding settlements of request letters written to Ecobank which helps to reconcile business transactions or investments. Fourth, SIC FSL serves as a receptor of certificates from counterparty.
- Ecobank in its capacity as a fund custodian is the one with the least functions in the pension system. It takes custody of pension contributions as well as pursued reconciliation of investment transactions with SIC FSL.
- This way of functioning among the institutions seemingly projects a notion of transparency in the NPS. However, this is not without certain challenges which are mentioned below.

Table 6: Direct financial functions

Functions	Institutions
Creation of employment opportunities	SSNIT
National pension system regulation	NPRA
Collection of pension contributions	SSNIT & SSNIT ISF
Protection of pension funds	NPRA
Statement of accounts provision	SSNIT & SSNIT ISF
Investment of pension funds	SSNIT, SSNIT ISF SIC
Provision of reports	FSL
Responsible for settlement of request letters	SIC FSL
Reconciliation of investment transactions with custodians	SIC FSL
Receptor of certificate of counterparty	SIC FSL
Receptor of power of attorney	SIC FSL
Keeper of consolidated funds	SIC FSL

Source: Field data, 2017

4.3.3 Challenges encountered by institutions

Some problems were encountered by the PSPs in the provision of financial information, first, the difficulty of explaining the composite nature of the pension system to clients. Second, organisations that are consulted for permission before the sensitisation campaigns often fail to respond to the requests made and the requisite response delays. Third, poor attitude of the general public towards the information provided is demonstrated by SSNIT official 2 as follows: "Ghanaians do not care about the future". Yet, the provision of information in aid of retirement preparations is indicative of the socialisation of workers to understand the dynamics of retirement planning information. But, "the major setback is sensitisation". (SSNIT ISF official)

Other problems inherent in the NPS and which affects its effectiveness and efficiency entail delayed payments of monthly pensions, the NPRA's inability to apply appropriate coercion in the form of sanctions to recalcitrant employers who refuse to pay their employees' pension contributions including prosecution in court and the retrieval of every penny due collection, inefficiency of NPRA in the performance of its duties, example public education, delays in implementation due to the lack of the requisite personnel.

4.3.4 Provision of end- of-service benefits

Besides the functions of PSPs towards retirement preparation, other corporate organisations contribute towards workers' retirement plans diversely. Summarised below are constituent elements of end-of-service benefits (ESB) for workers (See Table 7 for details).

- The core constituents of TDC's ESB system include medical care, a provident fund and a housing scheme.
- Workers of SSNIT also enjoy employers' retirement benefits in the form of medical care till death, house provision or housing loan.
- The TMA's ESB comprises table top or double-door fridges, television sets as well as some amount of money ranging from ₵200.00 to ₵1000.00 depending on the number of years of service.
- Occupational benefits that finds expression in the Teacher's Mutual Fund, is a saving opportunity for teachers who are GNAT and National Association of Graduate Teachers (NAGRAT) members.

Table 7: Employers' benefits as supplementary retirement portfolios

Benefits	Organisations			
	GNAT	SSNIT	TDC	TMA
House		✓	✓	
Housing loan		✓		
Land			✓	
Mutual fund	✓			
Provident fund		✓	✓	
Refrigerator/Television				✓
Cash				✓

Source: Field data, 2017

4.4 Discussion

The previous sections have clearly delved into the contours of pension policies development in Ghana. Presently, the NPS applies the statues of PNDCL 247, Act 766 and Act 883 to ensure flexibility, efficiency and effectiveness in pension administration. Yet, the latter two Acts are a reform to the former. Empirical evidence shows that there are presently approximately 1.2 million tiers one and two contributors across all sectors of the Ghanaian economy (SSNIT, 2015). In Ghana, pension schemes have been designed such that employees and employers who were members of defunct schemes automatically become members of the schemes that replaced the former ones. For instance, members of the defunct Provident fund became automatic members of the 1991 SSS (Kumado and Gockel, 2003). Additionally, members under the 1991 SSS are currently the automatic members of tiers one and two under the new three-tier pension scheme. This suggests that state pensions make a modest retirement income available to workers (Ekerdt and Clark, 2001). This implies that structures exist at numerous levels and in many forms that range from institutionalised mechanisms of roles, information dissemination and resource allocation vis-à-vis the underlying cultural systems of language, knowledge and aesthetics.

Pension policies in Ghana are indicative of reforms and replacements of one policy with advanced one until a contestation occurs from the labour front in a cyclical manner. Existing studies namely Boadi (2015) and Holzmann and Stiglitz (2001) have maintained that the anticipated purpose of the reformed pension system was to induce informal sector workers to join it.

Castel and Fox (2001) contend that the new system of pensions were intentionally made to penalise early retirement while rewarding longer careers in countries such as Kazakhstan, Kyrgyz, Latvia, Moldova. The same cannot be said in the Ghanaian case where the new three-tier pension scheme has legitimised the reduction of the number of years of contribution from 20 years to 15 years. Interestingly, such a move has been made in an era of increased life expectancy and population ageing. Yet, the net change in wealth from the reform is higher for men than for women on average, since they work long and receive a higher pension. Women's longer life expectancy means that women can expect to spend their last years of life alone. "If their pension incomes are too low, owing to their work histories an increase in elderly, poverty may result" (Holzmann and Stiglitz, 2001:13). Holzmann and Stiglitz have further argued that there are people who have never joined a pension system, neither have they had sufficient resources in aid of preparation towards a formal pension for their old age.

The findings above indicate that policy enactment may take one dimension while the implementation of the same may take another. As indicated earlier, Act 766 mandates that funds accrued in tiers two and three can be used to acquire a primary residence. In confirmation, Barrientos (2004) indicates that using retirement savings and pensions have been pursued for a range of merit expenditures namely health, housing and education. Unfortunately, this has not materialised yet. However, Obiri-Yeboah and Obiri-Yeboah (2012) contend that there is a high propensity that it cannot be feasible. In addition, with respect to tier one, the implementation of the policy resulted in cries from retirees who were supposed to receive pensions under the mandate of Act 766. This was because the amounts they were paid were relatively smaller than anticipated. This resulted in the redesign of pension calculations, which yielded much higher pension amounts than initially was the case. This further led to amendment to Act 766, which is Act 883. This culminated into contributors being directed to choose which to be served with either PNDCL 247 or Act 883. It also required that SSNIT pays only pension incomes while the lump sum is paid by NPRA, though this was not the original arrangement.

Significantly, a major challenge here is the lack of awareness about the core tenets of the pension policy and what workers stand to benefit from it vis-à-vis circumventing tier two management outside policy stipulations. These results regarding inadequate pension system knowledge corroborates the views of workers articulated in Chapter five which is consistent with the works of Lusardi (2008). Ofei-Kwapong (2013) noted that public education on the NPS is the "responsibility of the pension regulatory body, the NPRA which has done a very poor job in this regard" (p. 46). Orszag and Stiglitz (2001) who contend that:

> while it has widely been assumed that the second pre-funded tier should be privately managed, the large transactional costs, difficulties of regulating private providers, lack of sophisticated financial education even in advanced countries and existence of efficient public trust funds in for example, Denmark and U.S have led some observers to urge consideration of a publicly managed second tier (p. 3).

Retirement may be a social institution of its own right, yet planning for it is supported by other institutions in diverse ways namely the performance of informational and direct financial functions. These functions depict the interconnectedness of institutions of retirement related phenomenon and how macro and micro social processes of retirement nature are linked. These provide a framework within which individuals act (Miller, 2011), by creating an enabling environment for workers to better plan towards retirement in a more organised manner. The institutions stress the complex contexts that shape retirement planning, addressing the individual's attempt to forestall uncertainty with regard to the future (Franke, 2015). It also alerts workers on what to expect including how to go about retirement planning. Currently, the operationalisation and management of the pension system is dependent on cooperation between the requisite stakeholders under the regulation of the NPRA. Blau (1964) documented three typologies of institutions namely integrative, distributive and organisational institutions. Of the three prototypes of institutions, the one that befits descriptions in the findings above in relation to the roles and functions in retirement planning is the organistional institution, which among other things has been designated to "perpetuate authority and organisation necessary to mobilise resources and coordinate collective effort in the pursuit of social objectives" (p. 30).

What is sociologically significant here is that information provision is an act of socialisation that equips workers with the needed knowledge and skills to plan with. However, knowledge and experience (Looney et al., 2007; Lusardi and de Bassa Scheresberg, 2016; Roncaglia, 2010; Sun Barboza, and Richman, 2007) are deeply shaped by the subjective and cultural perspectives of each individual (Roncaglia, 2010).

During Phase I of the study, a few issues emerged other than those discussed above and which are highlighted below. These issues were incorporated into the survey instrument for Phase II of the study and which have been summarised below as follows:

- Preparing for retirement should begin at commencement of gainful employment.
- Family size and planning have implications for retirement preparation. This is because people bear more children for old security. However, in contemporary times, smaller sizes are becoming the norm. It also suggests that there is a link between family size and retirement preparation.
- There is the need to acquire a house as part of planning for retirement.
- Finally, the notion of ESB suggests that workers' preparations towards retirement are supplemented to some extent by employers' designated occupational benefits especially in the formal sector. The latter confirms what Kpessa (2011) found.

4.5 Conclusion

Compared to previous pension schemes, the three-tier pension system as the name suggests has been categorised into three tiers, which is a repertoire of all an inclusive system. The chapter shows that presently in Ghana there is the application of a medley of pension policies namely SSS under PNDCL 247 in conjunction with the new three-tier pension system under Act 766 and Act 883. In conclusion, macro and micro level contexts work jointly to shape retirement planning based on partnerships centred on the mobilisation and harnessing of resources, efforts and initiatives on the part of state institutions, employers as well as private sector and workers. The emerging issues in the study highlight the scope of retirement planning as expanded especially with respect to family planning and house acquisition. Social institutions perform three distinct functions such as informational and direct financial service to workers. Together, these functions provide enabling environments for preparing towards retirement in the form of structures and facilities through institutional, legislative, financial, normative and implementation frameworks. These will enable workers to engage in retirement preparation in a more organised fashion. Above all, the social institutions emphasised the complex contexts that shape retirement planning. The study's findings thus traverse the individual as the unit of analysis to look also at organisational, occupational, regulatory, (family) and governmental policies and how they intersect with individual lives to shape various aspects of the ageing process particularly retirement preparation.

CHAPTER FIVE

RETIREMENT PREPARATION PREREQUISITES FOR WORKERS

5.0 Introduction

The chapter presents the socio-demographic features of the study respondents. It also examines three dimensions of retirement planning: namely the aspirations of the workers; the expectations of the workers; and workers' expectations with regard to OAEs from the state viewpoint in retirement. These three dimensions of retirement can be applied to three important themes such as the age at which people retire; the financial sources of workers when they retire and the involvement of workers in paid work beyond pension[3] including OAEs.

Retirement preparation entails two distinct prerequisites namely retirement aspirations and expectations and planning information sources. Together, they provide preparation benchmarks including the provision of the requisite planning information. Consequently, retirement planning is often preceded by the articulation of retirement aspirations which serve as a motivation to institute retirement portfolios. These aspirations depict individual level goals, which tend to include certain expectations such as financial security in old age, comfortable post-retirement life, access to healthcare and OAEs. They give planners the impetus to plan adequately with the aim of meeting set retirement goals. These aspirations include type of retirement preferred, approach to

[3] The fourth theme relates to workers overall happiness in retirement, which is beyond the scope of this study. For further discussion (See McAlister et al., 2005).

retirement, residential arrangements desired, sources of income, an outline of prospective post-retirement life leisure activities including paid work beyond retirement.

The last category of old age desires constitutes state level requirements that workers expect to benefit from the state on the event of retirement. They are social welfare benefits that the state makes available to retirees as senior citizens of the nation. Retirement aspirations are indicated and met by individual workers whereas certain retirement expectations namely OAEs, comfortable post-retirement life are provided by both the worker as well as the state. The information presented in this chapter is based on survey, key informant and in-depth interview data.

Issues discussed in this chapter confirmed information obtained from institutions that provide pension services namely the NPRA, SSNIT and the SSNIT ISF in Chapter four. This translates into the exploration of the extent of knowledge of the NPS. In addition, broader retirement planning literacy was also investigated.

The rest of the chapter comprises eight sections: section two focuses on the socio-demographic characteristics of the study respondents, section three concentrates on workers' intentions for retirement, section four profiles the core constituents of workers' retirement aspirations and expectations, linkages between retirement aspirations and perceived preparedness for retirement. Section five presents the sources of workers' retirement planning information. Section six focuses on the extent of workers' knowledge about the NPS. Section seven discusses the findings and section eight concludes the chapter.

5.1 Description of the respondent's socio-demographic characteristics

The study population comprised more formal sector males (51.6%) and more informal sector females (51.5%) aged between 18-59 years. The average age of the sample is 40.9 years, the median is 40 years, mode is 30, the maximum age is 59 and the minimum is 18 years (see Tables 8 and 9 for details). Fifty-eight per cent of the formal sector respondents were married, whereas 30.0% have lost their spouses.

The highest level of education attained in the form of tertiary education was 88.9% from the formal sector, while those who had no formal education were in the informal sector (Figure 3). Those with no formal education designation is simply indicative of the attainment of non-formal classroom education including those who could not complete primary six. The pre-tertiary category encompasses primary, JHS, SHS, Technical, Commercial, Secretarial, GCE O' Level education. The tertiary category comprised Bachelor's, Post-graduate Diploma and Master's degrees.

Table 8: Socio-demographic characteristics of respondents

Variables	Characteristics	Formal sector		Informal sector	
		Frequency	(%)	Frequency	(%)
Age	18-19	0	0.0	2	100.0
	20-24	6	37.5	10	62.5
	25-29	22	52.4	20	47.6
	30-34	39	48.1	42	51.9
	35-39	25	43.1	33	56.9
	40-44	38	56.7	29	43.3
	45-49	38	64.4	21	35.6
	50-54	24	44.4	30	55.6
	55-59	27	45.0	33	55.0
Sex	Male	110	51.6	103	48.4
	Female	111	48.5	118	51.5
Marital status	Married	159	58.0	115	42.0
	Co-habiting	0	0.0	11	100.0
	Separated	0	0.0	5	100.0
	Divorced	4	23.5	13	76.5
	Widowed	6	30.0	14	70.0
	Single	52	45.2	63	54.8
Ethnicity	Adangbe	18	43.9	23	56.1
	Akan	92	46.5	106	53.5
	Dagomba	3	27.3	8	72.7
	Ewe	63	60.0	42	40.0
	Ga	35	54.7	29	45.3
	Guan	4	100.0	0	0.0
	Minor Tribes	6	40.0	13	60.0
Religion	Christian	219	52.0	202	8.0
	Muslim	1	5.9	16	94.1
	Traditionalist	1	33.3	2	66.7
	Other	0	0.0	1	100.0
Income	¢500.00-2,499.00	187	46.8	213	53.2
	¢2,500.00-4, 499.00	21	84.0	4	16.0
	¢4, 500.00-7, 000.00	7	63.6	4	36.4
	NR	6	100.0	0	0.0

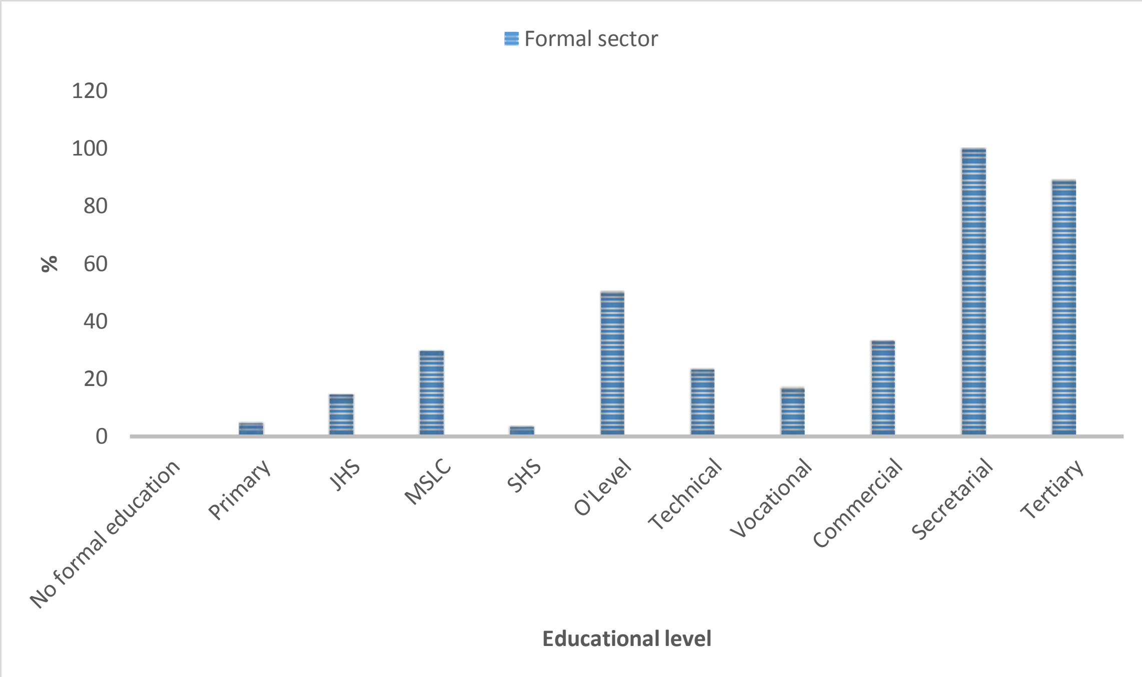
Source: Field data, 2017

Table 9: Synthesis of descriptive characteristics

Variables	Mean	Median	Mode	Standard deviation	Minimum	Maximum	Number	
							Valid	NR
Age	40.89	40.00	30	10.478	18	59	442	0
No. of years working for	14.63	13.00	10	10.267	1	40	442	0
No. of years to 60 years	19.12	20.00	20	10.631	1	42	442	0
No. of children	2.32	2.00	0	3.345	0	61	442	0
No. of working children	0.45	0.00	0	1.052	0	7	442	0
No. of children in school	1.47	1.00	0	1.498	0	7	442	0
No. of nephews caring for	0.46	0.00	0	1.276	0	15	442	0
No. of nieces cared for	0.34	0.00	0	1.008	0	7	442	0
No. of significant others cared for	0.03	0.00	0	0.489	0	10	442	0
Intended retirement age	61.38	60.00	60	7.589	40	120	442	0
Monthly income	990.8862	650.0000	1500.00	1042.24295	50.0	7000.00	437	5

NB: NR= non-response; Source: Field data, 2017

Figure 3: Educational background of the respondents



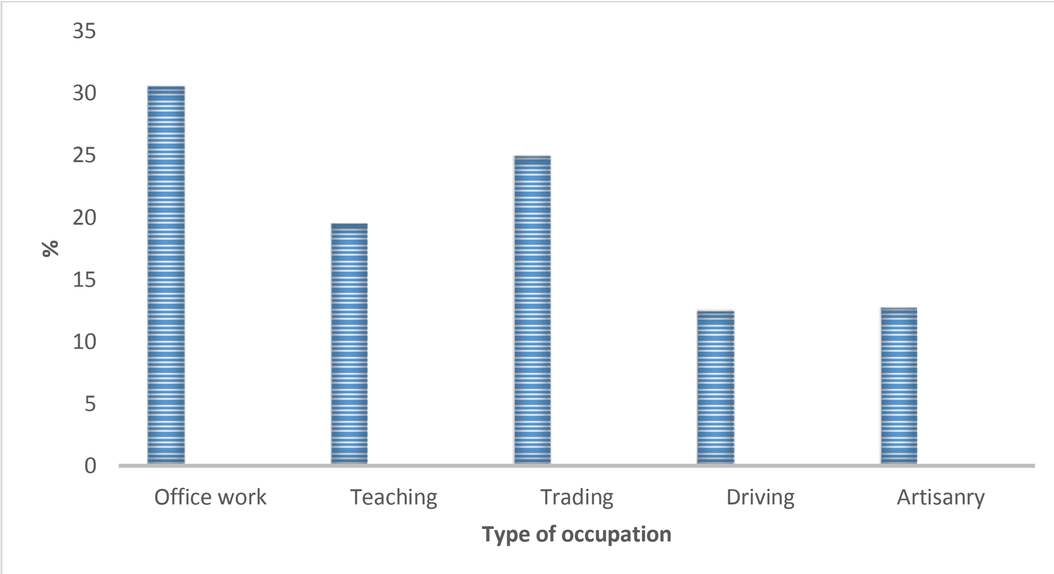
Source: Field data, 2017

The study respondents spanned a broad spectrum of ethnic backgrounds with informal sector respondents being Akan (53.5%) and the minor ethnic groups are constituted by informal sector workers (60.0%). The other ethnic groups include Adangbe, Dagomba, Ewe, and Ga, minor ethnic groups, which is constituted by Kasem, Kusasi, Hausa, Gonja, Dagaare, Moshi, Banda, Sisala and Dagaati. In the same vein, the religious affiliations of the respondents also varied. A majority of the formal sector workers were Christians (52.0%) whilst 94.1% of informal sector workers were Muslims, others were traditionalists or adherents of African Traditional Religion (ATR) and Eckankar. For purposes of analysis, three income categories emerged namely the <¢500.00-2,499.00, ¢2, 500.00-4,499.00 and ¢4, 500.00-7, 000.00 on the basis of which the ¢500.00-2-499.00 income range was constituted by the majority of the informal sector workers' (53.2%) income, which suggests that most of the workers who participated in the study who earned less than ¢2, 500.00 per month and were from the informal sector, whereas a few of them earned between ¢4, 500.00-7, 000.00 monthly mostly from the formal sector. The average monthly income of the sample is ¢990.889, the median is ¢650.0000 and the mode is ¢1,500.00. The maximum monthly income is ¢7, 000.00 whilst the minimum is ¢50.00. The standard deviation of monthly income is ¢1, 042.24 (See Table 9 above).

The discussion above shows that the sample is composed of a high proportion of university graduates. The study participants differed in professional experience and in personal characteristics, but all of them were identified as individuals who expressed divergent views on the theme of the study. However, as it stands, the sample is not evenly distributed between males and females, since the latter outnumber the former.

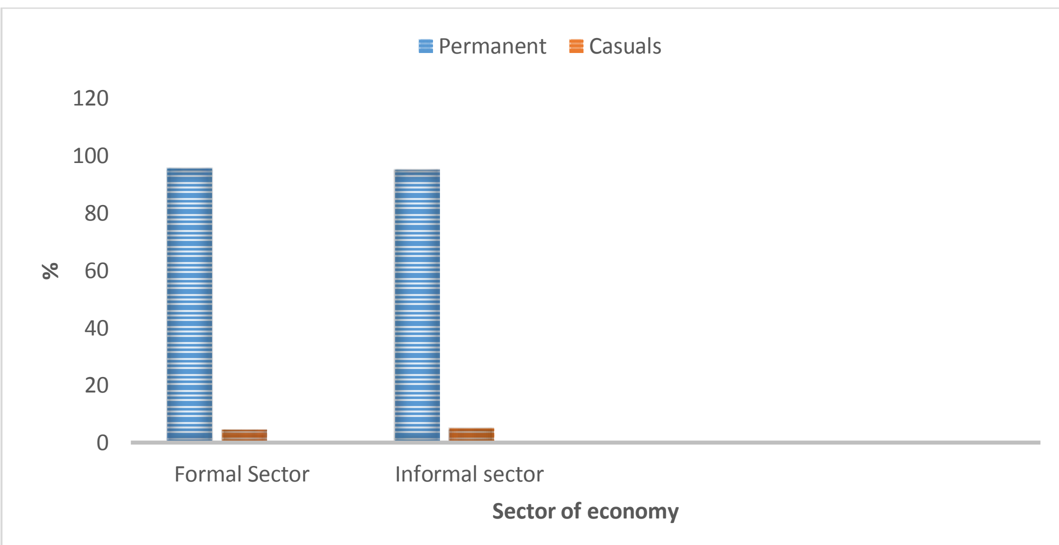
The occupational categorisation of the study respondents encompassed office work, teaching, trading, driving and artisans. Against this backdrop, office work and teaching categories constitute formal sector work whilst trading, driving and artisans denote informal sector work (Figure 4). What is however noteworthy is that the respondents occupied these positions and/or occupations on either a permanent basis which depicted the majority of cases (95.2%) or a temporary basis, which represented the minority of cases (4.8%) (Figure 5). But, the issue of casual staff positions may have worrisome implications for planning for retirement since the propensity of losing this temporary position or job is high, the reverse is also true.

Figure 4: Occupational details



Source: Field data, 2017

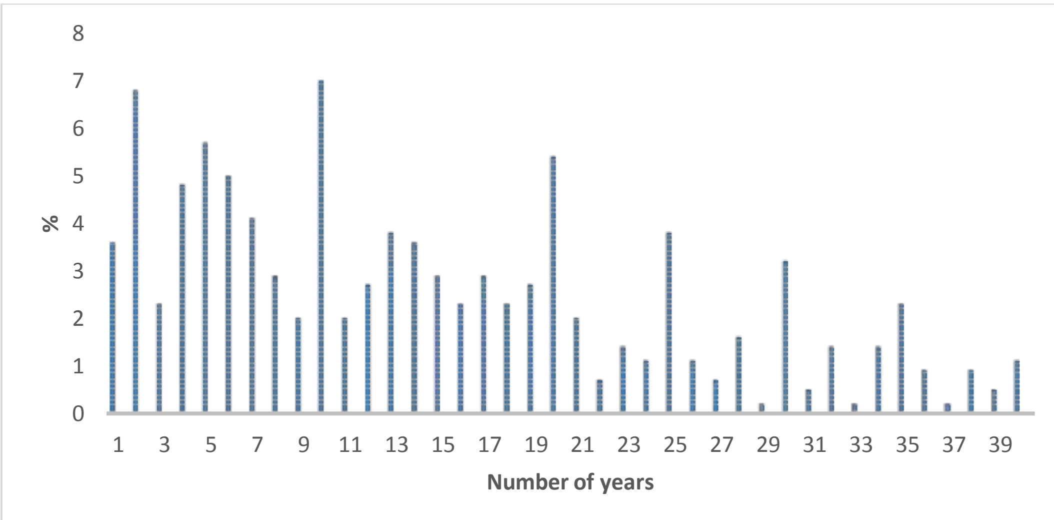
Figure 5: Nature of occupation



Source: Field data, 2017

The respondents have worked for many years and were consequently left with a correspondingly varied number of years to attain 60 years (Figure 6). As a result, while some have just entered the workforce, others were also on the verge of exiting. However, the situation is quite different in terms of the informal sector, who are not mandatorily obliged to retire at 60 years but rather could work for as long as their strength levels may take them. The average number of years worked for is 14.6, the median is 13 years and the mode is 10 years. Almost 2% of the respondents had worked for 40 years, others worked for 10 years and one year.

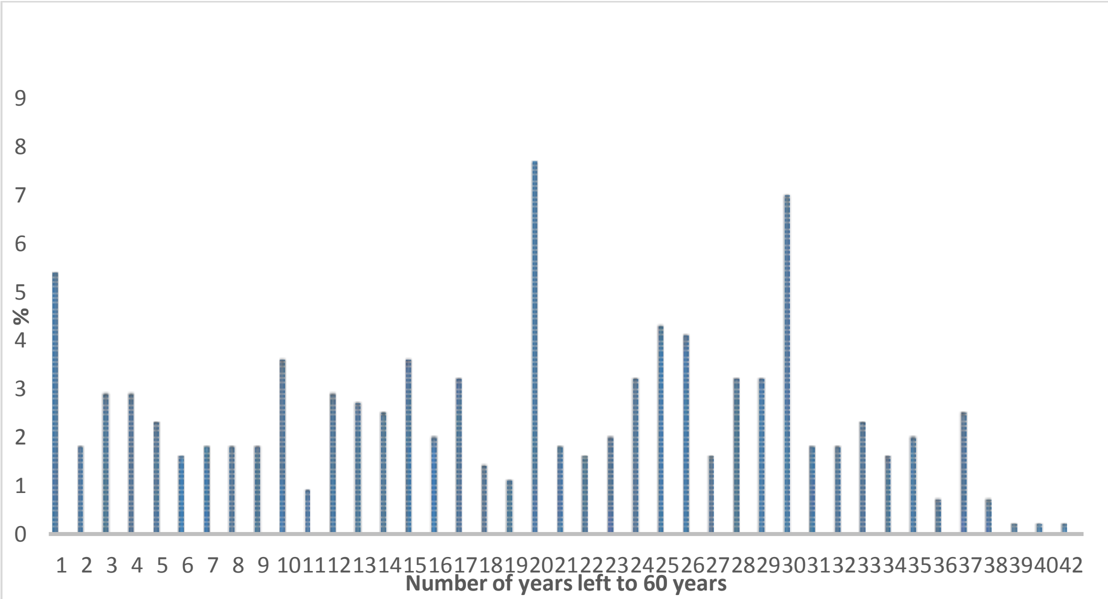
Figure 6: Number of years of service



Source: Field data, 2017

The maximum number of years left to attain 60 years was 42 and the minmum was one year and about 5.4% of the workers have one year to 60 years (Figure 7). Yet, majority of the respondents had 20 years to attain 60 years.

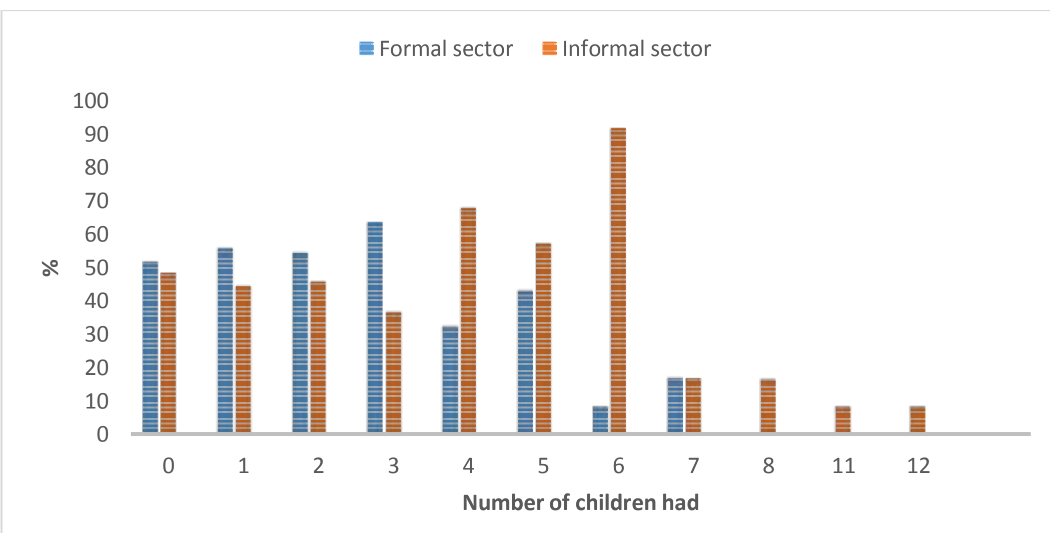
Figure 7: Number of years left to attain 60 years



Source: Field data, 2017

Most of the respondents (73.8%) had children, the number which ranged between one and twelve. Similarly, some workers have had no children yet. The formal sector workers had one child whereas 8.3% of those in the informal sector had 12 children. The average number of children is 2.3 (Figure 8).

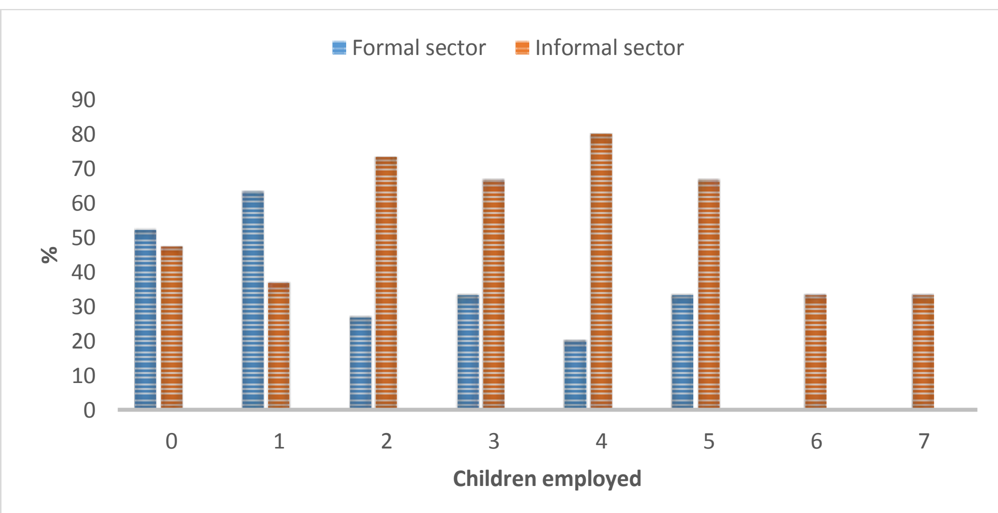
Figure 8: Number of children



Source: Field data, 2017

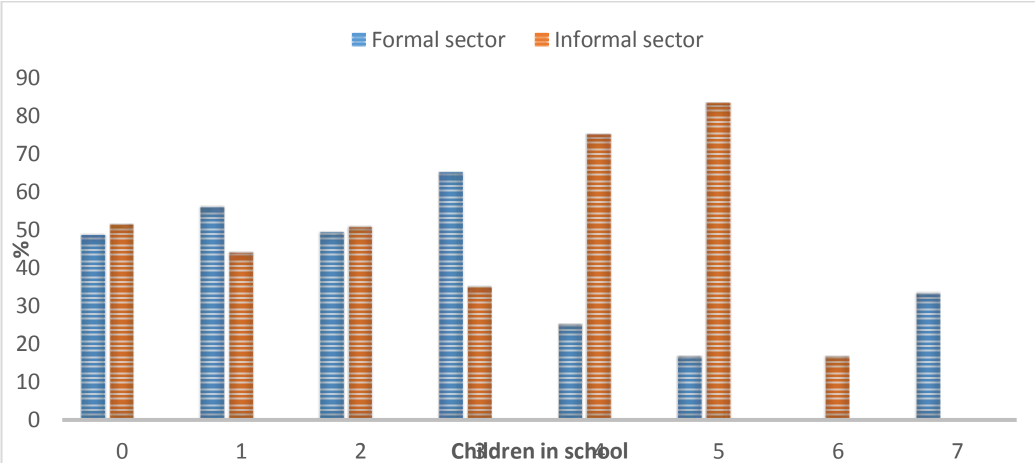
Out of the number of respondents who had children, a few of them had some of their children employed at the time of the study. The highest of 7 children were employed regarding informal (33.3%) whereas 63.3% of formal sector workers had a low of one child employed (Figure 9). The implication of this may be the reduction in the care burden of such children perhaps for the former than the latter group of workers in terms of the spending of financial resources on their education and personal upkeep. Further, this may free an aspect of the money spent on them, which could in turn be channelled into retirement related investments. However, the same cannot be said of the remaining respondents whose children may still be schooling, excluding as indicated above those who were non-parents. This suggests that the retirement planning resources of those whose children are not yet working may be shared among planning prospects and care for children, which also entails financing children's education (Figure 10). Further, formal sector workers had both the maximum of seven children and a minimum of one child in school. The average number of children in school was 1.5.

Figure 9: Number of children employed



Source: Field data, 2017

Figure 10: Number of children in school



Source: Field data, 2017

Apart from their children, the respondents also lived with and/or fended for their nephews and nieces. Approximately formal sector (43%) and informal sector (47%) respondents neither lived with and/or took care of nephews and nieces (Table 10). A maximum of 15 respondents live with nephews, the average number of which is 0.5. The formal sector probably cared for more nephews ranging from one to 15 as well as both the maximum of seven and a minimum of one nieces (Table 10), while the average number of nieces is 0.3. This may have implications for more purchasing power including retirement related investments.

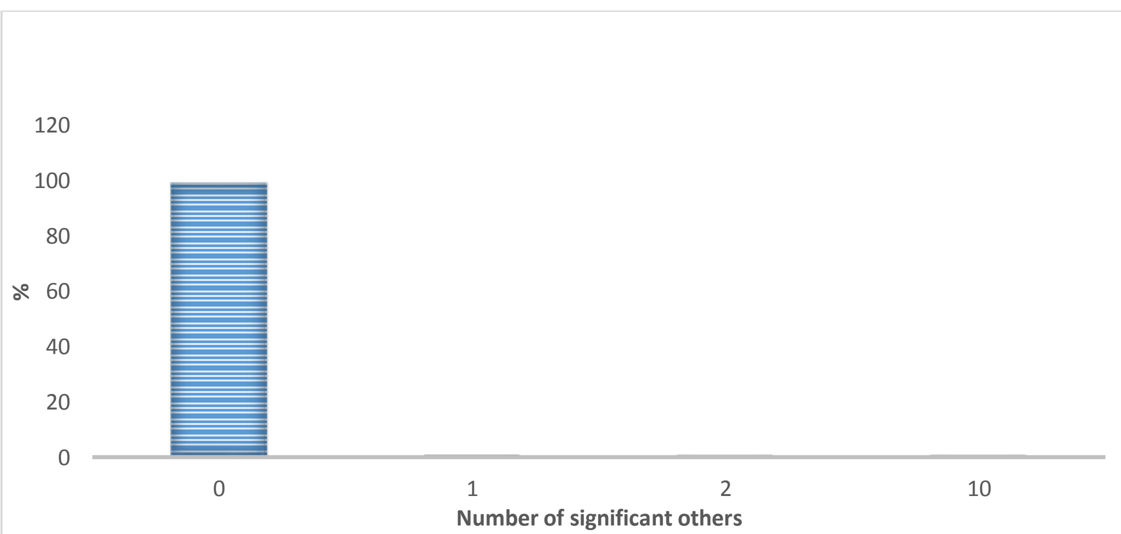
Table 10: Number of nephews and nieces cared for

Nephews				Nieces		
Number	**Frequency**	**Percent (%)**		**Number**	**Frequency**	**Percent (%)**
0	350	79.2		0	372	84.2
1	42	9.5		1	32	7.2
2	28	6.3		2	18	4.1
3	5	1.1		3	11	2.5
4	8	1.8		4	1	0.2
5	5	1.1		5	3	0.7
6	2	0.5		6	3	0.7
7	1	0.2		7	2	0.5
15	1	0.2		**Total**	**442**	**100.0**
Total	**442**	**100.0**				

Source: Field data, 2017

It was also observed that 0.5% of the respondents lived with persons other than their own children, whose number ranged from two to ten significant other people respectively (Figure 11). To the contrary, majority of the respondents (99.1%) were not living and/or cared for other people except for their own children. The average number of such significant others was 0.03 and the maximum was 10.

Figure 11: Number of other children cared for

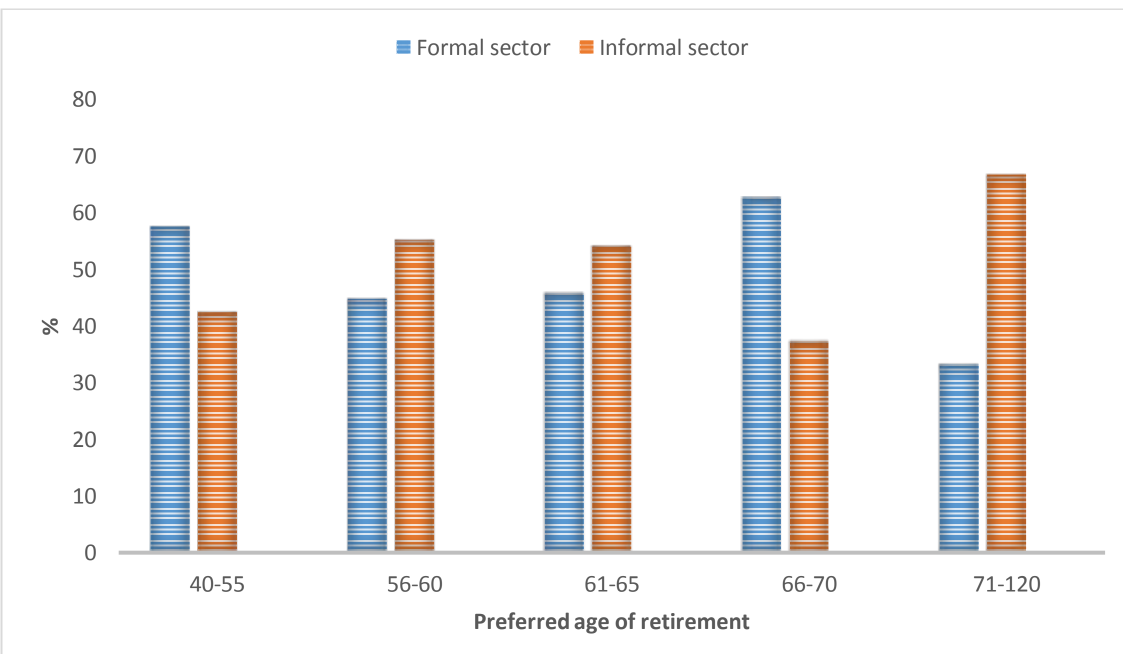


Source: Field data, 2017

5.2 Retirement anticipation

The retirement age is 60 years mostly for people working in the formal sector of the Ghanaian economy (54.3%), the same cannot be said about workers in the informal sector. Nonetheless, formal sector workers can retire prior to the attainment of the 'retirement age' depending on prevalent individual situations. Such decisions may be made due to diverse reasons such as tiredness, ill health and a host of others. Obviously, from Figure 12, some workers especially the formal sector workers aspired to retire earlier (40-55 years) than their informal sector counterparts where some respondents desire to retire between 71-120 years (66.7%). Although the latter age range may seem wishful on the part of the respondents, it may be a possibility because of increased life expectancy in tandem with improvement in medical exploits globally.

Figure 12: Aspired retirement age

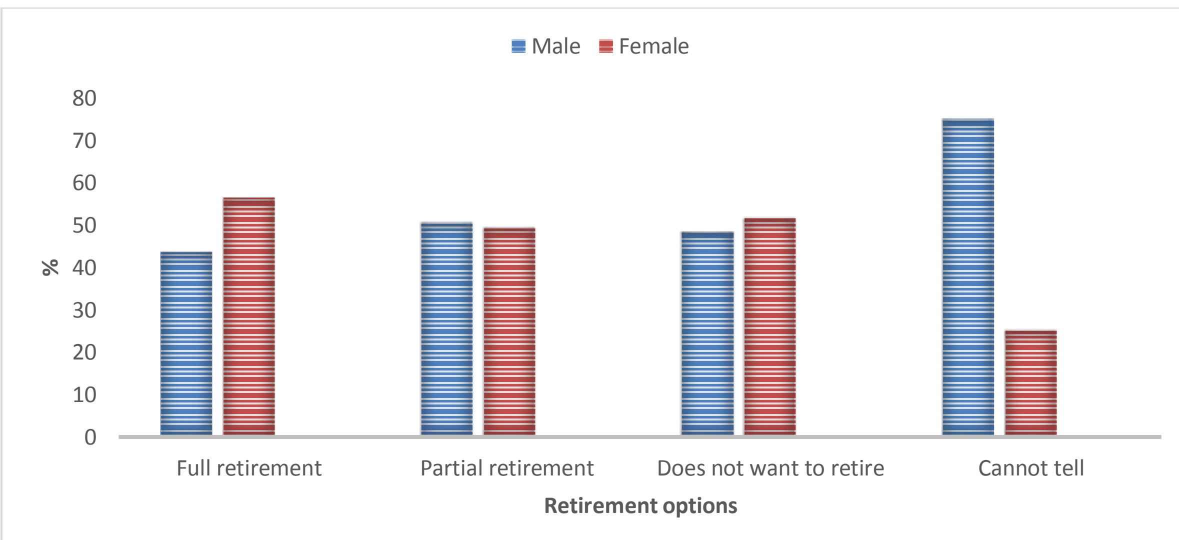


Source: Field data, 2017

5.2.1 Type of retirement preferred and prospective living arrangements

The study revealed that there are three categories of preferred retirement type options for the respondents, namely full retirement, partial retirement, and no retirement (Figure 13). A cross-tabulation of the results aimed at ascertaining whether there was a difference between males and females in terms of the type of retirement to be embarked on, indicates that the respondents who wanted to retire partially are males. Similarly, 56.4% of the respondents who wanted to embark on full retirement are females, whilst all people with partial retirement intentions are females. Other respondents were not sure of that.

Figure 13: Type of retirement aspired for



Source: Field data, 2017

To test the relationship between type of retirement and sex, the statistics in Table 11 below shows that for a Table of three degrees of freedom and 442 respondents, a Chi-Square of 3.1 is significant at .001 for a 2-tailed test. The odds of obtaining a value of 3.1 by chance alone is less than 1 in 1000, suggesting that there is a relationship between type of retirement and sex.

Table 11: Chi-Square tests for type of retirement and sex relationship

Statistical tool	Value	Degree of freedom	Asymp. Sig. (2-sided)
Pearson Chi-Square	3.057a	3	.383
No. of Valid cases	442		

a. 2 cells (25.0%) have expected count less than 5. The minimum expected count is 1.93. Source: Field data, 2017

Diverse views were expressed by the respondents espousing the location and context where they preferred to live or reside after retirement namely own house, family house including rented houses and/or apartments. In the context of retirement planning, the latter is indicative of unpreparedness or inability to obtain a house in aid of retirement. This does not mean that houses are only to be acquired for purposes of post-retirement life. Instead, a house is useful for pre-retirement habitation in general and in particular the retirement aspect of it. This is because of the high cost of rent in recent times coupled with the relatively reduced income that most retirees receive as pension income. Yet, not all workers may have to purchase houses of their own; they can equally inherit them from family relations as well as benevolent individuals or philanthropists. Interestingly, approximately 85% of all respondents and 53.5% males wanted to live in their own houses (Table 12). These findings confirm Atchley's (2000) theoretical argument on house acquisition as part of the retirement planning process.

Table 12: Prospective living arrangement and sex cross tabulation

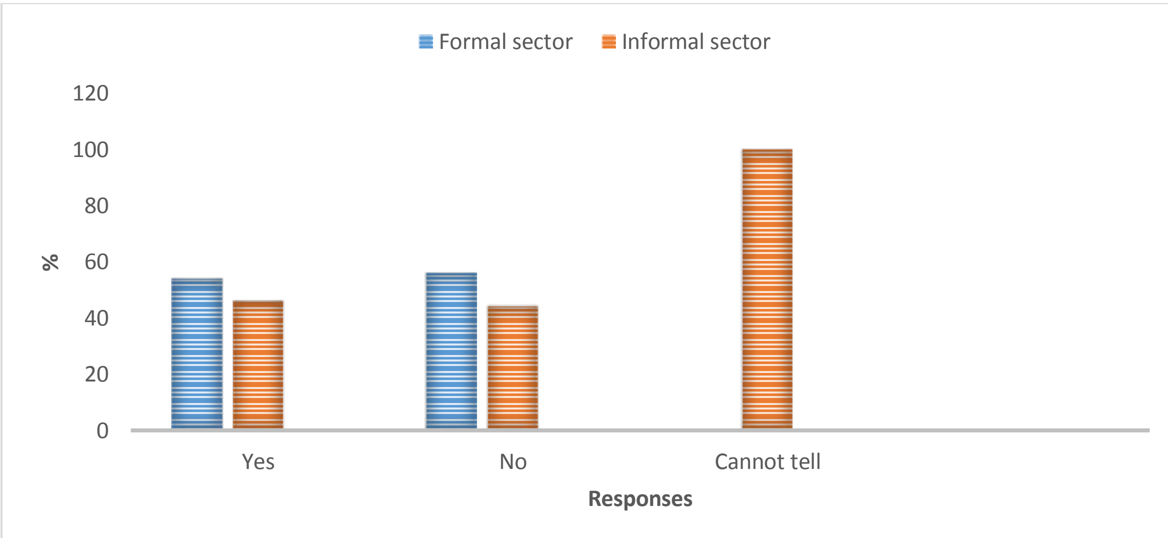
Mode of retirement	Sex		Total
	Male	Female	
Own house	201 53.5%	175 46.5%	376 100.0%
Family house	2 100.0%	0 0.0%	2 100.0%
Children's house	1 6.7%	14 93.3%	15 100.0%
Rented house	5 41.7%	7 58.3%	12 100.0%
Spouse's house	0 0.0%	21 100.0%	21 100.0%
Father/mother's house	2 22.2%	7 77.8%	9 100.0%
Uncles/aunties' house	0 0.0%	1 100.0%	1 100.0%
Brother's house	0 0.0%	1 100.0%	1 100.0%
House acquired by both spouses	2 40.0%	3 60.0%	5 100.0%
Total	**213** **48.2%**	**229** **51.8%**	**442** **100.0%**

Source: Field data, 2017

In response to the question regarding ‘do you intend to work after retirement’, formal (53.9%) and informal (46.1%) sector respondents indicated the desire to work after retirement. The reasons provided to this effect entailed leisure including to keep fit and active, and engage the mind.

A context in which work will be selective, to enable continuous support of family relations and/or secure children’s future and self-dependency. These reasons collectively connote the notion of choice and the need to work. Other reasons include the offering of retired workers’ rich experiences to employers who may find it useful. This view may be reflective of volunteerism but there may be conditions attached. Contrarily, informal sector workers indicated that they had no intention of working during post-retirement life (See Figure 14). This is because they needed to rest after many years of hard work.

Figure 14: Intention to engage in paid work after retirement



Source: Field data, 2017

The thought of not wanting to become weak during the retirement transition on the part of the respondents cannot be underestimated, as these were further confirmed by the in-depth interview data. For instance, an informal sector male noted that "if I retire entirely, it will make me weak. I will get a store in the house. I intend to retire at 70 years onwards". According to a formal sector female, "I have a business that will occupy me more when I retire".

5.3 Core constituents of retirement aspirations

Retirement aspiration's core components encompass things needed to plan for and the prospective activities the respondents aspire to undertake during retirement life. With respect to the most important things that they needed to plan for towards retirement, the informal sector workers indicated the need for financial security (52%) and shelter (52%), whereas both formal and informal sector workers outlined social networking (Figure 15). It is worth reiterating the fact that the issues discussed in this section answer the research objective regarding workers' retirement aspirations and expectations.

Figure 15: Most important things to plan for towards retirement

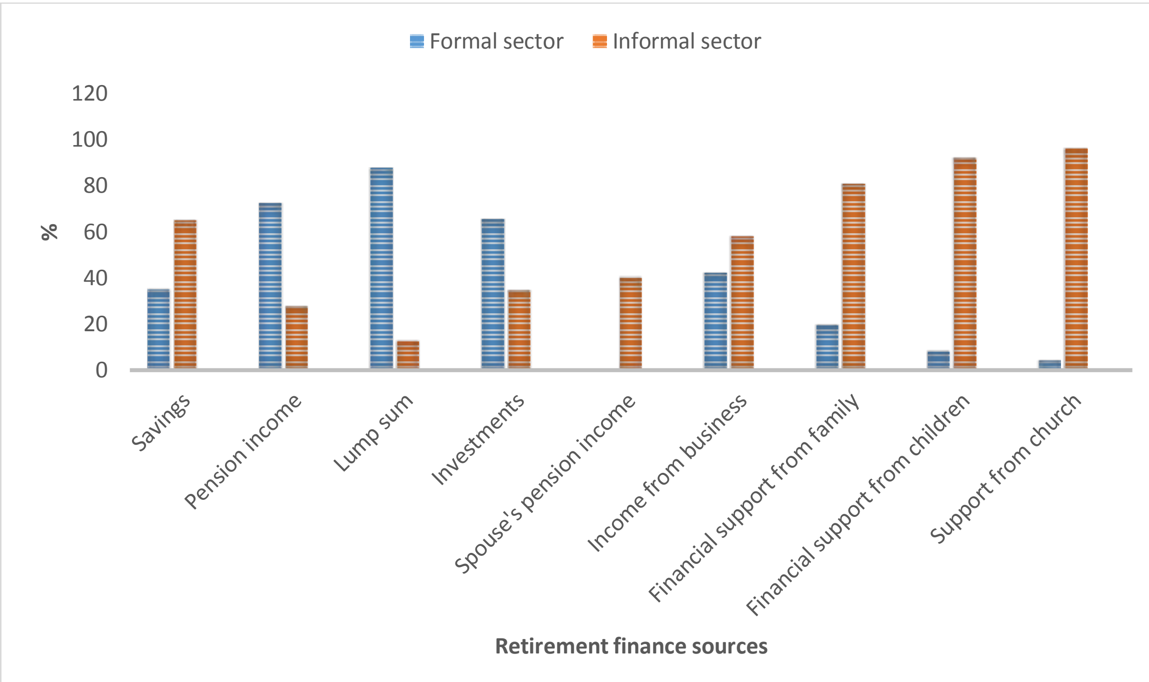
Source: Field data, 2017

5.3.1 Sources of finance for utilisation during retirement

The need for financial security in old age cannot be overemphasised. Thus, the results show that more informal sector workers look forward to income from business, finance from family, children (92%) including savings whereas their formal sector counterparts largely hope to depend on pension income, lump sum and other investments (5.4%) as their sources of retirement finance (Figure 16) including support from the church. From the statistics, children as a source of retirement finance appears to be more emphasised for the informal sector workers than the formal sector workers with significance for social insurance dynamism.

All the constituents in Figure 16 may collectively yield financial security for the individual workers when instituted. It is noteworthy that workers anticipated that they may have both financial and non-financial (or social resources) on which to depend during retirement.

Figure 16: Constituents of expected sources of retirement life funding



Source: Field data, 2017

The respondents however anticipate that such savings when accumulated should be able to cater for the needs of the planners from a period of five years after retirement until death. The notion of 'till death' may span from immediately after retiring from active work or several years thereafter. The workers' intimation of financial expectation from their children in Figure 16 above and Table 13 below as part of their retirement aspirations and expectations affirm both one aspect of Atchley's retirement planning pre-requisites as well as Caldwell's argument in relation to 'children's social insurance value'. Collectively, they both emphasis the role of the family in the process of retirement planning.

5.3.2 Prospective post-retirement activities

The prospective activities to be engaged in during life in retirement have been categorised into sociability measures, home improvement, farming and gardening, business operation and expansion, volunteer work, self-improvement, relaxation, new hobbies, gospel work and vacation abroad. The sociability measures comprise of spending time with family and friends for formal and informal sectors, farming (72.5%) and (27.5%) respectively (Table 13). Spending time with the family including family commitments corroborate Caldwell's (1978, 2005) stipulations. Devotion to home improvement perhaps may have been neglected due to work pressures during pre-retirement life. Business operation is constituted by business, spare parts sales, operation of provision shop, (continue) trading, set up t-roll shop, school establishment and management, business expansion, volunteerism among others. However, these activities may not entirely be new since some may have been in operation or existence long before retirement. As a result, time in retirement just helps to concentrate fully on them with undivided attention.

The in-depth interview data confirms these aspirations. For example, a formal sector male exclaimed:

> Retirement is a joyous phenomenon when well prepared for. I intend to take a vacation across Ghana and outside, when I retire. I have saved for that. In essence, you need to prepare when you are strong and enjoy your pension.

Another formal sector male indicated that "I studied law for retirement purposes. Lawyers and medical doctors do not retire". The intent to propagate the gospel was not left out. Hence, a formal sector female asserted that "I want to do the work of God on retirement and devote my time fully to that". An informal sector female said that "I intend to do gospel work when I retire". Similarly, a third formal sector male noted that "I work as an estate developer. I have made the necessary preparations for that in advance. I have an office space in my house that would be used for that".

5.4 Components of retirement expectations

Retirement expectations come in two forms, namely the expectation of the individual planner of his/her own retirement investments and the expectation of certain 'goods' from the state. These have been categorised as worker-oriented expectations and state-oriented expectations. The latter finds expression in old age entitlements.

Table 13: A catalogue of prospective post-retirement leisure activities

Prospective activities	Formal sector		Informal sector	
	Frequency	Percent	Frequency	Percent
Spend time with family & friends	132	72.5	50	27.5
Devote time to home improvement	52	65.0	28	35.0
Devote time to farming & gardening	26	81.2	6	18.8
Family commitments	7	14.0	43	86.0
Pursue new hobbies	50	30.1	78	60.9
Spare parts sales	1	16.7	5	83.3
Volunteering	5	41.7	7	58.3
Micro-manage business	8	61.5	5	38.5
Relax	5	20.8	19	79.2
Gospel work	13	56.5	10	43.5
Expand /improve business	0	0	2	100
Operate provision shop	0	0	1	100
Self-improvement	0	0	1	100
Continue trading	0	0	2	100
Set up T-roll shop	0	0	1	100
Improve business	0	0	7	100
Business	1	100	0	0
Personal health devotion	0	0	1	100
Vacation abroad	2	100	0	0
School establishment & management	5	50	5	50

Source: Field data, 2017

5.4.1 Worker oriented expectations

From Figure 17 more males (50.8%) than females (49.2%) were in anticipation of financial security in old age, yet more females expected to have a comfortable post-retirement life, access to healthcare, OAEs including support from children and live in own house. This may be due to the fact that women live longer than men. The need for housing here indicates a significant expectation. For already acquired houses, the payment of property rate is what remains to be dealt with in post-retirement life; a feature that has been sorted out for people aged 60+ year olds in Tema as discussed below. The same applies to late house acquirers. A few respondents had no retirement expectations whatsoever.

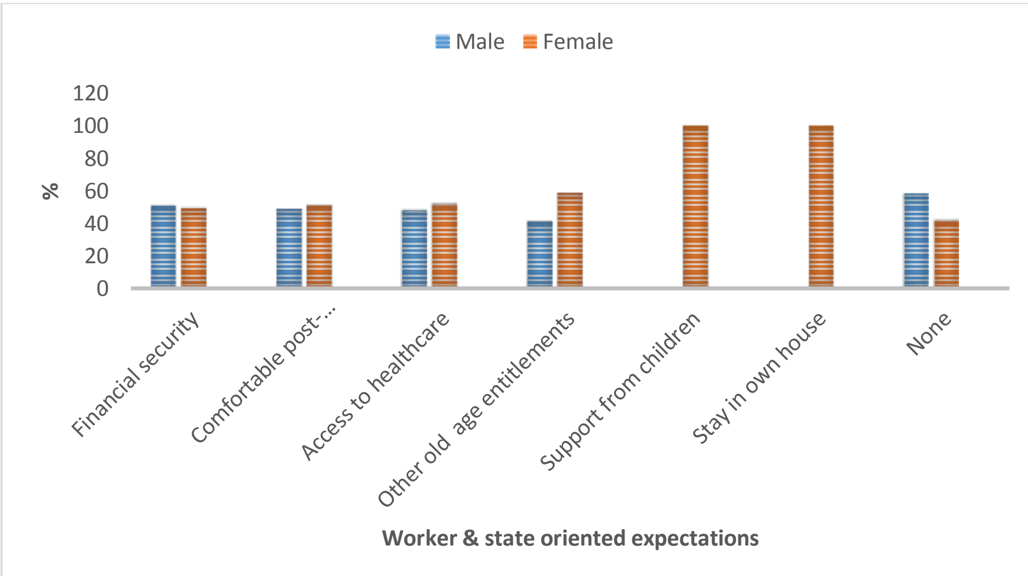
5.4.2 State oriented expectations

Worldwide OAEs are diverse and according to females (58%) and males (38%) which constitute state-oriented expectations (Figure 17). However, presently in Ghana OAEs include the following with their associated benefits summarised below.

- Pensioners' association membership nationwide, the benefits of which encompass participation in the pensioners' medical scheme, a complement to NHIS, information access, enjoyment of property rebate, loan facility, visa documentation support and social networking.
- National health insurance (NHI) -- the registration and renewal of NHIS is free for people aged 70 years and above. All others pay ₵30.00 while SSNIT contributors pay ₵5.00 because of their contribution status, it is taken directly by SSNIT.
- The Livelihoods Empowerment and Poverty Alleviation (LEAP), which offers a bridging income periodically.
- EBAN card provides older people with transportation fare half the cost to card holders on the Metro Mass Bus system and banking services (Appendix I).

- Property and sewerage rebate, which offers a 30% property rebate for people aged 60 years and above for Tema residents (Appendix II).

Figure 17: Retirement expectations



Source: Field data, 2017

Indeed, the study is a confirmation of the pre-retirement planning phase of Atchley's (2000) stages of retirement theory, which depicts the first stage. This component of the theory talks about the development of retirement expectations, fantasies and fears, suggesting that the respondents' expectations namely anticipated age of retirement, sources of finance in old age, OAEs denote what Atchley terms 'expectations and fantasies.

The preceding section examined one of the retirement preparation prerequisites, particularly retirement aspirations and expectations. The section that follows explores the sources of retirement planning information aspect of retirement preparation's prerequisites.

5.5 Sources of workers' pension planning information

The study also explored the sources of retirement planning information among workers. The result thus showed that in planning for retirement workers solicited a myriad of information from a variety of sources namely the family, friends and work colleagues, books and magazines, radio, experiences from managing personal funds, the electronic media, print media, own ideas, experiences of other people, the boss, churches and/or religious bodies, banks, insurance companies, employers as well as consultants (See Table 14 below). Table 14 shows that formal sector respondents namely males (73%) obtained their information from PSPs. The males obtained more information from bosses, insurance companies and print media whereas the females depended more on family and own ideas. In the case of the informal sector, females depended more on their family (95.8%), own ideas, friends and colleagues, churches. In both sectors, the females from formal and informal sector constituted the non-response category.

The in-depth interview data supports the claims in Table 14, amplifying dependence on family relations as sources of retirement planning information. Such sources like others foster great motivation to plan ahead. For example, a female from the informal sector asserted that "I got my retirement planning ideas from my daughter. She advised me to save and invest towards my old age". Another informal sector female noted "my daughter enlightened me". Similarly, a formal sector male demonstrated that:

> I got my retirement investment ideas from my father. My father's example challenged me. He set the pace. As a result, I refused to live with my uncle but with a friend to be challenged to achieve and acquire assets. I left a friend's house with no place to go to. But then not long after that I bought a flat including two plots of land.

These intimations are in line with Caldwell's (1978, 2005) assertion regarding the role of the family, particularly children in retirement planning.

The influence from work colleagues and an educational institution were not left out. Thus, a male formal sector worker indicated that "I obtain lots of ideas from colleagues at work". Lastly, a female from the formal sector alluded, "I got counselling in relation to retirement planning at PTC"[4].

The Table 15 describes a cross-tabulation between sector of work and organisational provision of pension related counselling services to staff, on the basis of which 11.8% of respondents in the formal sector acknowledged the fact that such services have been provided for them compared to 2.7 % of those from the informal sector (See Table 15).

Table 16 indicates that the respondents who reported having attended retirement planning Seminars or workshops were from the formal sector (6.3%) opposed to the informal (3.6%) sector. Clearly, more workers in the formal sector have the opportunity to attend retirement planning seminars/workshops than their informal sector counterparts.

However, the services were only available to 42.1% of respondents. Further, the general education services were conducted using tools such as forums, discussions, advice, talks, encouragement, including seminars or workshops.

[4] PTC stands for Presbyterian Training College.

Table 14: Retirement planning information sources

Sources of information	Formal sector		Informal sector	
	Male	**Female**	**Male**	**Female**
Family	51.4%	48.6%	43.2%	56.8%
Friends & work colleagues	61.9%	38.1%	41.3%	58.7%
Books & magazines	86.4%	13.6%	59.1%	40.9%
Experience from managing personal funds	47.2%	52.8%	50.0%	50.0%
Financial planner	57.1%	42.9%	28.6%	71.4%
PSPs	73.0%	27.0%	56.9%	43.1%
Electronic media	70.0%	30.0%	65.0%	35.0%
Print media	62.5%	37.5%	62.5%	37.5%
Own ideas	24.3%	75.7%	53.2%	46.8%
Radio	0%	100.0%	100.0%	0.0%
People's experiences	50.0%	50.0%	100.0%	0.0%
Bosses	0.0%	100.0%	0.0%	100.0%
Church	0.0%	100.0%	25.0%	75.0%
Consultant	100.0%	0.0%	100.0%	0.0%
Banks	0.0%	100.0%	100.0%	0.0%
Insurance companies	100.0%	0.0%	50.0%	50.0%
Employers	100.0%	0.0%	50.0%	50.0%
Social media	45.0%	55.0%	50.0%	50.0%
Television	27.8%	72.2%	33.3%	66.7%

Source: Field data, 2017

Table 15: Provision of work and pension counselling and sector of work cross tabulation

Counselling service	Sector of work	
	Formal sector	**Informal sector**
Yes	52 (11.8%)	12 (2.7%)
No	169 (38.2%)	209 (47.3%)
Total	**221 (50.0%)**	**221 (50.0%)**

Source: Field data, 2017

Table 16: Retirement planning seminar/workshop attendance and sector of work cross-tabulation

Seminar/workshop attendance	Sector of work	
	Formal sector	Informal sector
Yes	72 (16.3%)	12 (3.6%)
No	169 (33.7%)	209 (46.4%)
Total	**221 (50.0%)**	**221 (50.0%)**

Source: Field data, 2017

The survey data was subjected to Pearson Chi-square statistics and Cramer's V test to examine whether there is any association between retirement planning education and helpfulness of obtained information (Table 17). The Cramer's V=0.705 outcome indicates a strong existing association between the two variables.

Table 17: Chi-Square statistics of retirement planning education and helpfulness

Tests	**Value**	**Degree of freedom**	**Asymp. Sig. (2-sided)**
Pearson Chi-Square	438.688a	10	.000
Cramer's V	0.705	10	.000
N of Valid Cases	442		

8 cells (44.4%) have expected count less than 5. The minimum expected count is .15. Source: Field data, 2017

As the in-depth interview data show most formal organisations are in the habit of organising seminars/workshops for workers, who are 59 years old, for example, in GES, 50 years for SSNIT. The key informant interview data also show that "SSNIT organises seminars for its workers who have ten years, five years and one year to retire respectively" (SSNIT Official 3). The former is quite late in coming because at 59 years not much rigourous remedial measures can be instituted by the worker towards a robust retirement preparation. Perhaps, serious consideration should be given to doing same at 50 years in order to yield robust outcomes. Besides age segregation in terms of attendance of retirement planning seminars or workshops is tantamount to age discrimination including the fact that workers are often not given any counselling at work start is counterproductive.

The respondents who benefitted from retirement planning education drew several lessons from them, ranging from informational access, investments, savings, pension income calculation, planning for retirement, planning early (3.2%), diversification of plans, expectations about retirement, 'comfortable' retirement life, retirement benefits, undertake entrepreneurship, reliance on children and social relationship building (See Table 18). However, the number of respondents who have learnt these lessons constitute a few of the respondents (19.3%).

Table 18: Lessons learnt from retirement planning education

Lessons	**Frequency**	**Percent (%)**
Informational access	3	0.70
Investments & savings	16	3.62
Plan for retirement	8	1.80
Planning early	14	3.16
Diversification of plans	22	4.90
Pension income calculation	1	0.22
Expectations about retirement	2	0.47
Retirement	1	0.22
Retirement benefits	2	0.47
Undertake entrepreneurship	3	0.70
Child care	1	0.22
Reliance on children	1	0.22
Social relationship building	1	0.22
Subtotal	87	**19.3**
N/A	**355**	**80.3**
Total	**442**	**100**

Source: Field data, 2017

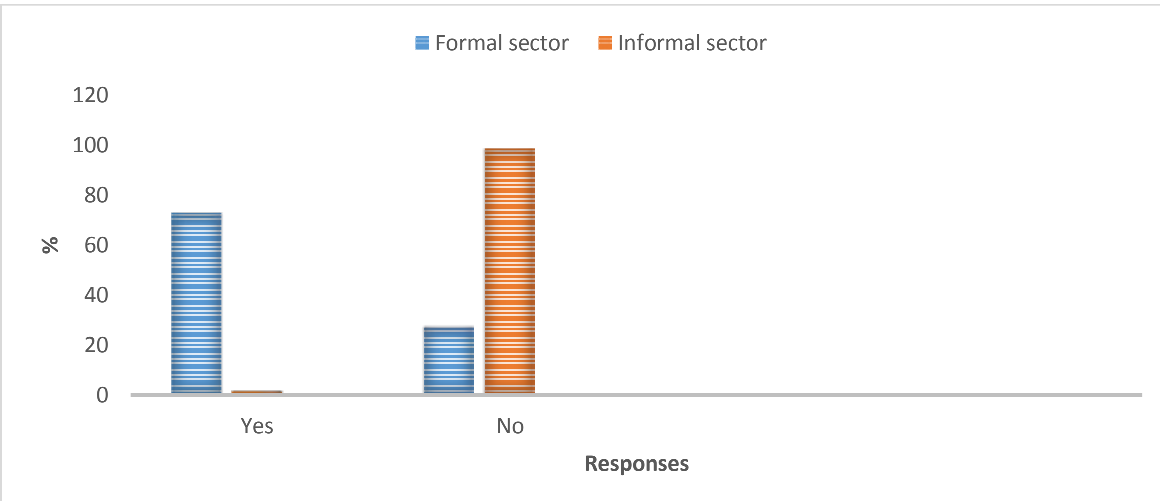
Pre-retirement planning information were obtained from financial education, counselling and guidance, information from ordinary people such as family, friends and work colleagues among others. These constitute a confirmation to Atchley's (2000) stipulation that financial education is a prerequisite for retirement planning. Atchley emphasised that such programmes must take place at the near phase of pre-retirement planning. However, by contrast the study indicated that such programmes were accessed by those workers in both the remote and near phases of retirement preparation using age and planning programmes.

5.5.1 Workers' participation in the pension system

In terms of proportions, a large majority of the formal sector (72.8%) respondents contribute to pension compared to 27.2% in the informal sector (Figure 18). This presupposes that unlike the former, the latter invests in other measures than pension contributions, perhaps susu and investment in children (See Chapter six for details).

Information from the in-depth interview data indicates that reasons such as financial literacy, family size, poor sales, low income, lack of trust for SSNIT, unfavourable political regime including time management account for one's participation in pension contribution. The level of retirement planning awareness notwithstanding, informal sector workers prefer to engage in susu than pension contribution. This implies that such workers have had to choose between pension contribution, susu and child care. Choosing the latter makes it an object of social insurance. On the basis of this a female respondent from the informal sector stated that "it is because of my children, that I am not able to contribute to pensions extensively". Another informal sector female respondent added that "the challenge is who to take care of the shop when I am away to the pension office". Clearly, it was articulated that the "inability to contribute towards pension is due to diverse reasons namely poor sales leading to low incomes, lack of trust in SSNIT and unfavourable government" (Informal sector male worker). This may entail competing needs namely funds for business capital, family care and retirement investments.

Figure 18: Participation in pension contribution

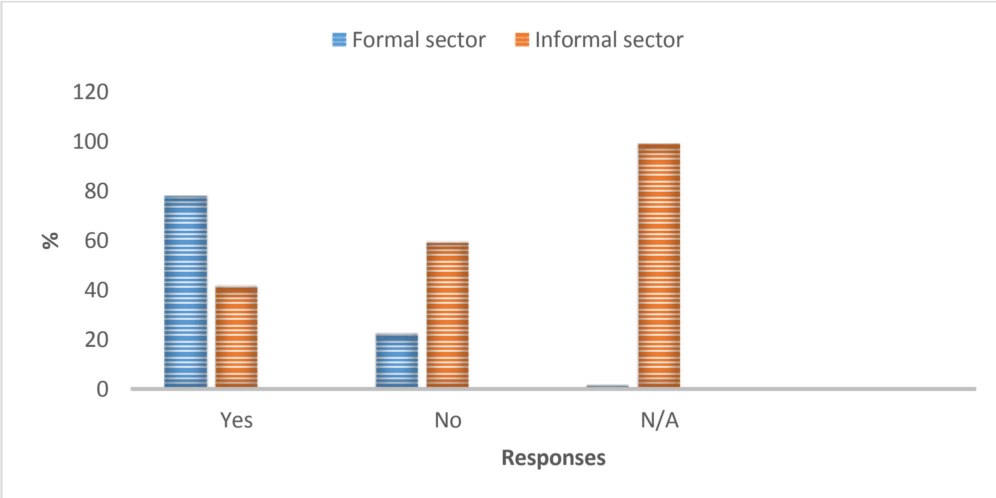


Source: Field data, 2017

The need to collect statements of accounts on pension contributions and indeed all investment portfolios just as the monitoring of investments to ensure that there is progress with intended plans, barring all problems by looking out for challenges cannot be underestimated. It is for this reason that workers from the formal (78%) and informal (22%) sectors pursue this (Figure 19).

There are three main sources for receiving statements of accounts with respect to the Ghanaian pension system. The electronic version was subscribed to by formal sector workers (50%) compared to less than 5% from the informal sector workers; the hard copy for formal and for informal sectors and records book for the informal sector.

Figure 19: Receipt of statement of accounts on pension contribution



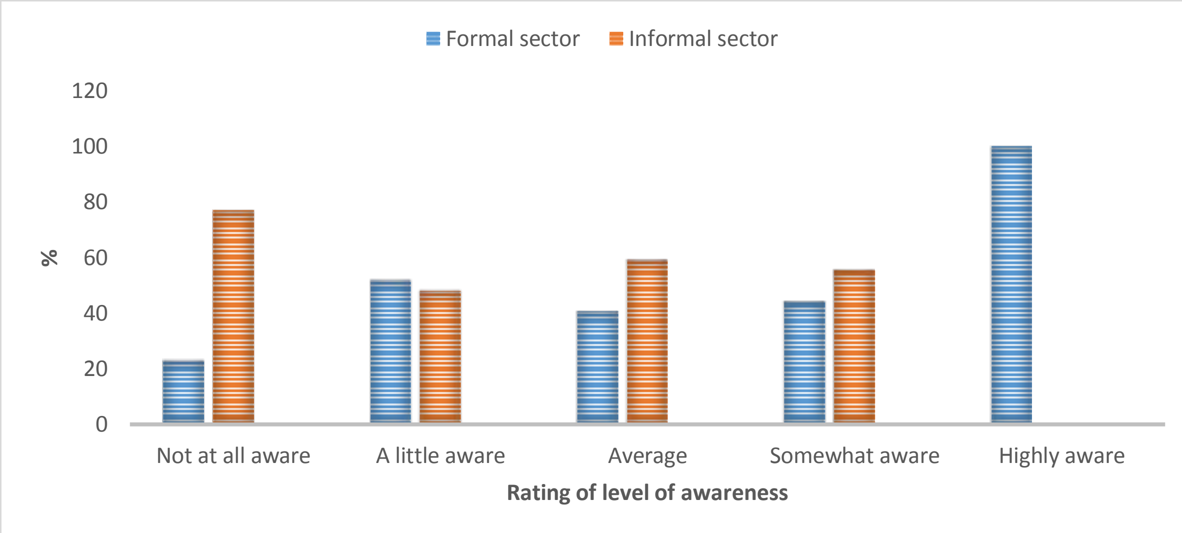
Source: Field data, 2017

5.5.2 Extent of knowledge of Ghana national pension system

There is arguably a tremendous gap between the sectors of the economy and awareness of the NPS. Thus, approximately 77% of informal sector workers were not at all aware of this system whereas more formal sector ones were highly aware (Figure 20) of the same. This has implications for participation on the part of the former, those who rather constitute the larger proportion of the nation's workforce.

The informational gap depicted may have transcended the pension regimes that have preceded the current one, including attitudinal factors on the part of the Ghanaian populace and workers. This has implications for individual level financial literacy seeking behaviour in aid of bridging financial informational gap in tandem with extensive information dissemination in a continuum.

Figure 20: Awareness of the new three-tier pension system

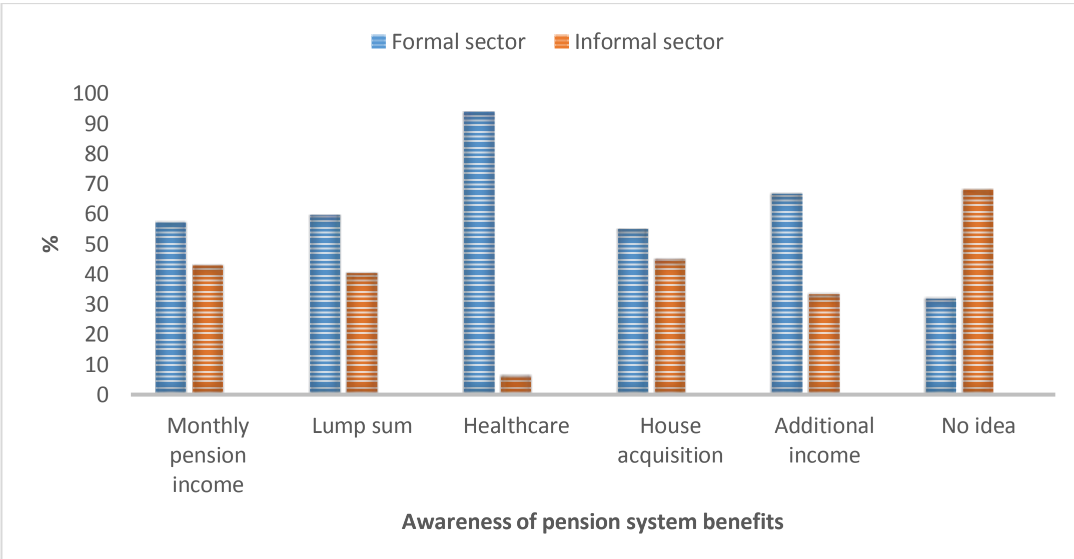


Source: Field data, 2017

Knowledge of the core benefits of the NPS attenuates the extent of the system's awareness. This component highlights its in-built benefits namely healthcare, house acquisition, additional income including age old monthly pension income and lump sum. The former three benefits denote the new components inherent in the system of the new three-tier pension scheme and perhaps are not as popularly known as the latter set. To a large extent whilst some formal (31.9%) and informal (68.1%) sector workers were not aware of these benefits, more of the former group of workers appears to have knowledge of these benefits than the latter (Figure 21). This is not surprising due to their level of exposure through seminars, workshops among others in favour of the former.

This state of affairs demonstrates the fact that the workers are not exactly aware of the aspect of house acquisition inherent in the pension system with the exception of a few. This discloses a gross unawareness of the NPS. This facility has significance for meeting workers' shelter needs for both pre- and post-retirement life. Interestingly, the in-depth interview data shows that the closer the worker is to attaining 60 years, the more aware they become and therefore tend to diversify their retirement portfolios. For instance, some join tier three and increase contributions prior to 60 years.

Figure 21: Knowledge of the national pension system's benefits



Source: Field data, 2017

The issues raised in this section of the chapter addressed the study objective regarding the sources of workers' retirement planning information.

5.6 Discussion

The study respondents work in different occupations such as office work, teaching, trading, driving and artisan. Presently, workers retire in good health to the extent that they can afford to retire even earlier during 40-55 or at 60 years, perhaps motivated by adequate savings. Their corresponding sources of retirement funding entail pension income, lump sum, investments and savings, income from business, support from family and children. These findings are consistent with those of Knox (2003) which says that when asked what means of financial support they expected to receive in retirement, 36% indicated a lump sum superannuation pay out; 31% indicated a pension from their employer and/or a purchased pension; 64% planned to rely partly or completely on Government benefits; and 38% intended to rely on other savings. Obviously, with these percentages adding up to more than 100%, some expected to draw on a combination of income sources (p. 9).

Workers retire as early as 55 years and below which results in the availability of a great number of years from thereon with which the individual can start life afresh (Hazam, 2000). Conversely, other workers delay retirement in order to earn larger pensions (Novak, 2006). In Russia, "low pension ages, many possibilities for early retirement and low pension levels go together with high shares of working pensioners before and after statutory pension ages" (Scherger, 2015:17). To the contrary, financial reasons may serve as the key constraint against the attainment of these articulated retirement expectations. The pre-determined outcome of these expectations is financial security (McAlister et al., 2005).

Retirement aspirations have enormous potentials for the mobilisation of financial resources including long-term financial and non-financial resources. Achieving this requires the articulation of retirement goals and strategies of achieving these goals. Financial resources are mobilised through shares, susu, equities (Osei-Assibey, 2014), savings (Osei-Assibey, 2014; Quartey and Prah, 2014), pension contributions, and investments into mfund, epack among several others. Beyond the individual retirement planning level, savings and investments drive national level growth and development. Quite apart from retirement aspirations, BMO Wealth Institute (n.d.) argues that fear is a tremendous motivator among all motivators to instigate retirement planning, although the fear that tickles requisite action is a positive one.

Workers intend to work after retirement to be able to care for their families, including keeping fit which could foster making ends meet irrespective of the form it may take. This finding supports the work of Scherger (2015) who found similar results. The factors that precipitate working beyond retirement entail the desire for financial independence, self-fulfillment (for example, Moen, 2006; Yu and Schömann, 2015) including self-worth (Beder, 2000). In contrast, other studies (for example, Novak, 2006) argue that after attaining the retirement age, people who continue to work do so by choice not because they have to. Consequently, work participation of employees beyond pensions depends on three factors namely need; physical fitness and opportunity. The intention to work in post-retirement life suggests that workers irrespective of the sectors they work in either formal or informal, withdraw from the workforce incompletely after the attainment of retirement age (Apt, 1996; Yu and Schömann, 2015). Retirement aspirations ensure the identification of areas for exploration as action outlines including work after retirement. This corroborates Atchley's (2000) theoretical stipulation on leisure activities including paid work after pension. This implies that retirement does not determine the end of participation in the labour force (McAlister et al., 2005).

Volunteerism was one of the activities the study respondents aspired to engage in during retirement. The capital needed for effective volunteerism exist at three levels namely the individual (for example, skills and material resources), relational and cultural levels (for example, knowledge and preferences), (Youssin Karsten, and Litwin, 2015).

Old age entitlements avail (GOG, 1992, 2010; Quadagno, 2014) for patronage by older persons. However, older women in particular are unable to access these entitlements due to illiteracy

(Adjetey-Soussey, 2015) as well as ignorance of their existence. Yet, some of these entitlements favour age over and above economic need (Neugarten, 1979; Quadagno, 2014). In the U.S. for instance, it encompasses public assistance, social insurance and fiscal welfare (Quadagno, 2014). The needs based policy option's eligibility is normally based on means testing (Barrientos, 2004; McAlister et al., 2005; Scherger, 2015) processes. For example, South Africa provides its older people with a non-contributory pension plan that pays a means-tested old age, disability and survivor's pension benefits (Barrientos, 2004). Australia also has a similar provision for its elderly (McAlister et al., 2005).

The sources of retirement planning information are multifaceted as workers use two pathways for the derivation of retirement planning information namely the formal and informal pathways. The formal pathways consist of PSPs, insurance companies, banks, financial consultants, churches, seminar/workshop attendance, guidance and counselling[5], while the informal pathway entails friends, family, colleagues including neighbours. These provide retirement planning advice and insights of all sorts which the respondents found to be useful. This finding is consistent with those of Bernheim and Garret (2003), Clark and d'Ambrosio (2008), Lusardi (2004), Njuguna and Itsola (2011) and Sun et al. (2007). Sun et al., (2007:57) asserted that "personal retirement planning behaviour is a function of access to investment information. Information provided by employers, financial consultants, family or friends seem to be the most influential components of decision making".

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[5] This is in line with previous findings on the need for counselling in terms of retirement related issues (Ogbebor, 2011).

The results indicate that awareness of the three-tier pension system is quite low. This tends to confirm research findings of Akor (2011), Ayi-Bonte (2013) and wo Ping (2013). The study shows that access to and possession of financial information is skewed towards formal sector workers compared to their informal sector counterparts. This is consistent with the findings of Akor (2011) and wo Ping (2013). This situation of poor financial literacy in addition to low income levels and negative attitudes towards issues of planning in general and retirement preparations in particular may explain the assertion by Akor (2011), de-Graft Aikins et al. (2016) and Kunawotor (2013) that inadequate or non-planning on the part of formal and informal sector workers towards retirement life may compound overdependence among workers when they eventually retire. This is troubling since we live in an era of increasing longevity (Lusardi and de Bassa Scheresberg, 2016; Njuguna and Itsola, 2011; Turner, 2011) with the attendant challenge of paying the cost of living longer (Turner, 2011), especially at the individual level.

Ayi-Bonte's (2013) and Lusardi and de Bassa Scheresberg's (2015) study obtained a significant positive correlation between knowledge of pension scheme and retirement planning. The implication of this is that workers need to acquire knowledge adequate enough to enable them plan well for retirement. Here, financial education prioritises advancement and achievement in relation to retirement preparations. This implies that "financial illiteracy may stunt people's ability to save and invest for retirement, undermining their well-being in old age" (Lusardi and Mitchell, 2007:14) In addition, it is expected of workers to periodically collect their respective statements of accounts of contributions and check for anomalies regarding nominees, up to date reflection of contributions in their accounts or not and where applicable, have the anomalies rectified to forestall challenges before the attainment of 60 years. Failure to do this, Holzmann and Hinz (2005) claim connotes a problem with the collection of pension contributions including managing the contributions.

Usage of tier two funds for acquiring primary residence is worrisome considering the quotation of the prices of houses in foreign currencies for example, U.S. dollars, pound sterling, Euros among others (See for example, Obiri-Yeboah and Obiri-Yeboah, 2012) on the Ghanaian market. The burning question is how much can be raised through the pension system to afford a house even from the point of view of majority of workers including those who participated in this study considering the fact that monthly incomes are low, without affecting the lump sum meant for retirement?

5.7 Conclusion

This chapter provides strong evidence on retirement aspirations and expectations which denote the intentional goal-oriented action plans for individual actors with respect to retirement preparation. To a large extent, these determine the type and volume of preparations made as well as the type of prospective lifestyle in retirement. There is the likelihood that these aspirations may change albeit entirely, reduced or increased in quantum in the process of their achievement. Above all, these retirement aspirations essentially denote in sociological terms, values which are indicative of the broad ideas and/or guidelines regarding what are desirable in lieu of post-retirement life. It is an indication of anticipatory socialisation. The chapter also demonstrates widespread financial illiteracy among workers even of the pension system. Inadequate pension information seems to defeat the purpose of reaching out to the masses. Hence, workers depended on bits and pieces of advice and information received from diverse sources with or without the input of PSPs. Pre-retirement planning information are also obtained from formal and informal pathways. These are reflective of primary and secondary forms of socialisation where workers figure out how to plan, observe existing retirees' situation and hope to do better in planning for theirs; adult socialisation wherein workers learn about what to expect in retirement. Socialisation refers to the interaction that takes between individuals from which information is disseminated and knowledge acquired.

CHAPTER SIX

RETIREMENT PREPARATION AMONG FORMAL AND INFORMAL SECTOR WORKERS

6.0 Introduction

The previous chapter discussed the pre-requisites to retirement preparation namely retirement aspirations and expectations, and financial information sources of workers. Retirement aspirations highlight the desires of workers with regard to the approach to retirement, leisure activities, funding sources including OAEs. Institution of investments is reminiscent of the achievement of these articulated retirement goals. Financial education also provides information on investment avenues and options, and monitoring of investments. Collectively, retirement goals and financial literacy influence retirement preparation in diverse ways. It is worth noting that how much workers earn per month affects their pension income.

The study sought to explore comparatively how else formal sector workers prepared beyond the mandatory pension contribution including those of the informal sector ones. The present chapter focuses on the retirement plans formal and informal sector workers have instituted along the life course. The retirement plans have been structured around financial and quasi-financial measures. Taken together, these goals and the corresponding plans instituted have the propensity to yield financial security, shelter, healthcare plans, social relationships and leisure, which are the pillars of retirement preparation.

The path to retirement preparations has challenges on it, which workers have had to contend with and therefore surmount in the process of planning. These problems relate to conditions of service such as low salaries, contestations over management of tier two pension fund among several others. Workers usually embark on strike actions creating an impasse that is often resolved with the intervention of institutions such as FWSC, NLC, the courts, NPRA, SSNIT, family and community interventions. Workers' reaction to policy has implications for ensuring improvement in conditions of service.

The rest of the chapter is composed of seven parts. The second part is devoted to the linkages between income and retirement planning. The third looks at workers' retirement plans along the life course, the essence of the diversification of portfolios and monitoring of investments as well as evaluation of perceived preparedness for retirement. The fourth part explores linkages between retirement aspirations, financial literacy and retirement preparations. Part five outlines the general problems that are encountered in the retirement preparation process. The sixth part discusses the findings and last part concludes the chapter. Information contained in this chapter was taken from key informant interviews, survey and in-depth interviews data.

6.1 Income dynamics and retirement planning among workers

Preparing for retirement is facilitated by income to a greater extent without which not much can be achieved. A large majority of the respondents earn a minimum of ¢50.00 per month and a maximum of ¢7000.00. Table 19 indicates that the monthly income for majority of the informal sector workers (53.2%) ranges between <¢500.00-2,499.00 compared to the formal sector workers which ranges between ¢4,500.00-7000.00 (63.7%). These figures have implications for the quantum of retirement investments made.

Table 19: Workers' monthly incomes

Sector	Income range							
	<¢500.00-2,499.00		<¢2,500.00-4,499.00		¢4,500.00-7000.00		NR	
	Frequency	%	Frequency	%	Frequency	%	Frequency	%
Formal sector	187	46.8	21	84.0	7	63.6	6	100.0
Informal sector	213	53.2	4	16.0	4	36.4	0	0.0

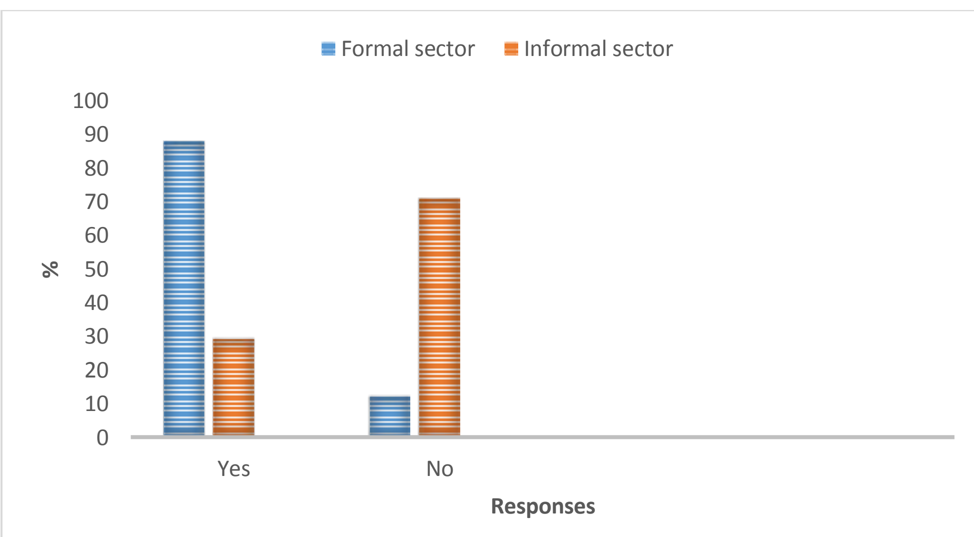
Source: Field data, 2017

The minimum income earned in this study was ¢50.00 per month whereas the minimum daily wage in Ghana effective January 2017 is ¢8.80 per day whereas the cedi to US dollar rate is ¢ 4.36 (¢50.00/4.36=¢11.47). Going by the daily wage (¢8.80 per day x 24 days excluding Sundays=¢211.2 per month), this suggests that some employers do not comply with the minimum wage regulation. This may be the case for the following reasons, high rates of unemployment, underemployment and a host of others, which is worrisome. Generally, low income levels may be the reason behind worker's engagement in additional income generation activities.

Low levels of income have negative implications for retirement planning. This is because among other things, retirement planning either financially or quasi-financially oriented is mostly driven by incomes. This suggests that it is impossible to separate the two. In other words, income tremendously facilitates the institution of investment measures. This fact can be gleaned from the in-depth interview data as follows. An informal sector female expressing her frustration with the inadequacy of incomes in the medium of sales opined, "these days the market is not good and so sales too is not good. So, the overall amount made is insufficient". A second participant said "the cost of living is high these days, yet salaries are low, such that even though I contribute to the provident fund I withdraw from it regularly as I do to my salary account" (Formal sector male worker). Another exclaimed "I am currently not contributing to pensions because sales are so low that it is practically impossible to do so. Perhaps I may do that in the near future but for now…" (Informal sector male worker). Further, a formal sector male worker exuded "I have not been able to plan for retirement adequately enough just because my salary is small. Hmmm…it is not easy at all".

Due to relatively low incomes, Figure 22 shows that more formal sector workers (87.9%) engage in additional income earning activities than the informal sector workers (29.1%). Perhaps this may be because the formal sector workers mostly work for the state with the attendant low salaries whereas the informal sector ones work for themselves and due to the lack of business capital, not all of them may have businesses other than what they operate.

Figure 22: Engagement in additional income generation



Source: Field data, 2017

Majority of the respondents who engaged in additional income generation activities were into areas such as business. This was undertaken chiefly by respondents with tertiary education but also those with pre-tertiary educational attainment. It also encompassed petty trading and corn milling; teaching was engaged in by tertiary educated respondents as well as investment experts by tertiary level respondents (4.9%) as against their pre-tertiary level respondents. The full sample figure shows that more pre-tertiary educated respondents (41.6%) engaged in additional income generating activities than their non-formal and tertiary educated counterparts (Table 20). This tendency may be due to either the need for it because of woefully insufficient incomes or the availability of the requisite opportunity to do so. This implies that the significant role income plays in preparation towards retirement cannot be underestimated.

It is the funds from both the monthly incomes and additional income sources that the retirement investments discussed in the next section were made. From the results, 85.5% of the respondents were planning for retirement. This is constituted by formal sector (54.8%) and informal sector workers (45.2%) whilst the minority were not (Figure 23).

Figure 24 shows a cross tabulation between sector of work and the age at which the respondents started preparing towards retirement. For instance, majority of the formal sector workers (35.3%) started planning during the 17-29 age range compared to 32.1% for their informal sector colleagues. This category of planners may be termed ‘early planners’. In a similar vein, respondents in the formal and informal sector said they started planning during the 50-59 age range, depicting ‘late planners’. Yet, starting to plan for retirement from 50-59 years defeats the notion of planning along the life course and perhaps not much can be mobilised and allocated for

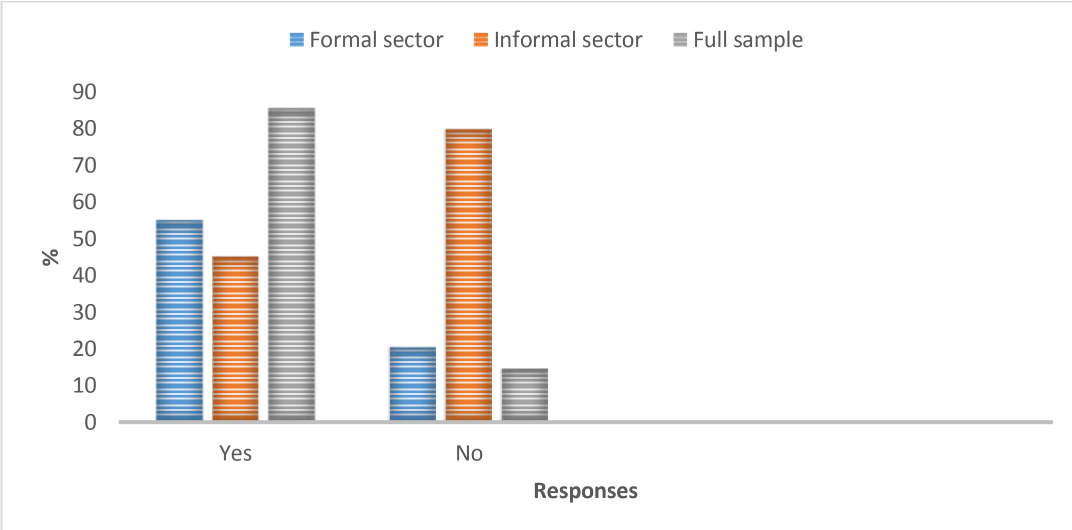
Table 20: Additional income generation activities engaged in

Activities	No formal education (%)	Pre-tertiary education (%)	Tertiary education (%)
Farming	0.0	2.0	3.0
Teaching	0.0	1.0	7.0
Legal services	0.0	0.0	2.7
Survey services	0.0	0.5	3.0
Transport services	3.9	0.0	1.0
Business	4.2	4.3	10.3
Fashion designing	0.0	0.0	1.0
Engineering	0.0	0.5	1.5
NGO	0.0	0.0	1.0
Trading	0.0	2.3	7.3
Rentals	0.0	0.0	0.5
Accountancy	0.0	0.0	0.5
Investment expert	0.0	0.5	4.9
Consultancy	0.0	0.5	3.5
Baking	0.0	0.0	1.0
Entrepreneurship	0.0	1.4	1.0
Book publishing	0.0	0.0	1.5
Gospel work	0.0	0.0	0.5
Rentals	0.0	0.0	1.0
Architecture	0.0	0.0	1.0
Generation of billing fee	0.0	0.5	0.0
Insurance agent	0.0	0.0	2.0

Source: Field data, 2017

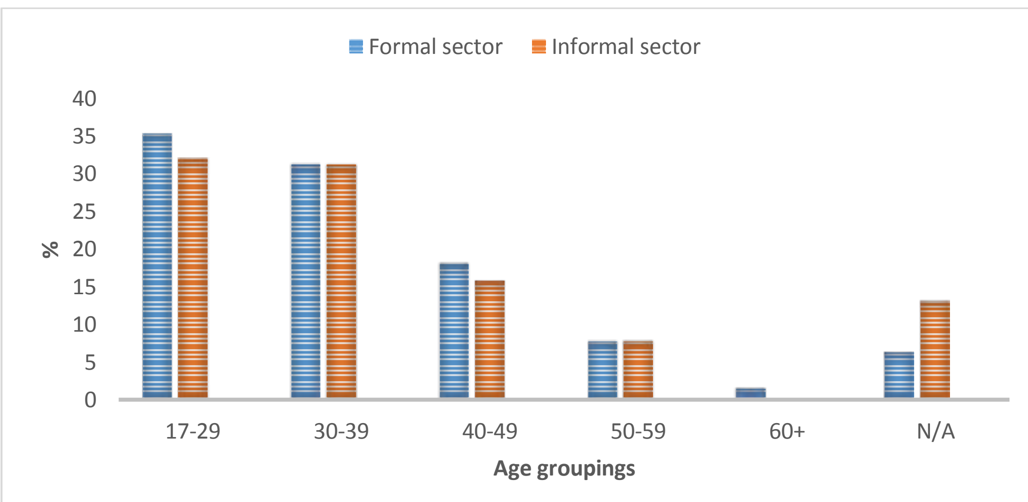
Retirement in an era of increased life expectancy and declining extended family support. Surprisingly, some formal sector workers intend to plan at 60 years and above. These two latter groups of planners denote 'late planners'. On the surface, it may be assumed that those who intend to plan at 60 and above think the plans they have thus instituted are inadequate. From hindsight, it may imply the need to engage in paid work beyond pension including the need to plan the utilisation of mobilised retirement-oriented resources. Comparatively, more formal sector workers(18.1%) are 'mid-term planners' than their informal sector counterparts (15.8%) with regard to planning during the active economic age (that is, 30-49).

Figure 23: Planning for retirement or not



Source: Field data, 2017

Figure 24: Starting age for planning



Source: Field data, 2017

6.2 Retirement planning along the life course

The retirement plans outlined in this section may seem repetitive across different ages because they are most often the same things depicted in subsequent Tables but were pursued over time, except for some stoppages intermittently and rejoining at later dates for various reasons mostly financial difficulties. The plans shown on the subsequent Tables start from 17-59 years and they appear scanty from the younger ages but become dense with advancement in age.

Ideally, the initial age range should have been put at 15 years for two reasons, although the institution of retirement measures commenced at 17 years. First, according to the labour law, workers aged 15 years can legally participate in the labour force. Second, the stipulation in Chapter four that pension contribution starts at 15 years. However, from Table 21 below none of the respondents commenced pension contribution at 15 years. This was rather undertaken at 20 years by more formal sector workers (73.3%) compared to their informal counterparts. At 17-19 cohort, the most instituted measures included susu largely by informal sector (83.3%). The retirement plans instituted during these years are much fewer in quantum compared to the other age cohorts.

Table 21: Retirement plans instituted at ages 17-19

Measures	17 years				18 years				19 years			
	Formal sector		Informal sector		Formal sector		Informal sector		Formal sector		Informal sector	
	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%
Savings	1	100	0	0.0	0	0.0	2	100	0	0.0	2	100
Life insurance	1	100	0	0.0								
Fixed deposits	1	100	0	0.0								
Susu					0	0.0	2	100	0	0.0	17	100

Note: Fr. stands for frequency; Source: Field data, 2017

During the 20-24 age cohort, house acquisition and investment in children's education were undertaken by informal sector respondents at 25 years (Table 22). More formal sector workers invested in pension contributions (84.3%); shares (95.7%), fishing and palm plantation. On the other hand, more informal sector respondents invested in children, savings, commodities such as gold and acquired house. Investment in commodities such as gold, makes it a retirement wealth generation medium quite different from all the other products earlier indicated. It is also a feature of plan diversification.

At cohort 30-34, informal sector workers predominated in the instituting of susu (61.5%), savings pension contributions including the monitoring of retirement investments, land acquisition, periodic health checks (Table 23). The formal sector also dominated in family planning (60%), provident fund, T-bill, shares, stocks, relationship formation among others. Both sectors however undertook the joining of associations. Age 30 seems more densely populated with investment portfolios compared to the ages prior to it. This could be attributed to maturity in investment knowledge including attitudinal change towards retirement. This may be an indication also of seriousness at planning and an awakening to the realisation of an impending transition.

During cohort 35-39, the formal sector dominated in investing in pension contribution (81%), house acquisition, stocks, life insurance, monitoring of investments, fixed deposits, periodic health checks, family planning whereas the informal sector invested more in susu (89.5%), savings, investment in children and the formation of social relationships (Table 24). It seems the objective here was to have a sizeable family that could be adequately catered for by the pursuers. This gives retirement preparations a much complex outlook than meet the eye, because it entails issues of conception in addition to childcare, financial and shelter security. During years 32 and 36-38 only a few plans were instituted, which may either indicate a starting point for some respondents or thinking of what point of action to take that may expand the plans beyond joining association with the exception of 30 years which has relatively diversified portfolio.

Table 22: Retirement plans instituted at ages 20-24

Measures	20 years				21 years				22 years				23 years				24 years			
	FS		IS		FS		IS		FS		IS		FS		IS		FS		IS	
	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%
Savings	7	31.7	15	68.2	2	20	8	80	2	33.3	4	66.7	3	33.3	6	66.7	0	0.0	14	100.0
Life insurance	2	100	0	0.0									0	0.0	1	100	0	0.0	1	100.0
Fixed deposits	0	0.0	2	100									2	66.7	1	33.3				
Susu	1	16.7	5	83.3	0	0.0	2	100	0	0.0	1	100	0	0.0	1	100	0	0.0	1	100.0
Pension contribution	11	73.3	4	26.7	2	66.7	1	33.3	1	33.3	2	66.7	8	88.9	1	11.1	5	83.3	1	16.7
Monitoring investments	6	42.9	8	57.1	2	66.7	1	33.3	2	40.0	3	60.0					5	83.3	1	16.7
Provident fund	1	100	0	0.0	1	100	0	0.0					2	100	0	0.0	1	100	0	0.0
Funeral policy	0	0.0	2	100	0	0.0	1	100												
Church welfare	0	0.0	2	100	0	0.0	1	100												
House acquisition	1	11.1	8	88.9									0	0.0	1	100				
Join association	0	0.0	1	100					1	50.0	1	50.0					0	0.0	1	100
Credit union membership	1	100	0	0.0									1	100	0	0.0	1	100.0	0	0.0
T-bills	0	0.0	2	100					1	100.0	0	0.0					1	50.0	1	50.0
Shares	0	0.0	1	100																
Mutual funds													1	100	0	0.0				
Bond					0	0.0	2	100												

Note: FS means formal sector; IS means informal sector; Source: Field data, 2017

Table 23: Retirement plans instituted at ages 25-29

Measures	25 years				26 years				27 years				28 years				29 years			
	FS		IS		FS		IS		FS		IS		FS		IS		FS		IS	
	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%
Savings	45	64.3	25	35.7	3	18.8	13	81.2	5	19.2	21	80.8	16	38.1	26	61.9	2	5.3	36	94.7
Life insurance	43	97.7	1	2.3	0	0.0	3	100.0	0	0.0	1	100.0	1	100.0	0	0.0				
Fixed deposits	10	58.8	7	41.2					1	33.3	2	66.7					1	100.0	0	0.0
Susu	1	100	0	0.0	0	0.0	7	100.0	0	0.0	8	100.0	5	20.0	20	80.0	0	0.0	14	100.0
Pension cont.	86	84.3	16	15.7	3	60.0	2	40.0	5	71.4	2	28.6	10	90.9	1	9.1	1	12.5	7	87.5
T-bills	32	100	0	0.0					1	100.0	0	0.0	0	0.0	2	100.0	1	16.7	5	83.3
Will	3	100	0	0.0																
Acquire house	0	0.0	1	100																
Land acquisition	1	25.0	3	75.0													0	0.0	8	100.0
Monitor investments	24	82.8	5	17.2																
Investment in children' edu.	0	0.0	2	100					7	53.8	6	46.2	16	80.0	4	20.0				
Funeral policy	47	97.9	1	2.1	3	37.5	5	62.5	0	0.0	1	100.0	0	0.0	1	100.0	3	27.3	8	72.7
Join association	4	57.1	3	42.9									4	100.0	0	0.0				
Church welfare									0	0.0	2	100.0	0	0.0	1	100.0				
Bond	1	33.3	2	66.7																
Shares	31	100	0	0.0	0	0.0	3	100.0									0	0.0	6	100.0
Stocks	6	60.0	4	40.0																
Provident fund	22	95.7	1	4.3	0	0.0	1	100.0									0	0.0	1	100.0
Mfund	2	100	0	0.0					4	100.0	0	0.0	1	100.0	0	0.0				
Mutual fund	1	100.0	0	0.0													0	0.0	5	100.0
Credit union	1	100	0	0.0	2	100.0							1	100.0	0	0.0				
Fishing	2	100.0	0	0.0	0	0.0			0	0.0	2	100.0	1	100.0	0	0.0				
Palm plantation							1	100.0					1	100.0	0	0.0	1	25.0		
Gold																			3	75.0

Note: Cont. means education; Edu means education; Source: Field data, 2017

Table 24: Retirement plans instituted at ages 30-34

Measures	30 years				31 years				32 years				33 years				34 years			
	FS		IS		FS		IS		FS		IS		FS		IS		FS		IS	
	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%
Retirement savings	66	38.8	104	61.2	0	0.0	1	100.0									30	50.0	30	50.0
Life insurance	43	100.0	0	0.0																
Fixed deposits					0	0.0	1	100.0	10	60.0	4	40.0	16	80.0	4	20.0				
Susu	10	38.5	16	61.5	0	0.0	1	100.0												
Pension contribution	74	74.7	25	25.3																
Monitor investments	120	82.2	26	17.8	0	0.0	1	100.0	20	50.0	20	50.0								
Family planning	33	57.9	24	42.1	10	60.0	4	40.0	10	50.0	10	50.0								
Join association	92	52.0	85	48.0					5	50.0	5	50.0	3	12.5	12	87.5	3	12.5	12	87.5
Investment in children's edu.	47	88.7	6	11.3																
House acquisition	2	16.7	10	83.3																
Land acquisition	23	88.5	3	11.5																
Provident fund	55	100.0	0	0.0																
Mutual fund	5	55.6	4	44.4																
Health plan	1	12.5	7	87.5																
Dieting	51	54.1	62	54.9																
Health checks	30	83.3	6	16.7																
T-bills	0	0.0	2	100.0																
Will	26	92.9	2	7.1																
Shares	16	94.1	1	5.9																
Stocks	2	100.0	0	0.0																
Epack	2	66.7	1	33.3																
Mfund	2	66.7	1	33.3																
Funeral policy	12	75.0	4	25.0																
Relationships																				

Source: Field data, 2017

Table 25: Retirement plans instituted at ages 35-39

Measures	**35 years**				**36 years**				**37 years**				**38 years**				**39 years**			
	FS		**IS**		**FS**		**IS**		**FS**		**IS**		**FS**		**IS**		**FS**		**IS**	
	Fr.	**%**	**Fr.**	**%**	**Fr.**	**%**	**Fr.**	**%**	**Fr.**	**%**	**Fr.**	**%**	**Fr.**	**%**	**Fr.**	**%**	**Fr.**	**%**	**Fr.**	**%**
Savings	3	6.0	47	94.0																
Life insurance	48	77.4	14	22.6																
Fixed deposits	11	84.6	2	15.4																
Susu	4	10.5	34	89.5	1	10.0	10	90.0					3	6.0	47	94.0				
Pension cont.	17	81.0	4	19.0									4	10.5	34	89.5				
T-bills	62	76.5	19	23.5																
Epack	3	100.0	0	0.0													7	45.0	8	55.5
Bought house	30	66.7	15	33.3																
Bought land	11	45.8	13	54.2																
Monitor investments	96	71.1	39	28.9	1	10.0	10	90.0					25	50.0	25	50.0				
Investment in children' edu.	2	20.0	8	80.0	8	20.0	32	80.0												
Funeral policy	29	90.6	3	9.4																
Join association	15	71.4	6	28.6																
Bonds	4	100.0	0	0.0	5	20.0	20	80.0	15	50.0	15	50.0	10	100.0	0	0.0	11	100.0	0	0.0
Shares	17	85.0	3	15.0																
Stocks	13	86.7	2	13.3																
Provident fund	6	100.0	0	0.0																
Mfund	8	66.7	4	33.3																
Mutual fund	21	95.5	1	4.5																
Credit union membership	37	72.5	14	27.5									1	100.0	0	0.0				
Diversify income sources	0	0.0	12	100.0	8	66.7	4	33.3					10	50.0	10	50.0				
Gold	1	100.0	0	0.0																
Dieting	0	0.0	1	100.0					0	0.0	5	100.0					8	50.0	8	50.0
Health checks	45	52.9	40	47.1																
Family planning	10	60.0	5	40.0													35	52.9	30	47.1
Relationships	7	46.7	8	53.3	40	47.1	45	52.9									45	52.9	40	47.1

Source: Field data, 2017

The formal sector workers extensively undertake the exploration of early retirement (85.1%) and partial retirement options, retirement aspirations, the development of interests outside work at 40-44, social relationship formation, funeral policy, provident fund, pension contribution and a host of others. The informal sector also dominated in retirement savings, susu (94.9%), income sources and plan diversification, business expansions and credit union memberships (Table 26). From the Table 26, certain retirement planning strategies such as business expansion, diversification of income sources and plans, monitoring of investments and wills facilitate the institution, versatility and security of instituted plans. Business expansion is an action that is undertaken to ensure that more money is earned for onward utilisation for investment into retirement plans where necessary. Similarly, the findings presented in this chapter on retirement planning along the life course denote a follow up to the findings in Chapter 5 on retirement aspirations. This further suggests that retirement aspirations may appear to be the design on which retirement planning in itself is executed. This is in support of Atchley's (2000) theoretical indications as earlier stated.

From 45-49, the formal sector predominated in the monitoring of investments (85/1%), joining of association, investment in children's education, epack at 45 years and transport business at 46 years. The informal sector workers also elaborately undertake susu (94.9%) at 48 years, land acquisition, dieting and periodic health checks at 45 years and transport business (Table 27). The Table has introduced transport business, a feature which also denotes the diversification of sources of income. It may yield more funds for retirement related investments.

Table 26: Retirement plans instituted at ages 40-44

Measures	**40 years**				**41 years**				**42 years**				**43 years**				**44 years**			
	FS		**IS**		**FS**		**IS**		**FS**		**IS**		**FS**		**IS**		**FS**		**IS**	
	Fr.	**%**	**Fr.**	**%**	**Fr.**	**%**	**Fr.**	**%**	**Fr.**	**%**	**Fr.**	**%**	**Fr.**	**%**	**Fr.**	**%**	**Fr.**	**%**	**Fr.**	**%**
Ret. savings	1	4.8	20	95.2	0	0.0	10	100.0	45	50.0	45	50.0	20	50.0	20	50.0	15	50.0	15	50.0
Life insurance	13	61.9	8	38.1																
Explore early ret	40	85.1	7	14.9																
Partial ret.	38	73.1	14	26.9																
Ret. aspiration	59	52.7	53	47.3																
Interests outside	40	85.1	7	14.9																
Fixed deposits	5	83.3	1	16.7																
Susu	0	0.0	10	100.0					1	10.0	10	90.0	2	5.1	23	94.9				
Pension cont.	30	69.8	13	30.2					4	60.0	2	40.0					3	75.0	1	25.0
Monitor invests.	15	50.0	15	50.0																
Family planning					9	50.0	9	50.0					5	50.0	5	50.0				
Join association	1	10.0	10	90.0	0	0.0	10	100.0	0	0.0	12	100.0					0	0.0	6	100.0
Children's edu.	0	0.0	10	100.0																
Acquired house	6	25.0	3	75.0																
Land acquisition	19	51.3	18	48.7																
Provident fund	76	73.1	28	40.6																
Mutual fund	0	0.0	13	100.0																
Health plan	0	0.0	3																	
Dieting	0	0.0	3	100.0																
Health checks	5	83.3	17	27.9	40	57.1	30	42.9												
T-bills	44	72.1	1	16.7																
Epack	24	100.0	0	0.0	1	100.0	0	0.0												
Mfund	21	46.7	24	53.3	3	100.0	0	0.0												
Funeral policy	32	100.0	1	0.0																
Relationships	13	92.9	0	7.1	13	38.2	21	61.8												
Diversify inc.	0	0.0	2	100.0									9	90.0	3	30.0				
Diversify plans	1	7.1	13	92.9									0	0.0	10	100.0				
Expand business	0	0.0	3	100.0																
Credit union.	0	0.0	7	100.0																
Will	7	100	0	0.0																

Note: Ret. stands for means retirement; invest. Stands for investment; inc. denotes incomes; Source: Feld data, 2017

Table 27: Retirement plans instituted at ages 45-49

Measures	**45 years**				**46 years**				**47 years**				**48 years**				**49 years**			
	FS		**IS**		**FS**		**IS**		**FS**		**IS**		**FS**		**IS**		**FS**		**IS**	
	Fr.	**%**	**Fr.**	**%**	**Fr.**	**%**	**Fr.**	**%**	**Fr.**	**%**	**Fr.**	**%**	**Fr.**	**%**	**Fr.**	**%**	**Fr.**	**%**	**Fr.**	**%**
Susu	1	4.8	20	95.2	0	0.0	10	100.0	1	10.0	10	90.0	2	5.1	23	94.9	3	75.0	1	25.0
Pension contribution	13	61.9	8	38.1					4	60.0	2	40.0	5	50.0	5	50.0	0	0.0	6	100.0
Monitor investments	40	85.1	7	14.9																
Family planning	38	73.1	14	26.9					0	0.0	12	100.0								
Join association	59	52.7	53	47.3																
Children's education	40	85.1	7	14.9																
Acquired house	5	83.3	1	16.7																
Land acquisition	0	0.0	10	100.0	9	50.0	9	50.0												
Provident fund	30	69.8	13	30.2	0	0.0	10	100.0												
Mutual fund	15	50.0	15	50.0																
Health plan	1	10.0	10	90.0																
Dieting	0	0.0		100.0																
Period health checks	3	25.0	6	75.0																
T-bills	19	52.7	18	47.3									9	90.0	3	30.0				
Epack	76	73.1	28	26.9									0	0.0	10	100.0				
Mfund	0	0.0	13	100.0																
Funeral policy	0	0.0	3	100.0																
Relationships	0	0.0	3	100.0																
Diversify income sources	5	83.3	1	27.9																
Diversify plans	44	72.1	1	27.9	40	57.1	30	42.9												
Expand business	24	100.0	0	0.0	1	100.0	0	0.0												
Establish school					3	100.0	0.0	0.0												
Transport business					13	38.2	21	61.8					5	83.3	1	16.7				

Source: Field data, 2017

During the 50-54 cohort, formal sector workers invested more into the survey of second careers (90.5%), dieting and fitness programmes, diversified plans, reviewed their lives as well as evaluated available options to them and the outcomes thereof especially at 50 years (Table 28). Comparatively, the informal sector pursued more dental and health plans, life insurance, periodic health checks, susu, funeral policy and fixed deposits (61.8%). Both categories of workers reviewed their lives' situation, their children's future and retirement plans at 50-54. This intimates that there is the need to review the entire retirement planning process including aligning retirement aspirations with instituted plans. Further, the survey of second careers options is indicative of engagement in paid work beyond retirement. This is a distinctive collaboration of the findings in Chapter five.

Age 55-59 is reminiscent of readiness for exiting active work mostly at 60 years predominantly in the formal sector workers beyond monitoring such investments. At this very crucial point in time, the kinds of actions taken are diverse namely checking on pension benefits and other investments by formal workers, planning for the long run was largely the preserve of formal sector respondents (71.7%) palm plantation, deciding on how to manage retirement funds and investments, modification of plans as interests may change was undertaken by the informal sector workers (57.6%), susu, land acquisition, house acquisition and renovation of the same among several others (Table 29). For most of the respondents, especially the formal sector ones, age 55 highlights the reality of nearing retirement where there is the need to change so many things related to the impending transition. These in the majority of cases were executed by formal sector respondents as indicated above. Other unique portfolios featured encompassed lifestyle improvement, evaluation of available options and outcomes, review of other estates and review of children's future and investments. The review of process is facilitated by periodic monitoring of investments. A striking feature of planning along the life course is the fact that at the beginning of the process, the portfolios are fewer, becoming very condensed in the middle and relatively few at the tail end. In addition, although the plans instituted by workers over the years may be the same, sometimes there are a few differences therein.

The theoretical implication of the study is that workers had retirement expectations, pre-retirement education and planned for retirement along the life course. Yet, these are reminiscent of being pursued at the economically active age of 30-49 and 50-59. Atchley's (2000) theory proposed 30 years as the starting point for planning among white American workers. By contrast, the study's outcome shows that workers started planning as early as 17 years due to the availability of resources, being futuristic oriented including the early start of work. More so, in this study the remote phase refers to the period farther away from 60 years and the near phase is the period closer to 60 years. Further, the near phase may also denote the active economic age (i.e., 30-49) and near old (50-59) respectively. Following Atchley's postulations, workers in the economically active age range perceive retirement as far. In addition, workers prepare for leisure activities, which is also confirms Atchley's postulations.

Table 28: Retirement plans instituted at ages 50-54

Measures	50 years				51 years				52 years				53 years				54 years			
	FS		IS		FS		IS		FS		IS		FS		IS		FS		IS	
	Fr.	**%**	**Fr.**	**%**	**Fr.**	**%**	**Fr.**	**%**	**Fr.**	**%**	**Fr.**	**%**	**Fr.**	**%**	**Fr.**	**%**	**Fr.**	**%**	**Fr.**	**%**
Review house situation	40	86.8	5	13.2	0	0.0	10	100.0												
Renovation plan	7	53.8	6	46.2																
Survey second career	19	90.5	2	9.5																
Dental & health	0	0.0	15	100.0																
Set up business	1	100	0	0.0																
Acquired house									1	10.0	10	90.0	2	5.1	23	94.9				
Pension cont.	10	71.4	4	28.6					4	60.0	2	40.0					3	75.0	1	25.0
Life insurance	0	0.0	12	100.0	9	50.0	9	50.0												
Monitor investments	3	75.0	1	25.0	0	0.0	10	100.0							5	50.0	0	0.0	6	100.0
Diet & fitness	51	77.3	15	22.7																
Will	15	55.6	12	44.4					0	0.0	12	100.0	5	50.0						
Relationships	15	100.0	0	0.0																
Diversify inc.	19	76.0	6	24.0																
Diversify plans	13	92.9	0	7.1																
Expand business	0	0.0	2	100.0																
Farming	7	70.0	3	30.0	40	57.1	30	42.9												
Land acquisition	0	0.0	3	100.0																
Periodic health c	19	48.7	20	51.3	1	100.0	0	0.0												
Susu	0	0.0	8	100.0	3	100.0	0	0.0												
Funeral policy	1	14.3	6	85.7																
Fixed deposits	2	100.0	0	0.0	13	38.2	21	61.8												
Review work	3	50.0	3	50.0					0	0.0	7	100.0								
T-bills	1	100.0	0	0.0	7	100.0	0	0.0												
Children's edu.	4	100.0	0	0.0									9	90.0	3	30.0				
Review life	12	60.0	8	40.0									0	0.0	10	100.0				
Review assets	7	70.0	3	30.																
Evaluate options	12	60.0	8	40.0																

Source: Field data, 2017

Table 29: Retirement plans instituted at ages 55-59

Measures	55 years				56 years				57 years				58 years				59 years			
	FS		IS		FS		IS		FS		IS		FS		IS		FS		IS	
	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%	Fr.	%
Check invests.	27	57.4	20	42.6	0	0.0	10	100.0	10	100.0	0	0.0					70	90.9	7	9.1
Plan for longer	25	71.7	9	28.3													71	71.7	28	28.3
Consult experts	11	91.7	1	8.3					7	53.8	6	46.2								
Develop skill	3	75.0	2	25.0													5	41.7	7	58.3
House acquisition	0	0.0	1	100.0																
Renovate house	0	0.0	1	100.0																
Land acquisition	5	55.6	4	44.4																
Diet & fitness	29	63.0	17	37.0					1	10.0	10	90.0	2	5.1	23	94.9				
Monitor invests.	1	46.9	5	53.1					4	60.0	2	40.0					57	85.3	10	14.7
Modify plans	13	42.4	15	57.6													36	42.4	49	57.6
Diversify inc.	0	0.0	2	100.0													3	75.0	1	25.0
Life insurance	5	50.0	5	50.0	9	50.0	9	50.0												
Diversify plans	1	20.0	4	50.0	0	0.0	10	100.0									46	46.9	52	53.1
Periodic health c	4	57.1	3	42.9					0	0.0	12	100.0	5	50.0	5	50.0	72	45.9	85	54.1
Health plans	0	0.0	3	100.0													0	0.0	6	100.0
Will	4	57.1	3	42.9																
Susu	11	45.8	13	54.2																
Funeral policy	0	0.0	2	100.0																
T-bills	0	0.0	6	100.0																
Fixed deposits	5	62.5	1	100.0																
Epack	0	0.0	3	100.0	40	57.1	30	42.9												
Review plans	0	0.0	3	100.0													0	0.0	9	100.0
Rev chn's future	3	60.0	2	40.0	1	100.0	0	0.0												
Palm plantation					3	75.0	2	25.0									1	50.0	1	50.0
Review life's	10	100.0	0	0.0	13	38.2	21	61.8	0	0.0	7	100.0								
Second careers	4	100.0	0	0.0																
Relationships	7	63.6	3	36.4	7	100.0	0	0.0					9	90.0	1	10.0	11	57.9	8	42.1
Set up business	12	47.6	14	52.4									0	0.0	11	100				
Lifestyle	1	25.0	3	75.0									7	70.0	3	30.0				
Review assets													0	0.0	10	100.0				

Source: Field data, 2017

6.2.1 Explication of instituted retirement measures

The instituted retirement plans can be conveniently grouped into five categories namely savings, investment, housing, healthcare and social relationships. The savings portfolio encompasses savings itself, pension contribution, credit union and church welfare membership and susu. The investment portfolio contains shares, life insurance, fixed deposits, epack, mfund including T-bills, farming, fishing, school establishment and management, acquisition of landed properties, transportation business and trading. The health component entails dieting, periodic health checks, exercising and a host of others. The housing plans comprise the acquisition of houses including plots of land. The social relationship building plan is constituted by investment in children's education as well as joining associations. These groupings can further be categorised into financial and quasi financial measures.

Financial plans

The financial measures are constituted by pension contributions and other investments. Generally, relatively more formal (72.8%) than informal (27.2%) sector respondents participate in pension contributions. And from a gender perspective majority of pension contributors are males and minority are females. The workers diversified their plans to encompass other investments that are also more financially oriented in nature as depicted in the figures above, in the form of financial products such as life insurance, provident fund, funeral policy, mutual fund, shares, stocks, T-bills, fixed deposits, educational policy, mfund, epack among others. The quasi financial measures consisted of family planning and social relationships formation, farming, school establishment and management, acquisition of landed properties, transportation business and trading.

Workers engage in different forms of savings namely savings with financial institutions such as the banks, microfinance, savings and loans, credit union membership, church welfare and susu, which facilitate the mobilisation of especially financial resources for preparing towards retirement including the reservation of the same funds as retirement income. But susu is of significant essence in this study.

Among these, susu serves as a resource mobilisation strategy via which funds are raised on monthly basis, and which are later used to institute financial retirement measures such as epack and maintained as retirement savings. Mostly informal sector workers engage in susu contributions on daily basis with a minimum amount ranging from ¢2.00- 5.00 and the maximum amount depending on the financial strength of the participator. The process of susu contribution and collection serves as the 'accumulation of investment capital'. The contribution is collected by the participators from the collectors at the end of the month and it is restarted the following month. When workers collect these 'susu proceeds' there are a myriad of activities they channel them into as earlier indicated namely invest into business, savings accounts with Banks such as Fidelity, United Trust Bank, National Investment Bank, SIC sika plan, Global Access Savings and Microfinance, school fees among several others. This process signifies capital formation. The following quote attests to this fact:

> I participate in susu on daily basis with ¢5.00. The accumulated amount is collected at the end of the month. The last time I collected the capital yielded I went to Data Bank and invested it into mfund. I am 53 years now and it will enable me save for my old age. (Informal sector male)

Often informal sector workers also invest in formal susu avenues such SIC Sika Plan where the contribution is undertaken on a daily basis for a period of one year, after which the proceeds are collected and the process started all over again. Yet, some workers reported that they collect their accrued monies after twelve months as stipulated, whereas others said they leave their monies locked there to avoid touching and using it. For instance, an informal sector female trader stated that "I collect my accumulated money at the end of one year and use it for other projects". A formal sector female worker added that "as for me, I have not collected the accrued money for five years now…because I want it to remain there as my pension money". This process can be termed 'preservation of investment capital'. However, engagement in susu participation is not limited to informal sector workers alone, but the formal sector ones as well. Its essence lies in the acquisition of landed properties as below articulated. These statements showcase susu as denoting a 'double-edged' sword for capital formation and retirement related investments. The quotes also imply that for these workers children are the sources of retirement investments, giving children the connotation of 'social insurance' against old age, which is therefore consistent with Caldwell's (1978, 2005) theoretical statement. With regard to landed properties, the respondents articulated as part of their retirement measures acquisition of plots of land and houses. An interview with a formal sector male revealed that a group of 10 teachers use susu as a medium to acquire houses. He opined:

> We are a set of 10 teachers who engage in susu contributions where each person contributes ₵500.00 per month, the proceeds of which are collected by one member at the end of the month. In the next month somebody else collects the proceeds, until we all have had our turns and the process continues. This helps us to raise capital for projects such as house acquisition.

An informal sector female noted "I have acquired a 3-bedroom house especially for my old ago because then I may not have the money for renting a house". It is worth stating that land is seldom sold and when it is sold, it occurs during times of great distress. At worst, land including houses could be offered (to financial institutions) as security against a loan.

All these quasi-financial plans complement the financial version in providing workers with a conducive retirement life.

There is no penalty for susu, hence the high propensity of informal sector workers to patronise it, using it as a retirement planning measure and strategy as opposed to pensions. The concept of pension contribution was developed for a different context. These two do different things so one cannot be equivalent to the other. Additionally, informal sector workers engage less in pension contributions and more in susu because there is no supplementation from employers including accessing funds prior to the designated time frame. Hence, their extensive participation in susu, which they perceive as tax free and yet more flexible to pursue compared to pension contribution. By contrast in pension contribution according to the new three-tier pension scheme, tiers two and three funds can only be accessed after ten and five years respectively in the form of mortgage facility for primary house acquisition. The case of the latter is better as SSNIT ISF offers access six months of contribution (See Chapter four for details).

Belonging to church welfare scheme is a practice found in the church. The in-depth interview data intimates that workers contribute to church welfare schemes with latter life in focus. For example, a 53 year old formal sector male participant who is an adherent of the Evangelical Presbyterian Church faith opined that “I joined the church welfare scheme on the advice of my father before he died. He contributed regularly as I am currently doing and when he died the scheme made a donation towards his funeral including the church”. In the same vein, an informal sector female worker noted that “I have been part of the church welfare for the past 10 years and I contribute ¢5.00 every month”. It depicts a context in which members in the church who join it and make a monthly contribution of ¢5.00. It is a kind of society in the church that pulls financial resources together. A contributing member who passes away has his/her coffin provided for by the scheme. Other benefits entail donations towards the demise of a parent and children towards his/her funeral and/or burial including visitation and cash on the event of the contributor's ill-health. Thus, it serves as a form of funeral policy enshrined in the church's rubrics and therefore a religious practice. This together with the aspiration for the propagation of the gospel (as discussed in Chapter 5) clearly brings to the fore the connection between retirement preparation and religious practices. In other words, retirement preparation has a connotation for adhering to beliefs and practices that are associated with the supernatural. This is in line with Nukunya's (2016) argument that religion refers to the beliefs and practices relative to the supernatural. This is a factor that cannot be ignored.

Another financial measure is farming, which takes two forms namely crop production and livestock farming. From a retirement preparation standpoint, livestock may serve as a 'revolving fund'. As a result, a formal sector male worker asserted that "when I turned 57 years, I invested in livestock farming. I so far have five cows, ten pigs, two goats, one sheep and a few chicks". An informal sector male worker added "my father left me 10 acres of land which I am using for my palm plantation, which I started this year, and which will occupy me after 60 years, when this job of mine is no longer lucrative". Farming therefore may serve as leisure activity in retirement as well as an income generating venture.

Establishment and management of schools from primary through JHS and SHS levels is another plan instituted with retirement in mind. For this course, a formal sector female worker noted that

"I have a JHS school that will help occupy me when I retire". Similarly, a formal sector male worker articulated that:

> I have a school established four years ago against my retirement…In fact it is an SHS. I am 51 years now and by the time I retire the school would have gotten a solid foundation in terms of experience and would have made a name for itself.

As in the case of farming, the object of school establishment, ownership and management constitutes an activity to occupy the planners in post-retirement life. This feature plays a significant role in the use of extended time that can probably be spent in retirement due to increased life expectancy.

Engagement in transportation business provides another angle to the paradigm of financial measures instituted by the workers and its connection with retirement-oriented activities. A formal sector male worker indicated that "I have a transport business in which I have a fleet of vehicles, which I have to venture into on full time basis when I retire". In a similar vein, an informal sector female worker observed that "I am into the business of transportation as well and so when my strength cannot carry me any more in this trade, especially when old age catches up with me, I can depend on it for my livelihood".

Finally, trading is another plan which some of the workers have prepared for themselves in lieu of retirement via the acquisition of shops, financial resource mobilisation including contacts and discussions with suppliers. To this effect, a formal sector female worker alluded:

> I have five years to retire and I hope to go into trading in toiletries. As a result, I have rented a shop on the Spintex road for the purpose. Prior to using the shop, I started the trade from my garage in order to gain firm grounds.

An informal sector female worker added:

> I want to trade in the sale of provisions when I retire and so during the construction of my house a shop has been put at the frontage of it. I have started talking to a few suppliers already towards that plus I am saving towards that.

Quasi-financial plans

Social relationship formation is a quasi-financial measure which can be formed at the individual and group levels with the devotion of funds, other resources, time and effort being of core essence. At the individual level, it may be formed with children, siblings, cousins, nephews and nieces, spouses, parents, uncles and aunties, house maids and servants and significant others.

The in-depth interviews data provides reasons for the linkage between family (size) planning and retirement planning. These reasons entail the fact that family sizes may inhibit saving abilities, determine the planning mode, the need to increase savings, traditional belief, determines the extent of living expenditure, kind of work, financial status or income among others. In consequence, one formal sector male worker stated that "large family size hinders one's ability to save". An informal sector female worker retorted, "one's family size will determine how the planning will be". Emphasising the size of the family, another formal sector male worker mentioned that "a small family size ensures the availability of financial resources to be channelled into retirement plans". An informal sector female worker added that "smaller families can easily save something towards retirement".

Contrary views show that retirement planning and family size denote a third force of a kind, but family size is not an issue. Thus, a formal sector female worker indicated that "both are representing a third force of the likelihood hence they are not closely linked". Lastly, an informal sector female worker asserted that "not at all, it does not matter one's family size, one can still plan and plan well". The quotes reflect a change in thought regarding small family size and retirement planning. Yet, larger family size was in vogue in the immediate past, where large families served the economic purpose of labour force. However, in contemporary times, there has been a gradual shift to smaller families with 'retirement planning in focus'.

The formation of social relationship stems from respect as well as out of empathy for others, obligation, responsibility, plight including the experience of being in the same predicament before. Social relationship formation is constituted by counselling or advice, money, goods, accommodativeness, appreciation on both sides by parents and guardians and children and/or wards. An informal sector male worker participant reported that "social relation formation is made up of counselling/advice, accommodativeness from supporter to the supported and appreciation from the supported".

Taking care of children has implications for parents, the reverse also applies. Significantly, it brings about cordiality. Parents and guardians need to get close to their children. Children should know what their parents do (including their secrets). Children fear parents, which is caused by the nature of parents', displaced aggression, way of training, age discrimination, shouting unnecessarily on children including beating them mercilessly.

Parents must provide their children's needs where necessary namely school fees, build rapport between them, the children and their teachers. When needed, parents should go to children's schools to explain their predicaments to the school authorities rather than let the children go alone. Capital formation through susu also enables the financing of children's education. The following statement confirms this assertion. “The money I obtain from susu collection I used to pay my children’s school fees and so my children are my retirement investment” (Informal sector female worker). Another informal sector female worker that “all my monies go into my four children’s school fees and I have nothing left for other investments”. In terms of personal effects, if the parents do not have the resources to acquire that, the ideal thing is to explain to the children in a humane manner. For example, “I will buy you the dress when I receive the money I am expecting” (Informal sector male worker). Relationship formation is constituted by benefactors and beneficiaries. The formation of social relationships requires of the benefactors (for example, parents, guardians, siblings) to engage in certain acts enumerated by a formal sector female worker as follows: “Show love, watch television programmes with children and wards, correct them when they are wrong, answer their burning questions and take them out to the park, zoo, children’s park, national theatre. It all has to do with communication”.

Parents look after their children for them to look after them in return. But, it is not always that children have to be supported for purposes of reciprocity. Instead, they should be supported so that they can cater for themselves afterwards. This perception takes away the notion of ‘give and take’ or ‘social insurance’. Thus, an informal sector female worker exclaimed “in this day and age, parents need to care for their children, so they can fend for themselves when they grow”. A formal sector female worker also said that “now parents need not invest in their children with the objective of they becoming their old age security, rather parents and guardians should plan for their own retirement while taking care of their children”.

The proceeding quotations suggest that there are two paradigms to childcare outcomes namely social insurance and non-social insurance. The first one perceives children as social insurance, a situation in which children are obliged to care for their parents in return for care earlier received. To the contrast, the non-social insurance paradigm is opposed to using children as social insurance. Instead, it advocates for adequate retirement preparation as an ‘insurance’ against old age. Comparatively, this paradigm is accommodative to the plight of ‘childless workers and planners. This view is however contrary to the theoretical intimations of Caldwell (1978, 2005).

Beyond the level of children, siblings, nephews, nieces and significant others are supported for diverse reasons such as obligation, responsibility, learning process, negate impending burden, being benevolent, sympathy and dependency avoidance. The care for siblings is as important as that for own children. For instance, a formal sector male worker who cared for his siblings made the following statement:

> I care for them in my father’s stead, since it is his responsibility to care for them, to avoid being a burden to me, as a learning process of caring for my own children later on and being a benevolent person.

The above quote intimates that relationship benefactors sometimes act as proxies for others by performing their duties on their behalf due to financial constraints or other reasons. People care for others as an experimentation of their life later in the life course.

With regard to nephews and nieces the key reason is the avoidance of dependency. Hence, an informal sector male worker mentioned that “supporting nephews and nieces through care or provision of material things is mostly undertaken to curtail dependence of the supported on the supporters, though occasionally they support the supporter when the need arises”.

In the case of significant others, supporting them is due to benevolence, prior experience of similar situation. For example, a formal sector male worker articulated that the reasons include "supporting parents in the care of their children in order to avoid envy and jealousy against own children". An informal sector female worker also alluded that:

> It is because I have been in a similar situation before, where my parents were not in the position to support me because they were very poor and I had to survive in school with the support of uncles, aunties and significant others.

Lastly, a formal sector female worker exuded "I support those I can because of the sympathy I have for the poor and needy". Some workers have their nephews and nieces as well other members of the general Ghanaian society living with them. The latter are obliged to perform household chores and in return their needs are catered for.

A number of the participants concentrated on the enormity of the benefits of social relationship formation for benefactors and the beneficiaries. At the individual level, it entails doing good, blessings and protection. In lieu of this, a formal sector male worker alluded to the fact that "helping others generates blessings verbally and prayers that serve as a form of protection at some point in time". This is indicative of alignment issues with focus on the purpose and goals of the relationships. For the benefactors, these benefits entail social interaction, physical and spiritual protection, cordial relationship establishment and maintenance, avoidance of envy and jealousy against own children, to avoid dependency of the supported on the supporter including gratification.

In the case of the beneficiaries, the benefits encompass social interaction, cordial relationship, financial support towards education from JHS to the tertiary levels and career accomplishments.

A couple of these benefits transcend benefactors and beneficiaries namely social interaction and cordial relationship establishment and maintenance.

The process of social relationship formation may be said to have initial and termination phases. During the initial phase, the individual is supported through education or career training until he/she has completed schooling, for example, JHS to SHS, and SHS to tertiary level including completion of apprenticeship. When the educational training process is completed and the 'beneficiary' becomes gainfully employed, it denotes the termination phase. A third phase may be that which entails the maintenance of already established cordial relationship.

Moreover, a large number of children served as labour force for their parents in the recent past on their farms particularly before the mechanisation of agriculture in developing countries. This was due to the value of children among farmers. However, in contemporary times, this notion is gradually diminishing in the wake of harsh economic conditions, the non-avoidance of which may deepen poverty levels. This is consistent with Caldwell's (1976) theoretical argument that fewer numbers of children are preferred with implications for poverty tendencies. Thus, from the retirement preparation stance, a sizable number of children free more money in aid of retirement related investments.

Caldwell (1976, 2005) demonstrates in his wealth flow theory that there are two pathways to intergenerational transfers namely from parent to children and from children to parents. The study illustrated two paradigms. The first paradigm intimates that parents invest in their children's education or training including general welfare in terms of food, clothing and other significant services during the process of child rearing. This makes children the chief beneficiaries from transfers. Parents after investing in their children expect similar investment in return. This strongly aligns with Caldwell's 'insurance value' of children with emphasis on intergenerational transfers from children to parents and elucidating children's insurance function. In other words, children's "insurance value is in times of danger, disaster and parent's old age" (Caldwell, 2005, p. 89).

The second paradigm states that parents should not expect much from their children in return for investment in them, suggesting that parents are obliged to do more for their children than their children could do for them. It depicts a situation of wealth flow from parents to children to a great extent. It is a situation prevalent among western societies and families. This makes children the chief beneficiaries from intergenerational transfers, a confirmation of Caldwell's wealth flow hypothesis. This further intimates that the Ghanaian society and associated cultural tendencies have been infused with westernised lifestyles due to the influence of formal education and the mass media. These two trajectories depict intra family transfers from the Caldwellan viewpoint with emphasis on blood relations.

But, Caldwell's wealth flow theory ignores intergenerational wealth flows from individuals who act as 'parent figures' to children who also serve as 'significant others' and non-blood relations in the society. This study highlighted this in the form of some individuals investing in the education of the latter from JHS through SHS to tertiary levels including other monetised and non-monetised resources. The chief beneficiaries in this context are the significant others. This connotes inter-family mode of wealth flows which contradicts Caldwell's theory.

At the group level, it is attained by virtue of joining associations albeit professional, quasi professional or non-professional, exemplified by Field engineers, Ghana Institute of Surveyors, Ghana Institute of Builders, Rotary Club, Club 50, Community 1 Market Traders Association, Community 2 Market Traders Association, Community 5 Market Traders Association, Communities 5 and 6 Taxi Drivers' Union. The group level dynamics may entail persistence beyond the retirement transition. For instance, a formal sector male worker indicated that "I belong to the Ghana Institute of Surveyors, Ghana Institute of Builders, Rotary Club and Club 50 in Ho. I will still belong to these associations even when I retire at 60 years".

The data show that some informal sector workers are members of at least three associations namely Asanteman Association, Tema Market Women's Association, Tema Widows' Association as well as church welfare group. An informal sector male worker claimed "I belong to the Community 2 market association". Another informal sector female worker said "I belong to the Asanteman kuo, Tema widow's association and market women's association". The benefits of joining associations are numerous and entail the contribution of financial resources when a member loses a family relation, the provision of needed support including escort to programmes such as funerals, outdooring, engagements and weddings, provision of information regarding investment avenues, the sickness and death of members. The queen mother of Community two Market Association asserted that:

> The association ensures access to information related to insurance, savings, sika plan and many more. In which case the leader is usually first informed and who then informs the members. It also makes contributions to support members in times of ill-health, outdooring, bereavement as well.

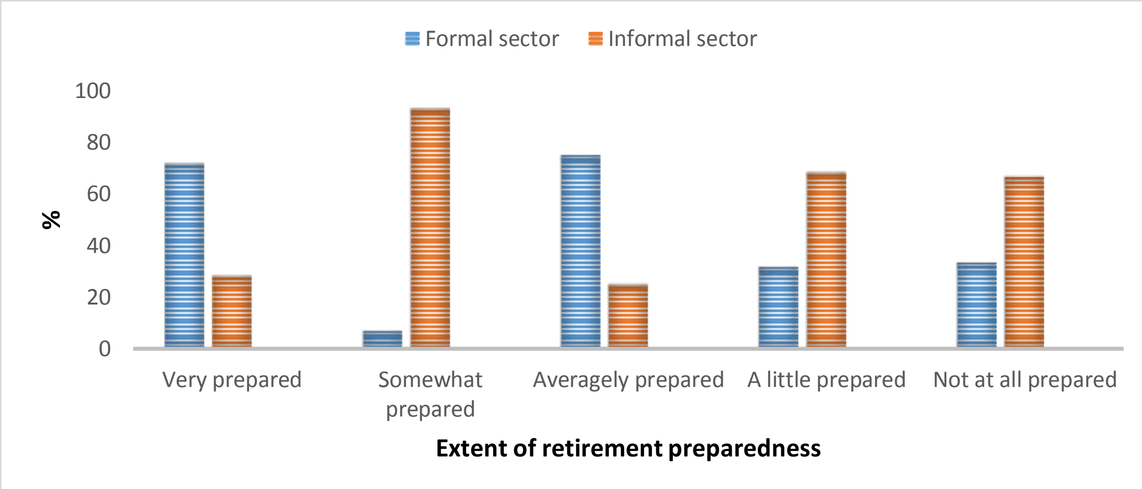
Besides, it was noted that "joining the market women's association is very beneficial. My mother died five years ago at 84 years. The association contributed financially to her burial" (Informal sector female worker). Belonging to voluntary associations serves as a two-edged sword coping mechanism in both pre- and post-retirement life. It provides among others companionship and friendship in one form or the other.

The notion of social insurance may be said to be direct and indirect. The direct social insurance web is situated around children whereas the indirect one comes from siblings, nephews and nieces, significant others and association members. These may provide financial support in old age but also companionship and friendship.

6.2.2 Evaluation of workers' perception of preparedness towards retirement

The study sought to assess the respondents' perceived preparedness towards retirement using cross tabulation between perceived preparedness and sector of work. The analysis indicates from Figure 25 that approximately 72% of the formal sector workers are well prepared for retirement compared to their informal sector counterparts, 68.3% of whom are a little prepared. This may be due to most workers not starting work for long or that they think there is more time. These may denote the point of leverage in lieu of retirement planning for the former than the latter category of workers. Quite a number of informal sector workers claimed they were somewhat prepared. This may be because they hope to do better, the 'more time syndrome' including the lack of a 'fixed retirement age' for informal sector workers, thus there is a diffusion of the urgency to extensively institute plans. Probably, some of them may have either started preparing late or have not undertaken extensive retirement investments.

Figure 25: Workers' preparedness for retirement



Source: Field data, 2017

To confirm this assertion, the data were subjected to Pearson Chi-square statistics and Cramer's V test to examine any association between preparedness level and sector of work. The results showed Cramer's V=0.4892, which suggests a positive association between the variables (Table 30).

Table 30: Pearson-Chi-Square statistics and Cramer's V on association between preparedness and sector of work

Statistical tools	Value	Degree of freedom	Asymp. Sig. (2-sided)/approx. sig
Pearson Chi-Square	154.703[a]	5	.000
Cramer's V	.489		.000
N of Valid Cases	442		

a. 0 cells (16.7%) have expected count less than 5. The minimum expected count is 1.00. Source: Field data, 2017

6.3 Linkages between retirement aspirations, financial literacy and retirement preparations

Table 31 shows that age positively correlates with retirement preparation albeit moderately (0.5) with the implication that workers in the remotest age category (that is, 17-29) may delay planning for retirement or may not pursue it with all seriousness because of perceived availability of more time. Educational level positively correlates with preparation though very weakly (0.2); income positively correlates with retirement preparation, implying that low income earners and planners have the tendency to be exposed to financial insecurity on the event of retirement because of their inability to plan adequately. Retirement aspirations correlate positively (moderate 0.5) with perceived preparedness. This implies that individuals with low levels of retirement goals or no goals at all may not be motivated to plan aggressively. Lastly, financial literacy is positively correlated with retirement preparation, thus individuals with low levels of financial education, knowledge and literacy have the tendency not to plan adequately and/or diversify their investment portfolios.

Table 31: Correlates of retirement preparations and associated factors

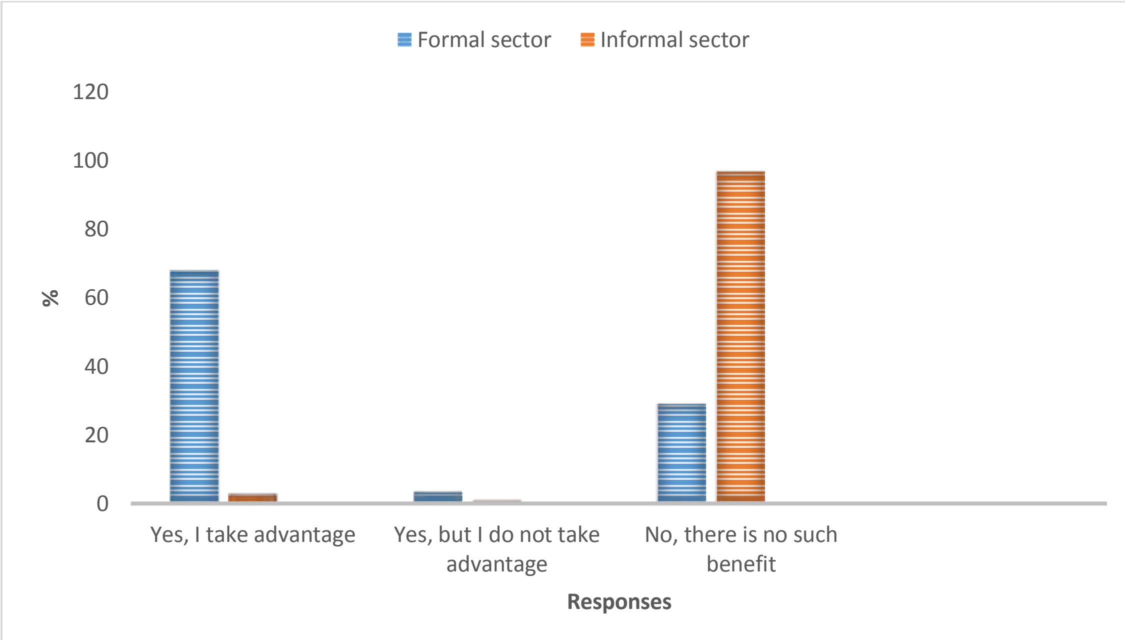
Statistical tool		Age	Educational level	Income	Retirement aspirations	Degree of financial literacy
Retirement preparations	Pearson Correlation Coefficient	.465**	.155**	.358**	.467**	.351**
	Sig. (2-tailed)	.000	.000	.000	.000	.000
	No. of cases	442	442	442	442	442

Note: **Correlation coefficient is significant at 0.01 level (2-tailed); Source: Field data, 2017

6.4 Employer's retirement benefits

As part of its aims, the study investigated whether employers provide their employees with ESB. The findings show that such facilities exist in some organisations, not all as earlier indicated in Chapter four. In consequence, Figure 26 below indicates that majority of the formal sector workers (67.9%) have and accordingly take advantage of these benefits. However, a few of the formal sector workers fail to take advantage of such a facility although it exists for personal reasons. A great majority of the informal sector workers (96.8%) do not have access to such benefits.

Figure 26: End-of-service benefits



Source: Field data, 2017

The previous section addressed the objective of the study in relation to the various forms of retirement planning undertaken by formal and informal sector workers. The section below presents retirement planning related impediments and implications.

6.5 Impeding factors to workers retirement preparation

A myriad of problems were encountered by the workers in the process of retirement planning, some of which they handled at the personal level while resorting to institutions and social norms for resolution.

6.5.1: Challenges encountered in preparing for retirement

The challenges on Table 32 have further been categorised into economic (poor conditions of service, high cost of living, volatile capital market, depreciation of the cedi, low sales, financial constraints, unyielding jobs, poor wages, stolen materials, high interest rates on loans, inflation); financial literacy (lack of information, not knowing what to do, inadequate investment knowledge); companionship (partner to share ideas and decisions with); attitudinal (lack of savings culture, poor attitude towards retirement, impulse buying), time management (time management difficulty) and retirement process (bureaucratic retirement process). From these challenges, institutional means have been resorted to in seeking redress for poor conditions of service including tier two pension fund mismanagement which are discussed below.

For example, poor incomes and wages scenario is illustrated and evident in the fact that parents invest in their children with both financial and material resources. Investing in children has its downturns, which mostly female interviewees circumvented with the trading of their material resources for cash. One informal sector female worker said that “during financial difficulties when my children’s school needs were outstanding, I often traded my Hollandaise and GTP wax prints for money with the promise that if I return the money I take them back or else that ends it”. Another opined that “for those of us whose pay is meagre, it is not easy ooo. The last time, I had to barter trade five of my African wax prints because of my children’s school fees” (Formal sector female worker).

6.5.2 Labour issues with worker reactions

The issues that have attracted worker reactions encompass poor conditions of service agitated for by majority of the formal sector worker (69.8%) as against informal (30.2%) sector workers. The other major issues pertained to mismanagement of tier two pension funds by both formal and informal sector workers including disagreements over the non-payment of pension contributions by employers. The other issues were unique to each sector. Thus, for the informal sector this included outline of work activity schedules, maltreatment by masters, conflict of interest, sales on credit, and selling time slots. For the formal sector, the other issues dwell on consolidated allowances by Judicial Service Staff Association (JUSAG), market premium by Civil Servants and

Table 32: Barriers to retirement planning

Challenges	**Frequency**	**Percent (%)**
Volatile capital market	35	7.9
Lack of savings culture	38	8.6
High cost of living	230	52.0
Not knowing what to do	18	4.1
Low level of financial literacy	37	8.4
Inadequate investment knowledge & information	53	12.0
Bureaucratic retirement process	17	3.8
Poor conditions of service	80	18.1
Time management difficulty	12	2.7
Poor attitude towards retirement	57	12.9
Impulse buying	1	0.2
Low sales	48	10.9
Price inflation	25	5.7
Financial constraints	10	2.3
Cedi depreciation	1	0.2
Unyielding job	3	0.7
Poor wages	12	2.7
Stolen building materials	7	1.6
High loan interest rates	1	0.2
Partner to share ideas & decisions with	1	0.2
Lack of information	12	2.7
NR	28	6.3

Source: Field data, 2017

Government Staff Association of Ghana (CLOSSAG) and GNAT on tier two pension fund (mis)management (Figure 27) among others.

Also, informal sector workers have the extra challenge of organisations and susu collectors absconding with their monies. Hence, one respondent demonstrated that:

> I guess you know Donewell; it belongs to the Methodist Church of Ghana. We used to save with them. Then one day their officials came and said they cannot trace our contribution records. They said the guy who was collecting the monies from us has left and another person has come. It was this person who said they cannot trace our records and so they came and collected all of us our cards, which they never returned to date. They said that means we have lost our monies (Informal sector female worker).

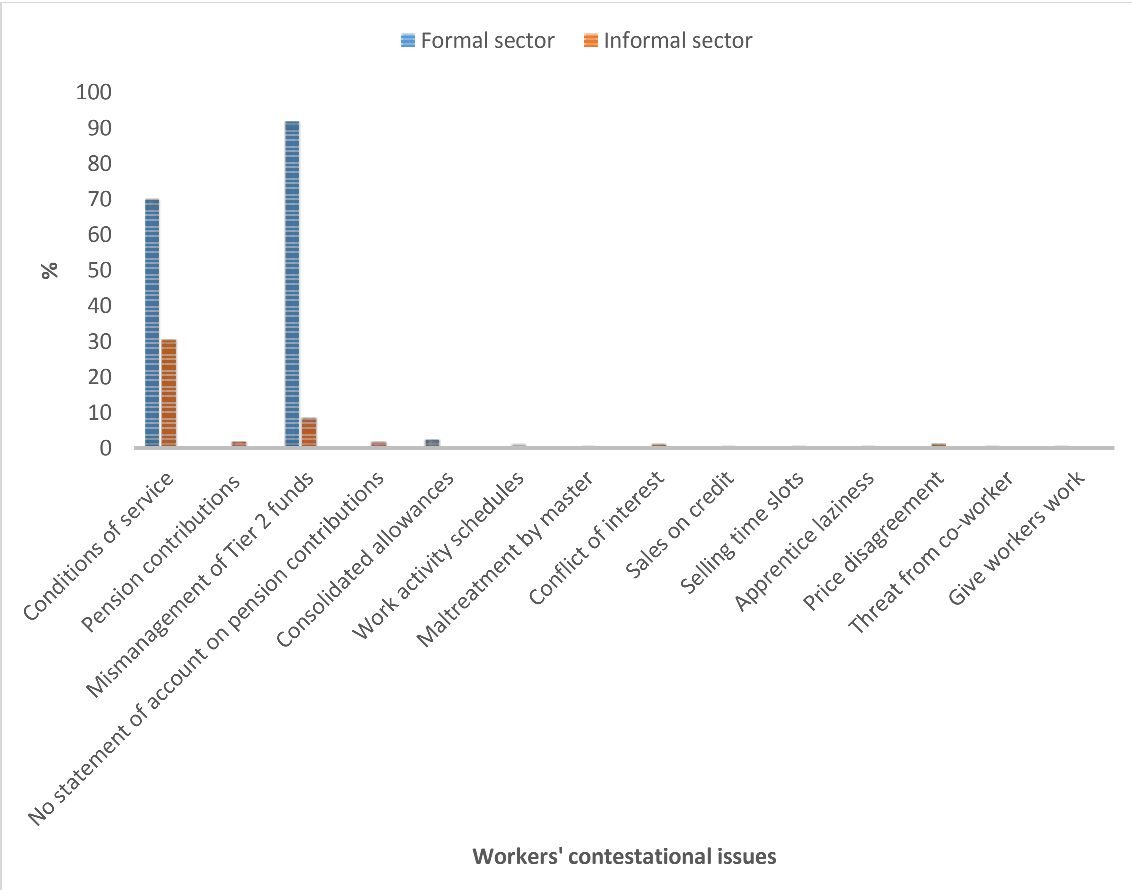
Similarly, another said “some susu collectors run away with our monies. There was this guy who came. He paid us for the first two months and then disappeared in the third month” (Informal sector male worker). Finally, it was observed that “when I put my money at SSNIT, I cannot go for it as I wish but with susu I can” (Informal sector female worker). These quotes are indicative of the vulnerabilities of informal sector workers to ‘financial predictors’ from whom they require legislative protection. Collectively these challenges constitute what Dahrendorf (1959) termed ‘conflict of interests’ for workers.

A cross tabulation between sector of work and the actions resorted to in relation to unresolved labour issues shows that workers employed a myriad of tools such as strike actions predominantly used in the formal (82.7%) than in the informal (17.3%) sector, lock outs often used in the informal sector than in formal sector. Exclusively resignation, retrenchment, conflict and refusal to render services occurred in the formal sector (Figure 28).

The CLOSSAG embarked on a strike action in demand for the payment of market premium as earlier indicated which started from the last week of July 2016. The strike was three weeks old when it was called off on August 18, 2016 after the signing of a memorandum of understanding (MOU) that it will be paid in 2017, but was to be determined by beneficiaries in the future.

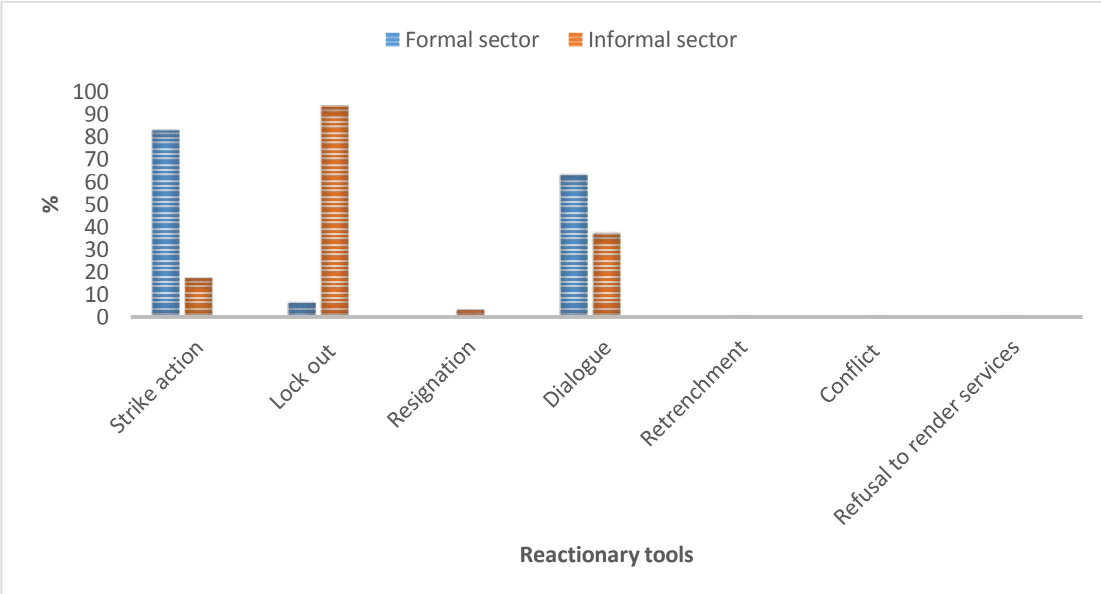
However, the market premium's purpose is to reward and compensate for scarcity of skills, not a government policy with coverage for all workers.

Figure 27: Worker reaction warranting issues



Source: Field data, 2017

Figure 28: Actions resorted to in the event of unresolved labour concerns



Source: Field data, 2017

Strike actions by Labour Unions sought redress to the issue of tier two pension funds namely its transfer to a private fund manager, away from the state's reach since 2014 to date still lingers on in 2017. This suggests that the issues raised have not been diligently addressed. As a result, after President John Mahama had delivered his final state of the nation's address, Labour Union raised a red flag on the fact that they were "disappointed over the absence of the tier two pension funds issues" (TV3, 2017). Labour Union also raised the alarm that the tier two fund is 80 months in arrears. The insistence of Labour Union over the issue is indicative of workers' alertness and/or consciousness in relation to retirement. Moreover, a SSNIT official noted that "the teachers' tier two funds management issue is solely about trust and security". The above statement expresses the notion of the lack of trust in the state including the need to ensure the security of pension funds with futuristic insights. All these problems would affect retirement planning on the part of workers. These findings allude to the fact that "the differential distribution of authority invariably becomes the determining factor of systematic social conflicts" (Dahrendorf, 1959: 165).

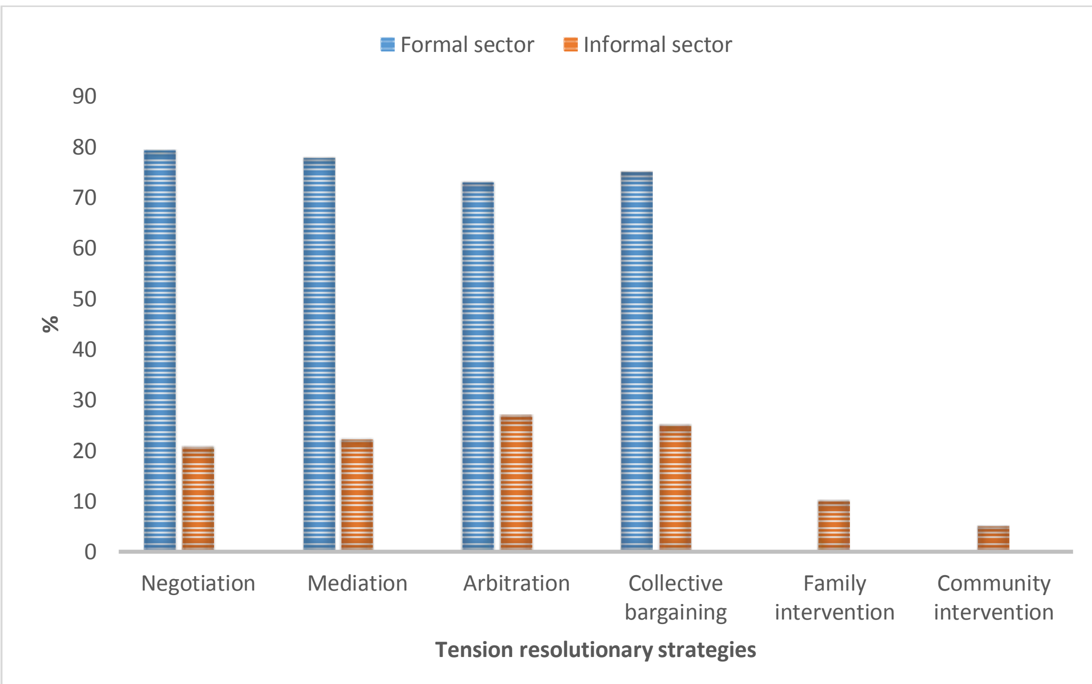
The issues raised above give credence to evidence from the in-depth interview data, in which a formal male teacher opined that “workers want to decide which company to contribute to with regard to pension contribution especially in the case of tier two”. Another formal male teacher added that “government’s fear is the financial challenges that may occur resulting in it having to finance funds to pay affected people. Flexibility to choose a fund manager is what the issue is now”.

Work related contestations are mostly directed at the need to correct anomalies and improvements related to conditions of service including the demand for proper management of pension funds, with implications for retirement in the longer run. Addressing salary increments, allowances, interim market premiums lead to increases in salaries, especially stability in monthly incomes, which in turn implies more income for daily or regular spending with extras for investment into retirement portfolios.

These issues are resolved through a set of mechanisms. Negotiation was chiefly the most used conflict resolution mechanism in the formal (79.3%) and the informal (20.7%) sectors. The others include mediation, arbitration and collective bargaining. Family and community interventions are most often used in the informal sector (Figure 29). But the resolution period ranged between one day and two years.

The respondents interacted with diverse organisations that facilitated the resolution of their labour related issues. Collectively, more formal sector workers (75.1%) turned to the use of organisations more than the informal sector workers (24.9%). The FWSC was the one organisation that formal and informal sector workers interacted with most (See Table 32 below). This may be due to the functional role it has been mandated to play in addressing labour reactions particularly salary issues. Similarly, the NLC which has a similar mandate as FWSC also played a role in resolving the issues of concern to formal and informal sector workers. The other organisations include the Labour Department, Barclays and GPRTU. Strikingly, Table 30 confirms findings obtained from institutional interviews regarding issues raised.

Figure 29: Impasse resolution mechanisms



Source: Field data, 2017

Concerns regarding tier two pension funds management, the in-depth interview data shows emerged because the state pension policy mandated a fund manager other than SSNIT or NPRA during the implementation of the new pension policy. However, due to the lack of preparedness as earlier mentioned, SSNIT was made responsible for collecting tier two contributions, which is beyond its mandate, since it is in-charge of collecting tier one contributions. It is noteworthy that SSNIT performed this role since 2010 until 2015 when it handed over to the Bank of Ghana. This depicts a handover from one state organisation to another, rather than a private independent fund manager. The situation as it stands has implications for authority or power relations in policy implication and the people who are affected by such policy provision and the contestations thereof. Thus, as earlier mentioned, Dahrendorf's (1959) intimation that "the differential distribution of authority invariably becomes the determining factor of systematic social conflicts" (p. 165).

Table 33: Labour issue resolving organisations

Organisations	**Formal sector**		**Informal sector**		**Total**	
	Frequency	**Percent (%)**	**Frequency**	**Percent (%)**	**Frequency**	**Percent (%)**
NPRA	1	100.0	0	0	1	100.0
SSNIT	10	100.0	0	0	10	100.0
Labour Department	7	100.0	0	0	7	100.0
NLC	49	66.2	25	33.8	74	100.0
FWSC	112	95.7	5	4.3	117	100.0
The Courts	10	50.0	10	50.0	20	100.0
Labour Minister	2	100.0	0	0.0	2	100.0
Barclays	1	50.0	1	50.0	2	100.0
Community leaders	0	0.0	4	100.0	4	100.0
Top company management	0	0.0	1	100.0	1	100.0
GPRTU	0	0.0	7	100.0	7	100.0
Opinion leaders	192	75.1	72	24.9	264	100.0

Source: Field data, 2017

Workers' worry therefore is that the funds are not safe in the coffers of state institutions because the government could easily touch it with implication for the dividends that may be accrued, which will in turn affect workers' lump sum funds. As a result, there exists massive labour union reaction nationwide regarding the management of tier two pension funds on the basis of which they challenge the government to designate a neutral fund manager to ensure the security of their 'lump sum kitty'. Such a reaction may be reflective of workers' knowledge of the pension system albeit relatively and therefore contributing to the management of the funds through incessant reactions and demands.

According to an FWSC official, sometimes the FWSC uses mediation, arbitration and negotiation. For example:

> Currently, we are negotiating on the conditions of service for pharmacists; Ghana Hospital Association of Pharmacists (GHOSPA). It came to a point that they never trusted us. So we engaged an independent facilitator to settle the matter. There are instances that we go for independent mediators and arbitrators. Most of our work is purely negotiation.

The quote below outlined and confirmed the kind of issues, namely unpaid salary arrears, promotion of teachers, invigilation and supervision among others for which GNAT consulted state institutions for onward resolution. The NLC official demonstrated the scenario as follows:

> There was a strike over unpaid salary arrears, promotion of teachers, invigilation and supervision of WAEC examination, a freeze on payment of placement of teachers with additional responsibilities, distance education among others, resulting in collective agreement. So the NLC met with the parties and identified the issues as negotiable so we directed that the parties go back and negotiate.

From the voice above, it is obvious that there has been the ascertainment of Dahrendorf's (1959) assertion that there has to be consensus to have conflict, as he said that the two were prerequisites for each other. Moreover, the outcomes of impasse resolution were mixed, depicting a blend of positive and not too positive results. The positive aspect entailed problem solved, problem partially solved as well as salaries increased. The negative results include unfriendliness and tension between employers and employees, unhappy workers not to mention unhappy passengers.

The kinds of issues that workers react to are directly and indirectly connected to their salaries and pension contributions. However, not all organisations including SSNIT and TDC in the country allow workers' reactions to conditions of service to deteriorate into a strike action due to 'faulty negotiations'. Rather, hold outs are undertaken to ensure this does not happen. The preceding discussion answers the objective on challenges to workers' retirement preparation. Significantly, the resolution of work related tensions translate into additional retirement measures. For example, a formal sector female worker noted that "the last time a salary increment was made, I have been saving the extra amount in a retirement account". Similarly, a formal sector male worker added "I used my latest promotional salary arrears to purchase gold as part of my retirement investment". In the same vein, a JUSAG member of THC noted that "we wanted our salaries consolidated as a boost in basic salary and therefore our income and retirement planning". Lastly, it was observed that "CLOSSAG wanted market premium paid to its members because it will boost the income received by members to enable us institute more retirement measures" (CLOSSAG member from TMA). This depicts the realisation of manifest interests which Dahrendorf (1959) perceived as latent interests. It is a reflection of the demonstration of the ability to deal with conflict and change as well as the inherent functions of conflict as depicted in this study. Further, it indicates the notion that dissension and conflict at every point in life and for that matter the social system including many societal elements as contributing to disagreement, contestations and change.

6.6 Discussion

The study shows that majority of the respondents (85.5%) are planning for retirement whereas 14.5% are not. This result bears similarity to Lusardi and de Bassa Schereberg (2016) who have documented that 53% of their sample had retirement plans whilst 39% did not have. Planning along the life course varies for formal and informal sector workers. It is a gradual and continuous process that entails acts of investments as well as the monitoring of these investments in order to ascertain anomalies and institute corrective measures to boost the potency of the plans.

But pre-retirement planning along the life course may not follow a linear pattern. It holistically starts as planners age and resource-based competition is on the rise and becoming narrower and more focused with age specific needs especially when retirement is approaching. Planning along the life course for retirement as the study depicts "assumes that individuals are active, purposive agents in planning their retirement…" (Moen, 2006:274). However, distance from retirement and its related age warrant the phrase "I still have plenty of time to think and plan" (Phua and McNally, 2008:600). Yet, the reverse occurs when one gets near retirement especially among the near olds. Thus, as individuals age, retirement planning takes centre stage. Planning habits change over the life course, hence, as "investors get closer to retirement, a more conservative investment approach may be warranted to limit short-term downside risks" (Looney, Poston, and Akhulut, 2007:8).

The quantitative data yields financial security, house acquisition, health plan, social insurance, and leisure measures. The qualitative findings assisted in explaining the quantitative results by providing more depth and insight into the quantitative findings, key among which are the role of susu and family and a host of others in retirement planning. It found expression in the care of children as a social insurance and other measures for old age. It implies that preparing for retirement entails both financial and quasi financial components. It also means that the role of family and significant others cannot be underestimated in terms of retirement preparation. Similarly, the usage of susu as a savings mechanism indicates that susu is used as a resource mobilisation strategy in raising capital for retirement planning and a retirement plan in itself. The interface between susu and retirement planning can be viewed from the perspective of investment in childcare, acquisition of landed properties, building of retirement fund and other financial products.

Susu[6] denotes a local saving mechanism, patronised mostly by informal sector workers particularly females, yet not exclusive to them. Members are low income workers for whom a wider margin of contributory days may yield more money, which excludes one day as commission for the collector. It encourages the habit of savings. Since most informal sector workers are largely unbanked, the susu scheme therefore serves as a medium for “researching the previously underserved population” (Steel and Tornyie, 2014:102). In essence, by its nature susu provides its participators with a small to moderate regular monetary disbursement as opposed to loans disbursement from formal banks. This denotes the notion of consistency and persistence.

Engagement in susu takes two distinct trajectories. The first one comes from the formal sector context where contributions are made on monthly basis by a group of 10 teachers and at end of the month, one person takes the proceeds. Such proceeds are used for an array of projects including house acquisition, payment of school fees, investments in businesses including as a standalone retirement saving in itself. This cyclical process continues until each member has had his/her turn and the process continues. This scenario is reflective of ‘a merry-go-round’ process. Dugbazah (2012) found similar results in her study of gender, livelihoods and migration in Africa, where a minimum of four and a maximum of 15 women contribute a set amount of money per mouth, wherein the monies are collected in turns at the end of the month. The second trajectory is the one from the present study’s informal sector point of view where members contribute determined amount of money on daily basis. The accrued amount of which is collected by each member at the end of the month and the process continuous. Unlike the former, the latter trajectory is non-rotational. Bortei-Doku Aryeetey (2014) and Steel and Tornyie (2014) found similar results.

[6]It is termed esusu in Nigeria, which is believed to be its origin (Steel and Tornyie, 2014).

However, Bortei-Doku Aryeetey (2014) and Dugbazah (2012) have projected susu as a phenomenon which is the preserve of women. By contrast, this study found otherwise that it is a scheme patronised by both men and women who participate in susu contributions whatever the gender difference in number may be. Similarly, empirical evidence shows that the proceeds are used for purposes such as the disbursement of small loans, payment of school fees and investment in business (Bortei-Doku Aryeetey, 2014; Dugbazah, 2012; Steel and Tornyie, 2014). Contrarily, the results of this study show that susu is a standalone retirement savings for some workers.

Two distinct planning outcomes namely financial and quasi financial measures emerged in the study. The financial products consisted of pension contribution, life insurance, provident fund, T-bills, shares, susu, farming and establishment of school. The quasi financial measures encompassed house acquisition, investment in children and association membership. The ultimate outcome of these measures as earlier mentioned are financial security, house acquisition, health plans, social networking and leisure discussed below.

Financial security is a means of having enough financial resources to meet retirement financial goals and needs. It is the product of pension contribution, susu, and other financial products. By contrast, in the event of failure to plan on a much larger scale, "individuals will be exposed to financial insecurity when retired" (Lusardi and de Bassa Scheresberg, 2016:24) including poverty in old age (Kim and Moen, 2002; Moen, 2006). The acquisition of landed properties meet accommodation needs with regard to retirement related living arrangements. It may entail living in own house, rented accommodation paid for by children or houses built by children or family members. This makes investment in real estate plan very significant. Van der Geest (1998) vehemently argued in relation to old age security that there are two core conditions:

> The first condition was that one had taken good care of one's children which today means nothing than that one had taken them to school… The second condition was that one had managed to put up a house for the family to live in (p. 337).

The significance of housing in retirement preparation was also underscored by Gerrar (1998).

Health challenges in old age are quite enormous (Adjetey-Soussey, 2015; Ayetey-Nyampong, 2015), demanding the institution of healthcare plans namely dieting and fitness, regular exercising as well as periodic health checks. This highlights the importance of health insurance (Phua and McNally, 2008).

Social networking occurs at two levels, namely individual and group levels. When formed, relationships facilitate access to material and non-material resources while empowering and improving the initiators' well-being and fostering exchanges in the form of either class privileges or public goods (Emery and Bregendahl, 2014; Marais and van der Merve, 2016), for example, 30% property rebate for people aged 60 years and over in the Tema Metropolis (See Chapter five for details). The more children there are, facilitates reduction in care burden and the fewer the number of children, the more the burden of care. Yet, this may not be a given. Having large family sizes means more expenses and perhaps with very little funds left for retirement planning. Therefore, during family formation phase of life family planning is key (Barrientos, 2004).

The formation of cordial relationships is reciprocity oriented, it could be termed the 'reciprocity approach' in which children are expected to care for their parents in return for the care they gave them. This confirms Apt's (1996, 2000) and Doh et al.'s (2014) argument that children must reciprocate the care given them by their parents. A second contradictory paradigm advocates against the reciprocation of care from children to parents because of unemployment, underemployment, low wages, high cost of living, harsh economic conditions including adoption of western lifestyle. Belonging to associations (Atchley, 1999; Brown, 2001) is a dynamic aspect of social relationships. BMO Wealth Institute (n.d:9) submits that "preparing for the social aspect of retirement is equally important as preparing for its finances".

The significance of leisure cannot be underestimated. The leisure plans can be categorised into 'income generating' and 'non-income generating' activities. The income generating ones encompass school establishment and management, farming, transportation business and trading which constitute paid work beyond pensions but often at a reduced rate in the form of part-time work. The non-income generating ones entail rest, home improvement, volunteerism, devotion to hobbies (See Chapter five for details). The issue of leisure together with early retirement and increased life expectancy imply the availability of more time at the disposal of the pre-retiree regarding retirement which needs to be managed effectively. Such a time could be referred to as 'time off' an otherwise very busy life schedule'. Other studies document that leisure is perceived as free time that has many opportunities such as personal development, recreation and relaxation (Jacobs-Lawson, Hershey, and Neukam, 2004; Moody, 2010). This suggests that workers adhere to their retirement aspirations or goals at least for the 85.5% who were planning for retirement. These signify the view that actions taken earlier on in life largely influence the trajectory of later life. This is consistent with Moen's (2006) findings.

All these connote the diversification of retirement plans which is as important as their institution, and which ensures extended yields on plans as well as ward off the risk of losing money in a single portfolio. It also guards against 'putting all one's eggs in one basket'. This makes diversification a core aspect of resource mobilisation for usage in old age. Previous studies such as Kiyosaki and Lechter (2002) and Jason (2011) have also emphasised the essence of plan diversification. However, portfolio diversification should surpass mutual funds, provident funds, pension funds, savings, bonds, stocks and shares to entail real estate (Kiyosaki and Lechter, 2002), social networks, leisure and healthcare. In the absence of planning for old age, some pre-retirees may have to "negotiate care within complex family arrangements and formal care systems" (de-Graft Aikins et al., 2016:7). Finally, the preparations that workers make towards retirement are supplemented to some extent by ESBs, which are provided by a cross-section of the organisations studied. These benefits encompass houses, medical care, money and fridges. Nevertheless, retirement planning is impeded by diverse factors.

It is for this reason that it has been observed that harsh economic conditions have made the path to retirement preparation difficult for workers. For example, high costs of living, inflation, low wages and employment insecurity are also among the debilitating factors against retirement preparation among workers. Further, "volatility in the market can raise doubts among people as to whether they would have enough money saved for retirement…" (Phua and McNally, 2008:590), making it an issue of concern (Jason, 2011). There is the need for dialogue on existing economic issues for amicable redress, since these lower workers' purchasing power with implications for saving and investing for the future. Amicable redress is preceded by the utilisation of reactionary tools such as strike actions, lock outs, resignation and dialogue. Existing literature for example

Cramton and Tracy (1992), Obeng-Fosu (2007, 2013), Salawu, Hassan, and Adefeso (2013) and Murwuirapachena and Sibanda (2014) also underscore this fact.

The issues of concern namely salary increment, management of tier two pension funds to mention but a few, particularly the latter has persisted between negotiations or collective bargaining, court interventions and strike actions over and over again with no end in sight. This further suggests that industrial actions are often the outcome of 'faulty negotiations' (Cramton and Tracy, 1992; Murwirapachena and Sibanda, 2014). This study concentrates on salary increment, salary and allowances consolidation, time schedules, promotional salary arrears and management of pension funds. Contrarily, prior studies, for example, Cramton and Tracy (1992); Murwirapachina and Sibanda (2014) focus on real wage and unemployment rate.

Moreover, Obeng-Fosu (2007) documented delay in the implementation of collective agreements, demand for minimum wage payment, dismissal and demand for reinstatement of dismissed colleagues, demand for payment of rent allowances, delay in signing collective agreement, protests against delay by the prices and incomes board to approve signed negotiated collective agreements (p. 141) including the single spine salary structure. Hence, the linkage between salary related issues and those related to tier two pension funds management and preparations for retirement cannot be underestimated. Consistently, studies demonstrate that retirement savings is directly related to earnings (BMO Wealth Institute, n.d) which worker contestations seek to resolve through demands for salary increments.

The effects of strike actions encompass loss in production and investment, loss of employment due to fall out with employers. Murwirapachena and Sibanda (2014) adds that socio-political effects relate to strike related injuries and death, which in turn creates extra burden on government and organisations in terms of supporting workers who are injured and retrenched and bereaved families through money payments to the disabled, unemployment benefits among several others.

Strike actions occur for several reasons. Key among which is when the wage expectations of the worker front are not consistent with what the organisation is willing to pay including the risk of dissension within union members. Cramton and Tracy (1992) indicated that "a firm with a high willingness to pay prefers to settle a high wage without a strike; a firm with a low willingness to pay prefers to endure a strike and settle at a low wage" (p. 1).

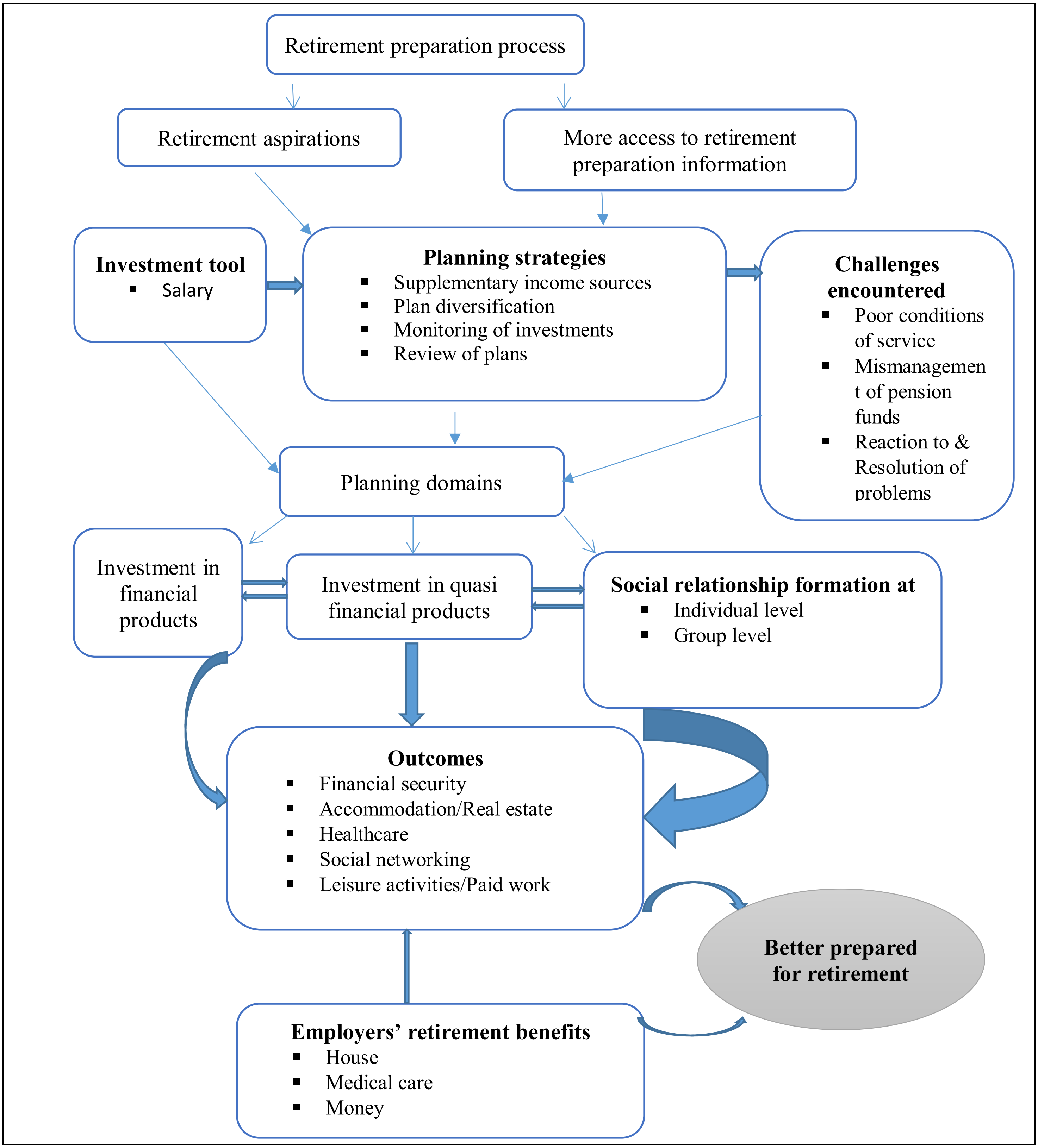
The mechanisms used in resolving conflicting work situations are diverse. They include negotiation or dialogue, collective bargaining, arbitration, and mediation. Cramton and Tracy (1992), Obeng-Fosu (2007, 2013), Salawu et al. (2013) and Tonah (2007) found similar results. The setting up of special commissions and tribunals (Salawu et al., 2013) is another mechanism. These have tremendous implications for retirement planning since income is often the central focus of these issues and part of it gets utilised for retirement preparations.

6.6.1 Retirement preparation models for formal and informal sectors workers

The expected outcome of the study was to develop a model for retirement preparation for formal and informal sector workers. Hence, the following models for retirement preparation among formal and informal sector workers have been developed demonstrating the process of retirement preparations among workers while summarising all the processes involved (Figures 30 and 31). The process of retirement planning for formal sector workers per Figure 30 commenced with the setting of retirement goals such as type of retirement albeit early retirement at 40-55 years, financial security, living arrangements, and OAEs. More formal sector workers aspire to engage in paid work beyond retirement. Comparatively, formal sector workers access more retirement planning information from a wider range of avenues namely seminars and/or workshops, counselling from PSPs, experts and employers among others. Hence, they were more financially literate comparatively. Strategically, the key investment tool utilised is workers' salaries in combination with supplementary income sources from second jobs including susu contributions on the side in some cases. Formal sector oriented retirement plans are more focused on mandatory pension contributions, T-bills, and life insurance including land and house acquisition, leisure activities such as farming, school ownership and management, transportation business and trading to be engaged in during retirement, and social networking at both individual (for example, children, nephews, nieces and significant others) and group (for example, associations) levels were diversified, monitored and reviewed for greater outcomes. The consequent outcomes entail financial security, accommodation, healthcare, interpersonal relationships and leisure activities. Formal sector workers often engage in industrial actions in relation to poor conditions of service. The ensuing impasse situation is resolved via negotiation, mediation and arbitration. To some extent, formal sector preparation measures are supplemented by employer's retirement benefits. Resultantly, formal sector workers were better prepared for retirement than their informal sector counterparts. This may have culminated from regular income flows, impending retirement age and greater access to planning information.

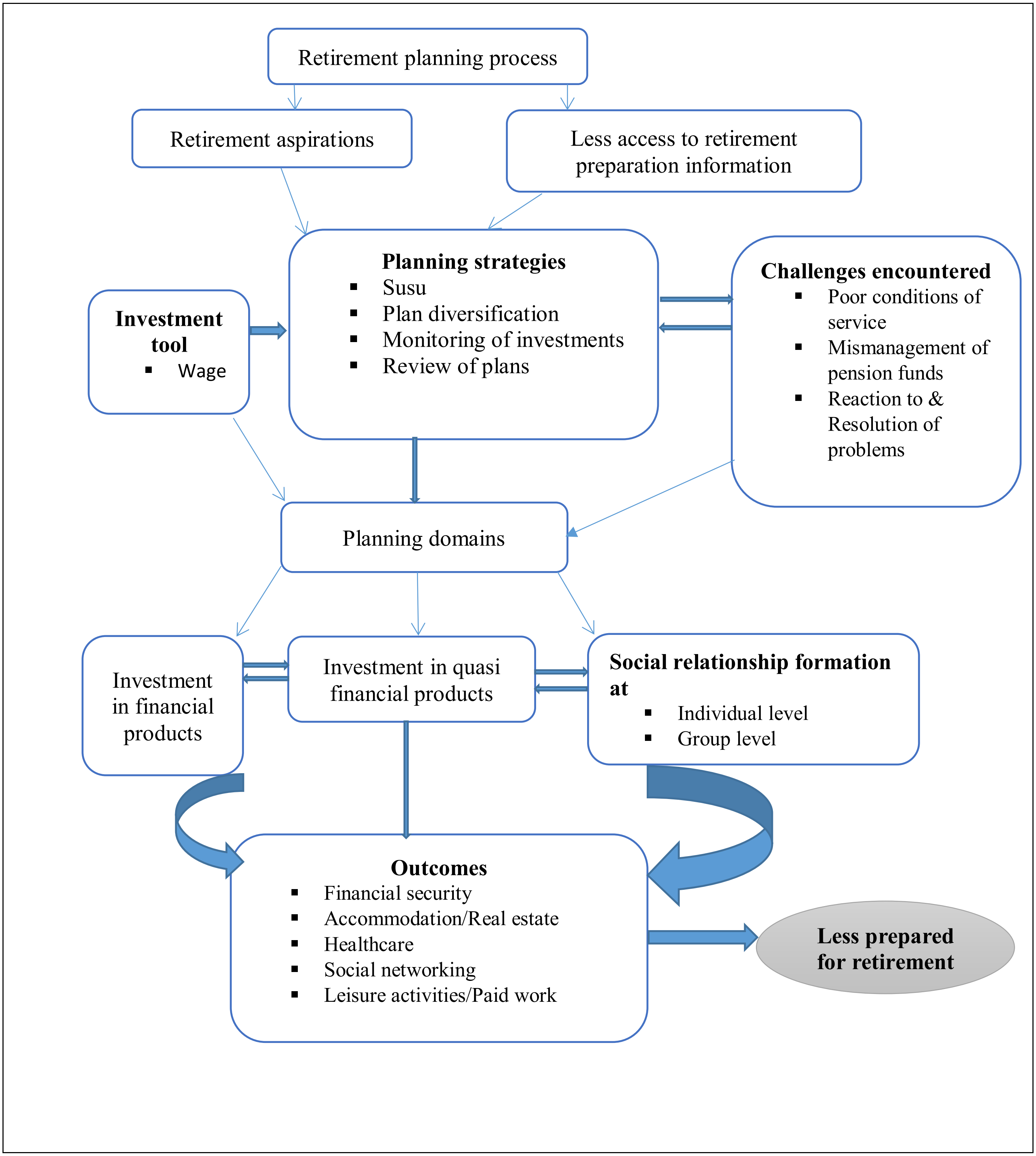
The process of retirement preparation for informal sector workers began with the setting of retirement goals such of enabling the need to ensure financial security, living arrangement including OAE. The informal sector does not have retirement age except that dictated by ill-health and/or frailty. The informal sector workers have relatively less access to retirement planning information obtained from family, peers and their own ideas compared to their formal sector counterparts, while they are opposed to PSPs and counselling. Use was made of workers' wages in combination with supplementation from susu. Informal sector-oriented retirement plans concentrate more on susu than mandatory pension contributions. Susu contributions are made from daily sales with the accrued amounts collected at the end of the month, which is then used to institute retirement measures. Instituted investments comprise financial products such as pension contribution, life insurance including land and house acquisition. The leisure activities entail farming, school ownership and management, transportation business and trading for onward engagement in retirement. Social relationship development occurred at both individual (for example, children, nephews, nieces and significant others) and group (for example, associations) levels. All these were diversified, monitored and evaluated for greater yields. The outcomes entailed financial security, accommodation, healthcare, interpersonal relationships and leisure. Informal sector workers often engage in industrial actions or outright resignations regarding poor conditions of service. The ensuing impasse situation is resolved via negotiation, mediation, arbitration in addition to family and community interventions (See Figure 31 below). However, the informal sector workers were less prepared compared to their formal sector colleagues due perhaps to meagre wages, lack of stipulated retirement age as well as absence of a wider planning informational access.

Figure 30: Retirement preparation model for formal sector workers



Source: Field data, 2017

Figure 31: Retirement preparation model for informal sector workers



Source: Field data, 2017

6.7 Conclusion

The study outlines the social organisation of retirement preparation along the life course. Retirement preparation along the life course is indicative of the time and effort dispensed in the preparation process. From this perspective, the study focused on the processes involved as well as the exact actions taken namely the mobilisation of economic resources, personal resources and social relational resources for utilisation in post-retirement life. Preparing for retirement takes place in a continuum, where plans may be diversified or not and is structured around five distinct domains namely financial security, accommodation, health care, interpersonal relationships and leisure. It is concluded that workers institute more than one retirement plans beyond pension contribution, which is indicative of retirement plan diversification. The results echo the significance of preparing for later life. This assertion has been attested to by Atchley (1999) who noted that "planning for retirement and the contingencies of old age has the key to a satisfying life" (pp. 18-19). Worker reactions to perceived unfair labour justice relating to salary increment and poor conditions of service in general, have wider reaching consequences including the garnering of an expansion of retirement portfolios through increase in retirement related investments.

CHAPTER SEVEN

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

7.0 Introduction

The chapter summarises the key findings of the study, drawing linkages between the key phenomena namely retirement aspirations and expectations, financial literacy and retirement planning. Further, it also concludes the study and proffers some policy level recommendations in relation to improving retirement planning as well as recommendations for further research.

The study investigated the following specific objectives: to provide an overview of existing policies on retirement planning; to profile the role of state and other corporate institutions in retirement preparation; to investigate formal and informal sector workers' retirement aspirations and sources of retirement planning information; to articulate the various forms of retirement plans instituted by formal and informal sector workers and to explore factors that mitigate against retirement preparation by workers.

In investigating these objectives the sequential mixed methods research approach was utilised. It was constituted by qualitative, quantitative and qualitative phases. Sample selection was undertaken with purposive, stratified, cluster and simple random sampling techniques. Data were collected using key informant interviews, survey and in-depth interviews, which yielded qualitative and quantitative data. The qualitative data were analysed thematically and managed with Nvivo whereas the quantitative data were analysed with SPSS.

The subsequent sections are as follows: Section two provides a summary of the findings of the study presented on objective by objective basis. Section three concludes the study whereas section four outlines a set of recommendations aligned to the study's outcome.

7.1 Summary of the findings

The findings provided an overview of existing policies on retirement planning and brought to the fore the fact that pension scheme or policy development in Ghana started in the 1930s and has undergone reformation of diverse forms thereafter. One of such reformations elicited by labour agitations and protests against unfavourable pension system in the country, led to the promulgation of the 2008 Pensions Act 766. It was implemented in 2010 in the form of the new three-tier pension scheme. However, the implementation took the form of concurrent operationalisation which combines PNDCL 247, Act 766 and Act 883, an amendment to the former. The implementation process has been presented with several glitches such as inadequate preparedness for implementation and operationalisation with weak enforcement of compliance especially from the informal sector. Pension policy will become near perfect with continuous roll out, if these issues are addressed timely.

The role of state institutions in retirement planning dimension indicated that social institutions perform two distinct functions namely informational and direct financial services to workers with respect to retirement planning. The informational function entails financial sensitisation. The direct financial functions encompass the creation of employment opportunities, NPS, collection of pension contributions, protection of pension funds, provision of statement of accounts, and prudent investment of pension funds. The functions performed by social institutions in the context of retirement preparation collectively contribute to the creation of an enabling environment in the form of the requisite structures and facilities. These enabled workers to engage in retirement planning in a more organised and informed manner. Thus, social institutions articulate the complex contexts that shape retirement planning.

The investigation of formal and informal sector workers' retirement aspirations and sources of retirement planning information demonstrated that effective retirement preparation is contingent on the articulation of retirement aspirations and the provision and receipt of the requisite information for planning. The retirement aspirations entailed the type of retirement life desired by the workers, sources of retirement finance, prospective post-retirement life leisure activities, OAEs including paid work beyond pension. Significantly, more formal sector workers aspired to engage in paid work beyond retirement than the informal sector ones. In addition, the workers obtained information both institutionally from PSPs, banks and other organisations and non-institutionally from family, friends and work colleagues, magazines, books, print and electronic media including own ideas. In other words, the workers obtained retirement information from formal and informal sources. Here, workers from the formal sector used more of institutional information sources whereas the informal sector ones utilised more of the non-institutional version of information sources. Evidentially, the formal sector workers were more financially literate comparatively. The formal sector workers were more exposed to retirement planning informational provision via mediums such as seminars, workshops, counselling than the informal sector ones.

The various forms of retirement investments undertaken by formal and informal sector workers, highlighted the fact that the trajectory to retirement preparation is changing. These have been categorised into financial and non-financial measures. For example, financial planning even takes different routes through pension contribution, susu, savings, credit union membership, church welfare, shares, stock, commodities, bonds and T-bills. Other measures are social in nature namely the formation and maintenance of interpersonal relationships with children, extended family members, significant others and associational membership such as drivers' unions, market associations and professional associations like the Ghana Institute of Surveyors. The quasi financial component entails house acquisition which could be obtained with funds and yet could also yield funds through rentals.

The study showed that majority of the respondents were planning for retirement whereas the minority were not. In preparing for retirement from an age cohort dimension, the younger ages of 17-19 saw informal sector workers undertaking susu and savings whilst the formal sector to a large extent invested in fixed deposits and life insurance. At the age cohort of 20-24 years, informal sector workers invested more in savings, susu including the monitoring of investments whilst the formal ones dominated in fixed deposits, provident fund and credit union membership. During 25-29 years, informal sector workers predominated in savings, church welfare membership, investment in gold as well as land properties compared to their formal counterparts who invested more in pension contribution, children's education and credit union membership. From 30-34 years, workers in the informal sector concentrated their investments in susu and land acquisition. The formal sector ones on the other hand focused on house acquisition, pension contribution, social relationships and stocks. At ages 35-39, informal sector workers predominantly instituted measures such as the diversification of income sources, savings, susu and investment in children.

For the formal sector, great investment efforts were expensed on family planning, landed property acquisition, pension contribution and gold.

During age range 40-44, workers in the informal sector ventured more into joining association, social relationships formation, acquired houses and mfund whereas the formal sector focused more on measures such as provident fund, funeral policy, land acquisition and epack. Workers from the informal sector instituted measures namely transportation business, land acquisition, savings and dieting from ages 45-49. Their formal sector colleagues concentrated on plan diversification, children's education, house acquisition, joining association, establishment of school. Between 50-54 years, workers in the informal sector largely undertook periodic health checks, fixed deposits, susu and landed properties. It was more of the review of housing situations, plan for renovation of (existing) houses, diversification of sources of income, farming, evaluation of available options and survey of second careers for the formal sector. More informal sector workers invested in landed properties, susu, social relationships and lifestyle review between 55-59 compared to the formal sector ones who checked their investments, planned for longer, invested in palm plantation and the setup of businesses.

In consequence, from a retirement preparation perspective, there are three categories of planners namely early planners aged between 17-19 and 20-29 years, mid-planners aged between 30-49 and 50-60+ constitute 'late planners'. Collectively, the plans instituted by these planners were diverse. Moreover, in terms of preparedness, the formal sector workers are better prepared compared to the informal sector ones. Yet, the magnitude of such preparations is what poses a bit of concern, particularly in terms of the diversification of the instituted plans. In some cases, limited portfolio spread has made planners to appear as if they are not planning at all. This is especially the case with respect to workers in the informal sector. This core concern can be attributed largely to the irregularity and insecurity of monthly income flows.

It is also worth noting that retirement preparation is not limited to the accumulation of financial resources alone. Inadvertently, financial constraints pose a challenge to the capacity of planners to diversify both income sources as well as retirement plans. In consequence, those workers who were not preparing for retirement at the time of the study intimated that they will start planning when their political party comes into power. This suggests that political dispensations and ideologies have implications for existing economic situations including the ability to prepare for retirement.

The process of retirement preparation also encompasses the monitoring of instituted portfolios for the security of investment purposes as well as plan diversification. The process of retirement preparation yields five distinct outcomes; financial security, accommodation, healthcare, family size and development of interpersonal relationships including leisure activities pursued differently from age, sex, formal and informal sector perspectives. These are supplemented in some instances with ESB. In the final analysis, workers from the formal sector were better prepared compared to their informal sector colleagues as Figure 25 depicts.

However, certain factors that impeded workers' retirement preparations pertains. Key among these factors encompassed poor conditions of service namely low salaries and the demands thereof leading to the resort to strike actions, lock outs and holdouts. Such impasses were resolved through facilitation, negotiation, arbitration, mediation, collective bargaining, family and community interventions. The resolution of which led to salary increment with implications for increased purchasing power and further retirement investments.

7.2 Conclusion

The study is a reflection of working men and women aged between 18-59 years who are presently enrolled in some form of employment, and who were preparing towards retirement. The purpose of the study was to gain a better understanding of retirement preparation, how workers are preparing, stakeholders and their roles as well as the challenges that workers encountered in the preparation towards retirement process. The study revealed that formal sector workers (89.3%) have an edge over their informal sector colleagues in terms of education. In the same vein the former earns more income than the latter relatively. This has implications for how informal sector workers prepare for retirement. Retirement aspirations and financial education are key influencers of retirement preparation. Retirement aspirations articulate the requisite retirement goals whereas financial education provides information about investment avenues and options, and investment monitoring.

Therefore it is concluded that the Ghanaian pathway to retirement preparation is multifaceted. Retirement preparation among formal and informal sector workers in Tema encompasses the articulation of retirement goals. The process of retirement preparation also entails planning while exploring aspirations and gaining financial literacy and vice versa. The sociological significance of retirement aspirations finds expression in anticipatory socialisation where the respondents project the kind of life they intend to lead in old age including the requisite preparations towards that. Similarly, financial education and the associated literacy are indicative of socialisation from retirement planning perspective where the agents of socialisation entail family relations, friends, peers, work colleagues, PSPs, churches and mosques. As a result, financial literacy information relates to the availability of investment options, including the risks involved as well as the need to monitor investments to ensure that anomalies are ascertained and rectified, meeting of planning goals to mention but a few. The lack of such vital information affected the meeting of individually articulated retirement aspirations. This suggests that there is a cordial relationship between workers' retirement aspirations, financial literacy and the kinds of portfolios instituted towards retirement. These findings may assist makers of policy to determine the specific stage of retirement preparation that needs support and intervention particularly in the area of financial literacy and earning of appropriately commensurate salaries.

Significantly, more formal sector workers aspired to engage in paid work beyond retirement than the informal sector ones. Pre-retirement education, the institution of financial and quasi financial products based investments and the diversification and monitoring of the same also pertains. The formal sector workers more often instituted the following measure such as pension contributions, T-bills and many more, which are mostly finance oriented. The informal sector ones predominated in plans such as caring for children as a form of social insurance and joining associations. These are less finance oriented compared to those of the formal sector workers with the exception of susu.

However, workers depended on family relations in securing retirement planning information including caring for children and other relations in lieu of 'social insurance'. This makes family as well as susu sociologically significant retirement plans that cannot be underestimated, especially with regard to well-being in old age in the context of increased life expectancy. This may be due to the diversity in thought that perhaps children alone may not be an enough social insurance against old age including the availability of a more secure avenue for doing so. Yet, this does not belittle the influence of the other instituted measures in the same context.

This study shed light on an important aspect of Ghanaian workers. For example, the significance of susu in relation to retirement preparation cannot be underestimated. The phenomenon of susu facilitates investment in children, landed properties namely plots of land and houses and other financial products such as epack, mfund, life insurance, and T-bills. Susu denotes an indigenous Ghanaian retirement planning strategy. It also provides information for use by policy makers on how people are preparing and what gaps exist. It is clear that society is changing, people are ageing, social support is falling apart, market ideology with varied fields exists and how workers respond to these.

The essence of the acquisition of houses as part of the preparations towards retirement cannot be underestimated. This establishes workers' endeavour to acquire houses, the essence of which becomes more elaborate in post-retirement life. In the absence of which they may be required to seek refuge in old age homes, other circumstances notwithstanding including rentals. However, some constraints such as poor wages and salaries, tier two management of pension fund posed a challenge to the capacity of workers to prepare. In consequence, workers resorted to industrial actions that elicited the redress of these issues with a trickling effect of additional retirement investments.

Worker reactions to perceived unfair labour justice relating to salary increment, poor conditions of service and a host of others have wider reaching consequences in the lives of the workers in the short, medium and long terms. In the short and medium terms, it boosts cash flows for employees facilitating improved purchasing power including improvement in living conditions. In the longer term, it may garner an expansion of retirement portfolios through increase in retirement related investments including procedures for salary increases in Ghana. This implies that it has a trickling down effect for preparing towards retirement, since more income perhaps means at least expansion in retirement related investments. This contradicts findings from Cramton and Tracy (1992) and Murwirapachena and Sibanda (2014) that industrial actions underscore real wage and unemployment rate.

These culminate into workers readiness for post-retirement life both financially and quasi-financially. This intricately makes the Ghanaian pathway to retirement preparation a seven stage phenomenon that consists of the setting of retirement aspirations and expectations, solicitation of retirement planning information, institution of retirement plans, diversification of income sources, diversification and monitoring of retirement investments including seeking redress for work related challenges. However, these stages may not be discrete points in the preparation process. They may overlap. For example, workers and/or planners need not finish setting their retirement aspirations or obtain retirement planning information before the act of instituting retirement plans and/or commencement of the preparation process. But due to differences in individual and situational contexts, these stages may be followed chronologically or non-chronologically.

The significance of pre-retirement preparation is in part necessitated by increased life expectancy, high costs of living and the weakening of the extended family support system. The life course approach to retirement preparation focuses on the inter-linkage between life course phases without considering each stage in isolation. Pre-retirement preparations prevent and ameliorate poverty in old age including dependency on children and family members at large, while putting the planner in-charge of his/her post-retirement life vis-à-vis longevity.

7.3 Recommendations for policy and further studies

Based on the above findings, the following policy recommendations including recommendations for further studies have been made. The findings first indicate in terms of policy that there is a low level of financial literacy among the workers. In consequence, policy makers and PSPs need to devise programmes aimed at increasing levels of financial literacy among workers.

Second, programmes on civic education have existed and have been reshaped over the years. The same goals can be imbibed into public senisitisation of workers without laying emphasis on the formal or informal sector. This is because the process of transmitting core values impacts on the strategies used to transmit diverse information (and skills) to a variety of groups in preparation for economic and retirement life. This implies that sensitisation needs to be perceived as a 'civic good' which depicts a 'common good' for all. But then 'all' must be supported to secure such education.

The Ghanaian state may resolve this in two distinct ways. First, resolve financial education impasse by introducing as part of the curriculum on citizenship a retirement planning literacy component. Further, a consolidated collaboration between the National Commission on Civic Education (NCCE), Information Services Department (ISD) and all PSPs namely NPRA, SSNIT, SSNIT ISF, and Petra Trust with respect to pension related information dissemination is required to increase the level of awareness creation and education. In the absence of state funding, NPRA, SSNIT and the other PSPs need to mobilise resources to enable them pursue rigourous public sensitisation. This assignment is essential considering the enormity of the need to plan for retirement vis-à-vis the changing trends in social life.

Third, it is thus recommended that the PSPs target workers from the informal sector including younger workers, since improving financial literacy among informal sector workers may have a positive impact on their financial choices. Use could also be made of media dissemination techniques such as advertisements in the form of posters, leaflets, booklets, magazines as well as films to instill retirement planning values in the populace.

Fourth, by practice, workers especially those in the formal sector are often informed by their respective organisations a year to 60 years about their retirement. Consequently, it is recommended that organisations should slate their retirement reminders to reflect in seminars and workshops from age 50 rather than age 59, which is one year to the attainment of the mandatory retirement age. Its adaptation may denote a shift from ‘good bye calls’ to ‘wake up calls’. It will then enable workers in the near old age category to ‘put things right’ as well as guard against old age related poverty and the associated stressors albeit psychologically, socially and economically. Further, the seminars and workshops organised for this purpose should rather be carried out at periodic intervals such as at 50, 55 and 59 years.

Fifth, the tier three pension scheme generally was designed to meet the needs of informal sector workers, yet does not qualify them for the receipt of a monthly pension income. This implies an impending review of the Section on voluntary pension contributions of Act 766. Thus, the NPRA must ensure that tier three should have two issues attached to it, namely base rate and threshold which will ensure that informal sector workers also operate and function within the context of monthly pension income. Without which the tier merely becomes a savings avenue, which is not different from what the banks, micro finance and savings companies offer to workers in the form of services. The NPRA also needs to institute legal structures towards the trial of recalcitrant employers.

Sixth, more often than not, the government reaches agreements with labour force regarding conditions of service and hesitates to honour it and thereby incurs the displeasure of workers as a result of that. It is then recommended that the government must endeavor to honour its words in terms of agreements reached with respect to, for example, consolidated salary structure for JUSAG, arrears payments, designation of a neutral manager for tier two pension funds promptly based on the negotiated order. This would motivate and restore confidence in the state or government and motivate workers, allay their fears including cooperation, and ensure job security between employers and employees. Essentially, the state must follow due process in policy implementation. The same applies to individuals and firms who employ the services of others. This when attained has the tendency of producing a stable industrial relations system in Ghana, although conflict is inevitable.

Seventh, labour reactions to state and organisational policies due to poor conditions of service have implications for retirement preparation. Hence, the possible solutions to labour unrests may consist of state legislation, implementation and enforcement of a national minimum wage policy in Ghana. This relates to the stipulation on the payment of minimum wage above the poverty line and which will augur well for all skilled and unskilled workers. It also takes into consideration the potentially unmarketable aspect of labour and the associated disadvantages.

Another key recommendation which is directed to the FWSC is that job evaluation could be used as a method to review the pay due workers commensurate to the demands and requirements of work done. Also, the need for the state to institute a welfare package scheme which serves as an additional form of benefit to workers is also recommended. To protect informal sector workers from ‘financial predictors’, state legislation on engagement in financial products must be tightened to safeguard the loss of funds from unsuspecting persons and/or traders with the support of the Ministry of Finance and Economic Planning, NLC and allied bodies.

It is worth noting that at the individual level, it is imperative for individual workers especially the informal sector ones to seek retirement planning knowledge directly and intensively of their own accord. More broadly, the habit of retirement planning should be inculcated into individuals in all facets of life from home, churches/mosques among others. Significantly, individuals should of their own volition develop the habit of planning particularly that towards later life.

Recommendation for further research

The study set out to investigate workers' retirement aspirations and sources of retirement planning information, institutional roles in retirement planning in terms of financial education and workers' retirement preparations including challenges encountered. However, in the process of data collection, other interesting ideas emerged which the researcher could not address because they fell outside the research objectives and therefore were not explored in this study. Yet, it is important to explore these dimensions because these areas are also important to be ascertained. Hence, the following recommendations have been made for further studies.

- Further research efforts should be directed at ascertaining the match between retirement aspirations and actions actually executed.
- There must be further research into workers' specific pension financial education needs in Ghana.
- Future studies need to examine whether following financial information or advice fosters a greater retirement plans institution.
- The study failed to explore workers' figuring out the amount of funds they require for their retirement. Hence, further research needs to investigate this issue.
- There should be further studies on retirement planning process based on gender differences.
- Further studies on retirement planning should focus on formal sector males versus females; & informal sector males versus females.
- Further study should also explore retirement planning ideas among employed and unemployed individuals.

- Last but not the least, there is the need for further research into children and wards' dependence on retired parents and guardians. This has implications for children who depend on their parents and/or guardians, which is contrary to the norm of filial obligation.

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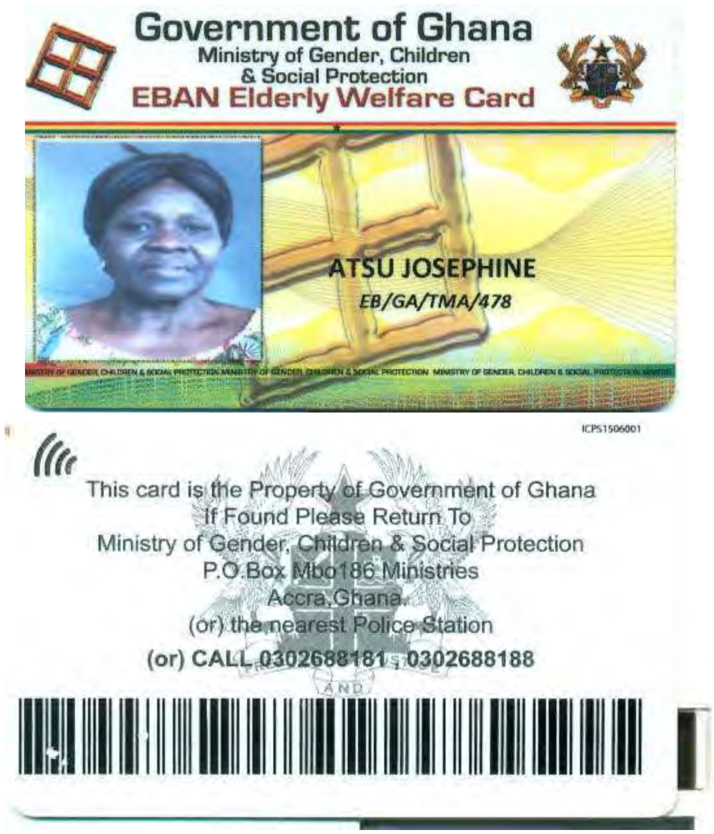
APPENDICES

Appendix I

Exhibition of EBAN card



Appendix II

Exhibition of property rebate footage

THE SPECTATOR News Saturday, July 9, 2016 27

Tema pensioners to enjoy 30% property rebate

From Godfred Blay Gibbah, Tema.

PENSIONERS in the Tema Metropolis would henceforth enjoy 30 per cent rebate on property rates.

The Metropolitan Chief Executive of Tema, Mr. Isaac Ashai Odamtten, announced this during a reception for 500 senior citizens on Republic Day.

Mr. Odamtten said the gesture was in recognition of the immense contribution senior citizens had made towards the development of the metropolis.

The Tema Metropolitan Assembly (TMA) at the programme honoured 20 senior citizens who excelled in fields like governance, security, sports and the creative arts.

Mr. Odamtten said as a means of tapping the wisdom and experience of the aged the TMA would soon set up a 10-member senior citizen advisory team to advice the Chief Executive on development, security and social issues.

Meanwhile, the TMA presented 126 bags of rice and 100 cartons of cooking oil worth GH¢48,000 to Muslims in the Tema metropolis for the just ended Ramadan. The donation coincided with an intercessory Muslim prayer for the Tema metropolis and the country.

The participants, from the 60 mosques in the Tema metropolis prayed to Allah for a peaceful election, recuperation of the afflicted and wisdom for the country's leaders to steer it to prosperity.

The Eastern Naval Command Chief Imam, Majeed Shuaib and Chief Imam of Tema, Adam Abubakar led the Muslims in the prayer.

Mr. Odamtten (middle) presenting the items to Imam Abubakar. With them is Nii Adjei Kraku II, Tema Mantse

Source: Spectator newspaper, 2016

Appendix III: Research instruments

KEY INFORMANT INTERVIEW GUIDE

INTRODUCTION

Dear Respondent, I am Delali A. Dovie, a student from the Sociology Department of the University of Ghana Legon, conducting a research on the '**Preparations of Ghanaian formal and informal sector workers towards retirement'**. It includes both tangible and intangible forms of preparations or financial and non-financial plans or actions. This research project is for academic purposes only. Your name is not required for the study. There are no right or wrong answers to the questions that would be asked therefore kindly feel free and share your views with me. Your responses and those of other respondents will be put together and analysed. If need be, I am willing to share the summary of the findings of the study with you at the end of the project. If you have any questions concerning the study, please feel free to ask for clarification at any point of the interview. You are also free to contact the researcher at the number provided below if you have questions at a later time. Phone number: **0242633358**.

This questionnaire is designed to gain an understanding of retirement planning by formal and informal sector workers in Ghana. Kindly complete this questionnaire as objectively as possible. The information given out is solely for academic purpose and would be treated as confidential. Thank you.

Themes	Questions	Probes
Personal information	Please tell me about yourself.	Position, work done
Organisational /Institutional Service to workers	What services do you offer to workers?	Formal & informal sector workers
	What programmes have been instituted by your outfit to discuss retirement planning issues with workers?	
	Are workers aware of such programmes?	Extent of awareness
	Do workers participate in these programmes?	Any evidence
	What issues are discussed in relation to retirement planning?	Formal & informal sector worker challenges
	Do you evaluate such programmes?	
	If no to question above, why not such programmes?	
	Does your outfit offer investment opportunities to workers?	Formal & informal sector workers
	If yes to question above, what forms do they take?	Formal & informal sector workers
	Are workers aware of such opportunities?	Way forward
Retirement planning	Do you think the workers' condition of service sufficiently addresses retirement planning issues in Ghana?	Tangible & intangible plans
	What constitutes workers' plan for retirement?	Formal and informal sector workers
	Do you think a successful retirement planning could ensure workers' well-being in Ghana?	Increase in retirement age
	What role does your outfit play towards the preparation towards retirement planning?	
Resistance to policy	Please tell me about any form of resistance staged by workers in relation to state policies or institutions?	Formal sector resistance, informal sector resistance

Thank you!!!

FOLLOW UP KII GUIDE

Key themes	Questions	Probes
Staff strength	How many people work here or what is your staff strength?	How many are permanent workers?
		How many are contract staff?
ESB scheme	Please tell me about your organisation's ESB systems or scheme	Is the 15% salary deduction across board?
		Is the housing scheme mandatory?
		What are the core constituents of the old workers housing scheme?
SSNIT pension contribution	What services do you offer the working population in terms of pension contribution?	In terms of the reduction in the number of years of contribution from 20 to 15 years, what happens when someone contributes for less than 15 years?
		Statement of accounts?
		What is annuity period?
		When did SSNIT start paying pension benefit under Act 766?
		What is life certificate?
	What is your organisation of mobile clinics for workers about?	When did the biometric registration exercise start?
		Do you register fresh workers too?
		Has the change in the pension system affected your operations in any way? If yes, in what way?
		Do you have a count of those you served at the clinic?
		What questions/issues do informal sector workers present? What about the formal sector?
		Do retired people also update their records at the mobile clinic?
	What challenges have you encountered in your line of duty?	
SSNIT Informal Sector Fund	What services do you offer workers in terms of pension contribution?	Do they walk in to pay?
		What is the age limit?

Thank you!!!

QUESTIONNAIRE

Dear Respondent, --- PhD candidate from the Sociology Department of the University of Ghana Legon, conducting a research on the '**Preparations of Ghanaian formal and informal sector workers towards retirement**'. It includes both tangible and intangible forms of preparations or financial and non-financial plans or actions. This research project is for academic purposes only. Your name is not required for the study. There are no right or wrong answers to the questions that would be asked therefore kindly feel free and share your views with me. Your responses and those of other respondents will be put together and analysed. If need be, I am willing to share the summary of the findings of the study with you at the end of the project. If you have any questions concerning the study, please feel free to ask for clarification at any point of the interview. You are also free to contact the researcher at the number provided below if you have questions at a later time. Phone number: **0242633358**.

This questionnaire is designed to gain an understanding of retirement planning by formal and informal sector workers in Ghana. Kindly complete this questionnaire as objectively as possible. The information given out is solely for academic purpose and would be treated as confidential. Thank you.
Please write or tick [ ] the appropriate response to each question. You can tick more than one answer if necessary.

Section A: Socio-demographic characteristics:

1. How old are you?
…………………………………………………………………………………………………….
2. Sex:
    a. Male [ ]   b. Female [ ]
3. Marital status:
    a. Married [ ]   c. Widowed [ ]   e. Single [ ]
    b. Divorced [ ]   d. Co-habiting [ ]
4. Educational level:
    a. No formal education [ ]   b. Primary [ ]   c. JHS/MSLC [ ]
    d. SHS [ ]   e. Technical [ ]   f. Vocational [ ]
    g. Tertiary [ ]   h. Other (specify) …………………………………...
5. Ethnicity:
    a. Adangbe [ ]   c. Dagomba [ ]   e. Ga [ ]
    b. Akan [ ]   d. Ewe [ ]   f. Other (specify) ……………………………….
6. Religion:
    a. Christian [ ]   c. African Traditionalist [ ]
    b. Muslim [ ]   d. Other (specify) ……………………………………………..
7. In which sector of the economy do you work?   a. Formal sector [ ]   b. Informal sector [ ]
8. Where do you used to work?
    a. Public service [ ]   b. Civil service [ ] c. Informal (e.g. hairdressers/barbers, traders, food vendors, tailors, drivers, masons, carpenters, electricians, etc) [ ]   e. Other (specify)
…………………………………………………………………………...………
9. Position at workplace. ………………………………………………………………..........
10. Nature of occupation: a. Permanent [ ] b. Casual [ ]

11. How long have you been working for? …………………………………………………….
12. How many years do you have before you retire? ……………………………………….
12b. How many children do you have? …………………………………………….……..
12c. How many are working or employed? ……………………………………….…….
12d. How many are in school? …………………………………………….....……….
12e. How many nieces live with you? ……………………………………………………….
12f. How many nephews live with you? …………………………………………………….

Section B: Retirement aspirations of workers:

13. Do you intend to retire from work? a. Yes [ ] b. No [ ]
14. At what age do you intend to retire? ....
14b. What form will it take? A. Full retirement [ ] b. Partial retirement [ ]
15. Do you intend to work after retirement? a. Yes [ ] b. No [ ]
15b. Indicate reasons for that.

…………………………………………………………………………………………………

…………………………………………………………………………………………………

16. What will constitute your expected main retirement funding sources?
    a. Pension income [ ] f. Spouse's pension income [ ]
    b. Lump sum [ ] g. Income from business [ ]
    c. Savings [ ] h. Financial support from family [ ]
    d. Investments [ ] i. Financial support from church [ ]
    e. Financial support from children [ ] j. Other (specify) ………………………………..
17. Do your retirement expectations include any of the following?
    a. Financial security in old age [ ] c. Access to healthcare [ ]
    b. Comfortable post-retirement life [ ] d. Old age entitlements [ ]
    f. Other specify ……………………………………………………...……………..
18. Which of the following do you aspire to undertake when you retire?
    a. Spend time with family & friends [ ] b. Devote time to gardening [ ]
    b. Devote time to home improvements [ ] c. Pursue new hobbies [ ]
    c. Other (specify) ……………………………………………………………………….
19. Do your retirement preparations match your retirement aspirations? a. Yes [ ] b. No [ ]

Section C: Retirement planning information:

20. From which of these sources did you obtain information on retirement planning?
    a. Family [ ] f. Pension related organisations [ ]
    b. Friends & work colleagues [ ] g. Electronic media [ ]
    c. Books & magazines [ ] h. Print media [ ]
    d. Experience from managing personal funds [ ] i. Own ideas [ ]
    e. Financial planner [ ] k. Other (Specify) …………………….
20b. If yes to pension related organisations, mention such organisations.

…………………………………………………………………………………………………

21. Have you had any pre-retirement education or counselling before?
    a. Yes [ ] b. No [ ]
22. Have you attended any retirement preparation seminar/workshop before? a. Yes [ ] b. No [ ]
23. Please state the lessons learnt from retirement planning education.

…………………………………………………………………………………………………

23b. Please indicate the extent of helpful of the lessons learnt to you.

a. Extremely helpful [ ] b. Very helpful [ ]
b. c. Somewhat helpful [ ] d. Slightly helpful [ ]

Section D: Forms of workers retirement planning:

24. Are you plannin towards retirement? a. Yes [ ] b. No [ ]
25. At what age did you start preparing for retirement? ……………………………………...
26. How much do you earn per month? ……………………………………………………………
27. Are you involved in any other incoe generating activity? a. Yes [ ] b. No [ ]
27b. If yes, please state it.
…………………………………………………………………………………………………
28. Does your employer offer you any retirement benefits? If so do you take advantage of these benefits?
a. Yes, I take advantage of these benefits [ ]
b. Yes, but I do not take advantage of these benefits [ ]
c. No, my employer does not offer any retirement benefits [ ]
28b. If yes, state these retirement benefits.
……………………………………………………………………………………………
29a. Are you doing family planning? a. Yes [ ] b. No [ ]
29b. Is there any link between family size and planning towards retirement? a. Yes [ ] b. No [ ]
29c. What number of children is ideal in the context of retirement planning? …………………
30. Where do you intend to live when you retire?
a. Own house [ ] d. Rented house [ ] g. Uncle's house [ ]
b. Family house [ ] e. Spouse's house [ ] h. Auntie's house [ ]
c. Children's house [ ] f. Father/mother's house [ ] i. Brother's house [ ]
j. Sister's house [ ] k. Other (specify) …………………………………………….

Section E: Dynamics of Three-Tier pension scheme:

31.What is the extent of your awareness of 3-Tier pension scheme?
a. Not at all aware [ ] b. Slightly aware [ ] c. Moderately aware [ ]
d. Very aware [ ] e. Extremely aware [ ]
31b.Which of the Tiers do you contribute to?
a. Tier 1 [ ] b. Tier 2 [ ] c. Tier 3 [ ] d. Tiers 1 & 2 [ ] e. Tiers 2 & 3 [ ]
31c. What are the benefits of the new 3 tier pension scheme? a. Monthly pension income [ ]
b. Health insurance [ ] c. House acquisition [ ] d. Lump sum [ ] e. Additional funds [ ]
f. Other specify ……………………………………………………………………………….
32. Do you have a house? a. Yes [ ] b. No [ ]
33. Do you receive statement of accounts on pension contributions? a. Yes [ ] b. No [ ]
33b. If Yes, through what means? ……………………………………………………………

Section F: Pre-retirement planning measures instituted:

34. At 18 years what action did you take?
a. Susu [ ] b. Savings [ ] c. Pension contribution [ ] d. Other (specify) ………………….
35. At 19 years what action did you take?
a. Susu [ ] b. Savings [ ] c. Pension contribution [ ] d. Other (specify) ………………….
36. At 19 years what action did you take?
a. Susu [ ] c. Pension contribution [ ] e. Acquire house [ ]
b. Savings [ ] d. Investment in children [ ] f. Other (specify) ……………………………..
37. At 20 years what action did you take?

a. Susu [ ] c. Pension contribution [ ] e. Acquire house [ ]
b. Savings [ ] d. Investment in children [ ] f. Other (specify) ……………………………..

38. At 21 years what action did you take?
    a. Susu [ ] c. Pension contribution [ ] e. Acquire house [ ]
    b. Savings [ ] d. Investment in children [ ] f. Other (specify) ……………………………..
39. At 22 years what action did you take?
    a. Susu [ ] c. Pension contribution [ ] e. Acquire house [ ]
    b. Savings [ ] d. Investment in children [ ] f. Other (specify) …………………………….
40. At 23 years what action did you take?
    a. Susu [ ] c. Pension contribution [ ] e. Acquire house [ ]
    b. Savings [ ] d. Investment in children [ ] f. Other (specify) …………………………….
41. At 24 years what action did you take?
    a. Susu [ ] c. Pension contribution [ ] e. Acquire house [ ]
    b. Savings [ ] d. Investment in children [ ] f. Other (specify) …………………………….
42. At 25 years what action did you take?
    a. Susu [ ] c. Pension contribution [ ] e. Acquire house [ ]
    b. Savings [ ] d. Investment in children [ ] f. Other (specify) …………………………….
43. At 26 years what action did you take?
    a. Susu [ ] c. Pension contribution [ ] e. Acquire house [ ]
    b. Savings [ ] d. Investment in children [ ] f. Other (specify) …………………………….
44. At 27 years what action did you take?
    a. Susu [ ] c. Pension contribution [ ] e. Acquire house [ ]
    b. Savings [ ] d. Investment in children [ ] f. Other (specify) …………………………….
45. At 28 years what action did you take?
    a. Susu [ ] c. Pension contribution [ ] e. Acquire house [ ]
    b. Savings [ ] d. Investment in children [ ] f. Other (specify) …………………………….
46. At 29 years what action did you take?
    a. Susu [ ] c. Pension contribution [ ] e. Acquire house [ ]
    b. Savings [ ] d. Investment in children [ ] f. Other (specify) …………………………….
47. At 30 years what action did you take?
    a. Budget 10% of income for savings [ ]
    b. Start a retirement savings plan/open a retirement account [ ]
    c. Plan for future expenses for the education of children [ ]
    d. The purchase of a home [ ]
    e. Periodic health checks [ ]
    f. Other (specify) ……………………………………………………………………………
48. At 31 years what action did you take?
    a. Susu [ ] c. Pension contribution [ ] e. Acquire house [ ]
    b. Savings [ ] d. Investment in children [ ] f. Other (specify) …………………………….
49. At 32 years what action did you take?
    a. Susu [ ] c. Pension contribution [ ] e. Acquire house [ ]
    b. Savings [ ] d. Investment in children [ ] f. Other (specify) …………………………….
50. At 33 years what action did you take?
    a. Susu [ ] c. Pension contribution [ ] e. Acquire house [ ]
    b. Savings [ ] d. Investment in children [ ] f. Other (specify) …………………………….
51. At 34 years what action did you take?

a. Susu [ ] c. Pension contribution [ ] e. Acquire house [ ]
b. Savings [ ] d. Investment in children [ ] f. Other (specify) ……………………………

52. At 35 years what action did you take?
a. Susu [ ] c. Pension contribution [ ] e. Acquire house [ ]
b. Savings [ ] d. Investment in children [ ] f. Other (specify) ……………………………

53. At 36 years what action did you take?
a. Susu [ ] c. Pension contribution [ ] e. Acquire house [ ]
b. Savings [ ] d. Investment in children [ ] f. Other (specify) ……………………………

54. At 37 years what action did you take?
a. Susu [ ] c. Pension contribution [ ] e. Acquire house [ ]
b. Savings [ ] d. Investment in children [ ] f. Other (specify) ……………………………

55. At 38 years what action did you take?
a. Susu [ ] c. Pension contribution [ ] e. Acquire house [ ]
b. Savings [ ] d. Investment in children [ ] f. Other (specify) ……………………………

56. At 40 years what action did you take?
a. Explore options of retirement in terms of early retirement [ ]
b. Explore partial or work after retirement [ ]
c. Figure out retirement aspirations [ ]
d. Develop interests, friendship and skill outside work [ ]
e. Think about diet and fitness programmes [ ]
f. Other (specify) ……………………………………………………………………..

57. At 41 years what action did you take?
a. Susu [ ] c. Pension contribution [ ] e. Acquire house [ ]
b. Savings [ ] d. Investment in children [ ] f. Other (specify) ……………………………

58. At 45 years what action did you take?
a. Actively think through and plan the retirement [ ]
b. Check out financial goals namely pay off mortgages [ ]
c. Review asset allocation such as bonds, equities, real estate [ ]
d. Review legal papers [ ]
e. Other (specify) ……………………………………………………………………..

59. At 47 years what action did you take?
a. Susu [ ] c. Pension contribution [ ] e. Acquire house [ ]
b. Savings [ ] d. Investment in children [ ] f. Other (specify) ……………………………

60. At 50 years what action did you take?
a. Individuals should review the situation of housing [ ]
b. Plan for renovation [ ]
c. Survey second career options [ ]
d. Post-retirement dental and health care plans [ ]
e. Other (specify) ………………………………………………………………………

61. At 51 years what action did you take?
a. Susu [ ] c. Pension contribution [ ] e. Acquire house [ ]
b. Savings [ ] d. Investment in children [ ] f. Other (specify) ……………………………

62. At 55 years what actions did you take?
a. Check on social security benefits (and decide on when to start collecting) [ ]
b. Consult a financial advisor, a lawyer or an estate planner [ ]
c. Train and develop new skills for purposes of working after retirement [ ]

d. Other (specify)…………………………………………………………………………..

63. At 56 years what action did you take?
a. Susu [ ] c. Pension contribution [ ] e. Acquire house [ ]
b. Savings [ ] d. Investment in children [ ] f. Other (specify) ……………………………

64. At 59 years what action did you take?
a. Review of assets [ ] c. Plan for the long-run [ ]
b. Diversify income sources [ ] d. Modify plans as interests may change [ ]
e. Other (specify) ……………………………………………………………………

65. Do you monitor the investments you have instituted in planning towards retirement so far?
a. Yes [ ] b. No [ ]

65b. Why?
a. To meet realistic goals [ ]
b. To ascertain challenges & resolve them [ ]
c. Other (specify)…………………………………………………………………..

65c. How often do you do that? a. Monthly [ ] b. Quarterly [ ] c. Bi-annually [ ] d. Yearly [ ]
e. Other (specify)…………………………………………………………………

Section G: Preparedness towards retirement

66. How prepared are you towards retirement in the following areas?

a. Accommodation	a. Very well [ ]	b. Well [ ]	c. Fair [ ]	d. Poor [ ]	e. Can't tell [ ]
b. Financial	a. Good [ ]	b. Fair [ ]	c. Poor [ ]	d. Don't know [ ]	
c. Health	a. Good [ ]	b. Fair [ ]	c. Poor [ ]	d. Don't know [ ]	
d. Social networks	a. Good [ ]	b. Fair [ ]	c. Poor [ ]	d. Don't know [ ]	
e. Leisure	a. Good [ ]	b. Fair [ ]	c. Poor [ ]	d. Don't know [ ]	

67. Please indicate your extent of preparedness for retirement based on plans instituted.
a. Very prepared [ ] c. Averagely prepared [ ] d. Not at all prepared [ ]
b. Somewhat prepared [ ] d. A little prepared [ ]

Section H: impediments to retirement preparation

68. What challenges or barriers to preparing towards retirement have you encountered?
a. Volatile capital market [ ] g. Inadequate investment knowledge & information [ ]
b. Lack a savings culture [ ] h. Negative attitude towards retirement [ ]
c. High cost of living [ ] i. Retirement process is bureaucratic [ ]
d. Not knowing what to do [ ] j. Poor attitude towards savings [ ]
e. Low level of financial literacy [ ] k. Difficulty in time management [ ]
k. Poor conditions of service [ ] l. Other (specify) ……………………………

69. Which labour policy issues have you had problems with and for which you disagree?
a. Conditions of service [ ] c. Management of Tier 2 funds [ ]
b. Management of pension contributions [ ] d. Other (specify) ………………………

70. In terms of unresolved labour problems or tensions or labour policy issues which of the following actions do you resort to?
a. Strike action [ ] b. Lock out [ ] c. Other (specify) ……………………..

70b. Please state the labour problem or tension involved.
……………………………………………………………………………………

71. How is an impasse or strike action solved? Through:
a. Negotiation [ ] c. Abitration [ ] e. Family intervention [ ]
b. Mediation [ ] d. Collective bargaining [ ] f. Community intervention [ ]
g. Other (specify) ………………………………………………………………....

72. Please state the result or outcome of your reaction.

……………………………………………………………………………………………

73. Which organisations or institutions have you as workers negotiated or interacted with in relation to a labour issue or problem?

a. NPRA [ ] c. Labour Department [ ] e. Fair Wages & Salaries Commission [ ]
b. SSNIT [ ] d. NLC [ ] e. The Courts [ ] f. Other (specify) ………………………….

Thank you!!!

IN-DEPTH INTERVIEW GUIDE

Themes	Questions	Probes
Personal information	Please tell me about yourself.	Childhood?
		Influence on retirement planning
		Any linkages with work & retirement planning?
Work life	Tell me about your work life.	When started working
		Are you involved in any additional income generation activity?
Retirement	How do you feel about retirement?	Perception of retirement
Retirement aspirations	Tell me about your aspirations concerning retirement?	Retirement aspirations Retirement planning information
Retirement planning information	Please tell me about how you obtained information for planning	Sources of retirement planning information
Retirement planning	Please tell me about when you started planning towards retirement.	Reason for the kind of plan portfolios; investment of savings money in other ventures; Trust in fund managers; etc
	Please share with me how you have been planning towards retirement.	All actions taken, age, number of children, gender, education, family planning, etc.
		At what ages did you institute plan actions?
Social relationship building	What are your views on social relationship building?	Who should it be formed with? Children; Siblings; Cousins; Nephews & nieces; Spouses; Parents; Uncles/aunties; House maids & servants; Significant others; Members of society
	How should social relationships be built?	Benefits

Thank you!!!