

**EMERGING NEW PATTERNS IN SOCIAL SECURITY IN THE
INFORMAL ECONOMY IN ACCRA, GHANA**

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Declaration

I declare that this dissertation is the result of my own research work carried out in the Centre for Social Policy Studies under the Supervision of Dr. Ellen Bortei-Doku Aryeetey.

All references cited in this work have been duly acknowledged.

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DEDICATION

This work is dedicated to my parents Dr. and Mrs. S.A. Akor, and my siblings Adwoa Dagadu Akor, Kwadwo Atta Akor and Adwoa Ataa Ayorkor Akor for the unflinching support.



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Abstract

Workers in the informal economy have been identified to be at a higher risk of experiencing poverty as they grow old in developing countries. Due to their attitudes to saving, planning for old age and eroding family support. Well-designed social security programmes can help reduce both the risk by building resilience to shocks – safety nets. Although these exist there are still some challenges considering the rate of enrolment into the formal social security available.

Increasingly it is being regarded as important for the society to consider the importance of a universal formal Social Security. However this has been wrought with many challenges for many developing countries especially. To reduce the incidence of poverty and with the eroding family support, it has become necessary for countries to be concerned about how individuals are planning towards retirement in their old age or in the event that there is stoppage of work abruptly.

In this thesis, I describe the trends in Social Security in Accra with my respondents for the study chosen from Madina.

The objectives of the study were to; to find out how sources of knowledge about the SSNIT Informal Sector Fund (SISF) affected attitudes, study the nature of informal Social Security arrangements that Informal Economy workers participate in, determine how pricing, benefits, services and other factors affects the workers choice of social security systems available, and make recommendations that will help increase awareness in the informal economy about social security.

The results show that although there are Social Security Systems available to the Workers in the Informal Economy, subscription was low.

Abbreviations

GLSS	Ghana Living Standard Survey
ILO	International Labour Organisation
ISSA	International Social Security Association
NRCD	National Redemption Council Decree
OSA	Occupational Scheme Account
PHC	Population and Housing Census
PNDC	Provisional National Defense Council
RA	Retirement Account
SISF	SSNIT Informal Sector Fund
SSNIT	Social Security National Insurance Trust

CHAPTER ONE

INTRODUCTION

1.1 Background

The expansion of social security coverage in Africa is one of the biggest challenges as recent studies by the International Social Security Association (ISSA, 2009), suggest. They highlight one priority area that needs attention and this is the informal economy. In extending the coverage, a vital concern that has been identified in developing countries such as African countries is how social security is defined. Leliveld offers a view that: “Social security is firstly the protection, by society, of individuals or social groups against a fall in their standards of living as a result of temporary adversities, and secondly, the amelioration, by society, of those standards of living of individuals or social groups which are below an acceptable minimum level” (Leliveld, 1991: 210). The definition gives a comprehensive scope of social security which includes all persons, and therefore, those in the informal economy.

The need for the provision of effective social safety nets for the poorest in all societies is now widely accepted, given the gradual breakdown of traditional family-based arrangements for social support both in industrial and emerging economies. Migration to urban centres plays a major part in these changes. In some places family based arrangements have been replaced by formal market-based arrangements such as contributory pensions. However, this formal market-based solution has reached only a handful in places like Africa where most people do not earn regular monetary income.

The ideal way for individuals to attain income security is to have a good job that earns a living wage. Nonetheless, social security has become important in the provision of income security in the event of loss of income due to unemployment, maternity, old age, sickness, and

invalidity resulting from work roles. This is expressed in the International Labour Organization (ILO, 1989) definition of social security, as the security that society furnishes through appropriate organizations against certain risks to which its members are exposed such as listed above. ILO Convention 102 (1952) explains the provisions recommended for social security. It also means that, social security is not only limited to formal provisions that may also offer benefits to individuals and their family members in the event of an accident, but also the informal contingencies individuals are likely to put in place.

Scholars argue that social security is necessary even in low income countries, for inclusive economic growth (Ahmad et al, 1991:106). In relation to this notion, are a number of issues that have been raised in recent years with regards to social security provision especially in developing countries. At the forefront is the need to extend social security to categories of workers in the sections of the economy with little or no coverage. Largely represented in this category is the informal economy, which is generally characterised by inherent difficulties of unstable incomes making it difficult to enrol workers into the formal social security systems.

For this reason, the conclusions adopted at the 89th session of the International Labour Conference (ILO, 2001), not only highlighted the need to embrace a wide range of organizational approaches right down to the local level, where the potential of micro-insurance schemes should be explored, but also stressed the overall responsibility of the State in the promotion, facilitation and extension of coverage.

In sub-Saharan Africa, the informal economy employs over 85 percent of total working population (ILO, 2010). Unfortunately with some notable exceptions as in Algeria,

Egypt, Tunisia and Mauritius, most citizens in the rest of this region do not enjoy any form of social security. In Ghana, the New National Pension Law, 2008 (Act 766) was established to replace the parallel Social Security and National Insurance Trust (PNDC Law 247) and Cap 30 Pension Scheme, with the aim of providing a sustainable pension scheme that will ensure retirement income security for Ghanaian workers, including those in the informal economy. The study therefore aims at identifying the emerging new trends in Social Security in the informal economy in the Madina Municipality.

1.2 Statement of Problem

In Ghana, the result of the 2000 Population and Housing Census illustrates that about 80% of the population that are economically active, work in the informal economy (GSS, 2008: 89). However unlike in the formal economy, structures for social security have not been formally institutionalised. Although Ghana established an independent SSNIT Informal Sector Fund in 2002 to cater for their social security needs, subscription by informal economy workers unto the Scheme has not been encouraging.

There is a need to find out what barriers workers in the informal economy face, or what alternative arrangements they use, which prevents them from patronising the formal sector scheme. In Boon's (2007: 75) study, he recommends that 'an innovative combination of the traditional in-kind social security system, which is serviced by the extended family arrangement with the formal (cash) social security system is one of the surest ways of improving and extending social security services to the poor and the deprived in Ghana. It is, therefore, essential to identify the emerging trends in social security in the informal economy which will be a major step towards making concrete provisions to strengthen and support them.

1.3 Research Questions

- What is the influence of informal social security arrangements on the patronage of the SSNIT Informal Sector Fund (SISF)?
- Under what conditions do workers in the informal economy opt to enrol in the SSNIT Informal Sector Fund (SISF)?

1.4 Objectives

The General Objective is to examine emerging new trends in informal social security and their competitive advantage over SISF.

Specific Objectives

The study will specifically seek:

1. To find out how sources of knowledge about the SSNIT Informal Sector Fund (SISF) affected attitudes.
2. To study the nature of informal social security arrangements that informal economy workers participate in.
3. To determine how pricing, benefits, services and other factors affects the workers choice of social security systems available.

The Ghana Pension Law and the Informal Sector

According to the National Pension Act, 2008 (Act 766), the first and second tiers which constitute a total 18% of an employees' salary are mandatory contributions for individuals in the formal sector of the economy each month. Subsequently, the third tier is a voluntary pension scheme for all workers and it is meant especially, to enable informal sector employees to contribute towards the formal social security system managed by SSNIT. According to the

SSNIT Informal Sector Fund (SISF) Overview (2011), as at the end of 2004, active contributors to SSNIT pension scheme was less than 1 million compared to Ghana's economically active population estimated at over 10 million (PHC, 2000). In effect, just about 10% of the workforce is covered by SSNIT. By implication the majority of the economically active population who operate in the informal economy are not covered by the SSNIT pension scheme.

The SISF overview (2011) reveals that since the establishment of the new pension scheme, subscription to the scheme by economically active population in the informal economy as at the end of 2010 was 78,627. The low patronage remains a big challenge for the SISF, as workers can contribute purely on a voluntary basis which fits within ILO guidelines for workers to contribute either through a contributory scheme or taxes (SISF; 2011). In addition, the informal economy suffers from low regulation of labour relations, as a result of which employers fail to observe basic principles of conditions of service including SS— most informal work is non-contractual.

Labour-related regulatory institutions even where they exist do not function as expected, as has been noted with Public Employment Centres, Labour Inspectorate and Minimum Wage-Fixing and Monitoring Machinery (Adu-Amankwah, 1997). With ineffective institutions, especially for the informal economy, then it will be difficult to institute a functional social security system that individuals would also find trust worthy.

The informal economy is receiving increasing attention and has constantly become a target for most policy ideas by both governmental and non-governmental organisations (Adu-Amankwah, 1999: 1). Adu-Amankwah (ibid), also asserts that this attention received by the sector at intellectual and policy levels is not just because it is an old institution, but because it

is absorbing an ever-increasing number of workers. One of the highlights of the 89th session of the International Labour Conference (ILO, 2001) in Geneva was that, economic performance can be enhanced through efficient social security systems. If this true, it is important for developing countries such as Ghana to understand the social security systems being patronised by the working population in the informal economy, since they form a larger proportion of the income generating population.

1.5 Rationale of Study

According to trends in Ghana's population census people are living longer than before. A clear indication is a comparison of the 1984 and 2010 population census which shows an increase in the numbers of the elderly aged 60 and above from 4.60% to about 7% respectively. Aboderin (2005: 1) asserts that in recent times, developing countries found in Africa and Asia have experienced a major decline in material family support for older people. In view of this fact and in relation to the gradual decline of family support as a major form of social security, it has become necessary for individuals to plan alternative forms of contingencies for unexpected events which may lead to loss of their regular means of livelihood. Increasingly the State is being drawn into making a commitment towards providing social security for the poor. Article 7 (Sec. 6) (a) of the Ghana 1992 Constitution makes provision for the State to:

- Ensure that contributory schemes are instituted and maintained that will guarantee economic security for self-employed and other citizens of Ghana, and
- Provide social assistance to the aged such as will enable them to maintain a decent standard of living

To the sceptics advocates of social security for all have pointed out that such protection is actually good for economic development, as it can sustain the demand for consumer goods (von Hauff, 2002: 19-20).

The findings of this study should be useful to various stakeholders such as policy makers as source information for policy work in relation social security for the informal economy in Ghana. It will also provide a basis for further debate on the subject, thereby deepening the understanding and appreciation of the issue of future social security measures in the informal economy.

1.6 Definition of Terms

Social Security:

Social security in the context of this study refers to setting aside part of resources available to an individual in terms of money or investment into assets during one's working lifespan as a means of contingency towards a comfortable livelihood after retirement or when they lose their source of income due to unforeseen events.

Informal Economy:

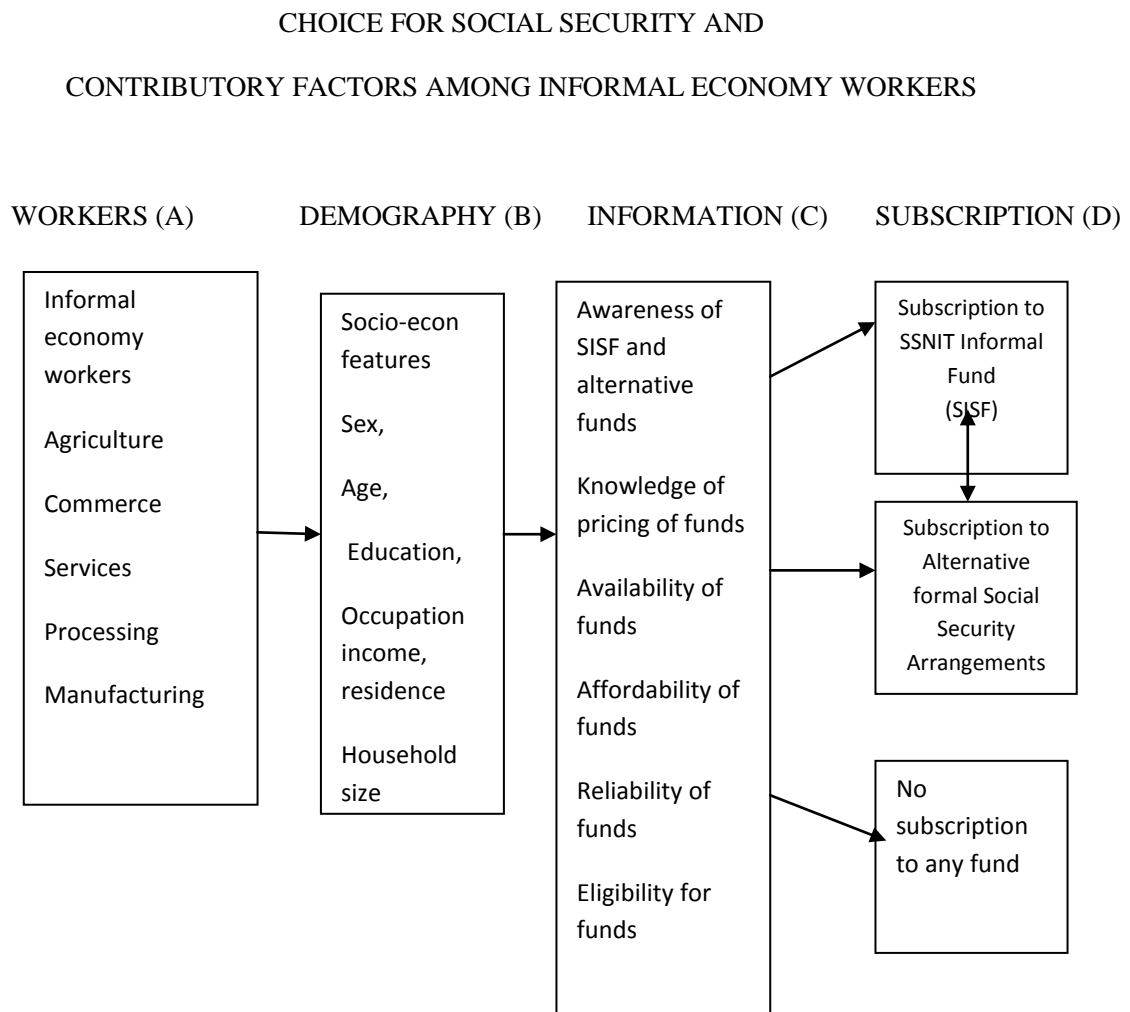
The informal economy refers to the sector of the economy characterised by ease of entry, reliance on indigenous resources, family operations of business, small scale of production, sole proprietorship, labour intensive, on-the-job skills acquisition, and activities and income that are partially or fully outside government regulation, taxation, and observation. For the purpose of the study we will consider urban informal sector in Ghana. Studies conducted on the urban informal sector in Ghana reveal a wide range of operations that can be grouped under (i) services; (ii) construction; and (iii) manufacturing.

In recent times *informal economy* is preferred to *informal sector* to overcome the notion that ‘informal’ is limited to a specific sector of economic activity since it covers diverse sectors of a country’s economy.

1.7 Conceptual Framework

Fig 1.0 below shows the possible options of social security available to workers in the informal economy and factors that are likely to influence the choices they make.

Fig. 1.1: Conceptual Framework



Source: Author’s Construct, 2012

Figure 1.1 illustrated above shows possible outcomes in relation to social security and the informal economy. From the illustration above, the choices workers make are likely to be influenced by the factors listed at the base of the figure. It is also assumed that workers found in the informal economy are likely to subscribe to social security arrangements under the SSNIT Informal Sector Fund, and alternative social security arrangements such as susu, products being offered by insurance companies and other financial institutions. They might also invest in landed properties based on factors listed above - the socio-economic, financial and geographical accessibility of SISF. The likelihood of individuals to subscribe to any of these options stated earlier will be a result of some factors as shown in the figure above. This is as a result of interaction among the factors indicated as:

- The knowledge level of the SSNIT Informal Sector Fund (e.g. Misconception about the scheme)
- Socio-economic, financial and geographical accessibility to the SISF
- Alternatives available apart from the SSNIT Informal Sector Fund

It must be noted, however, that these factors are not mutually exclusive but rather interact with each other to arrive at the possible outcomes as shown in Fig. 1.0.

Knowledge about the SSNIT Informal Sector Fund

The SISF as indicated earlier is designed for individuals in the informal economy and others who wish to make a private contribute. To make an informed decision regarding social security, there is the need to be equipped with the necessary information. In this case the information at hand enables them to do a better cost benefits analysis when considering the benefits of whether to have social security or not. There is also the interplay of competitive advantage that either the SISF or the alternative social security arrangement has over one another. A product gains an advantage over the other when producers are offering greater value and according to Porter (1990: 9), this could either be due to lower prices or higher

prices justified by providing greater benefits and services. Porter suggests four business strategies that could be adopted in order to gain competitive advantage and would make a product more appealing to consumers for them to want to purchase.

Since the market available to competitors in this study is a wider one, three of Porter's strategies are likely to apply as consumers seek to make informed choices. These are **Differentiation** based on competitors charging a premium price to reflect a higher production cost in addition to other value added features available to the consumer. There is also the **Differentiation Focus** where a competitor aims at providing for the special needs of a specific segment of the market. The idea is that, the other competitors in the market may not be meeting those needs of a particular section of consumers. In addition, there is also the **Cost Focus** in which the consumer seeks a lower cost advantage within a small segment of the market. The product may have basic features similar to the original product on the market which is usually more expensive but at the same time satisfies customers' needs.

Socio-economic, financial and geographical accessibility to the SISF

For an individual to decide on subscribing to the SISF, they are likely to consider these issues related to accessibility. However if the individual is also aware of other alternatives and perceives them to be for instance more accessible in terms of affordability or distance then he/she is more likely not to choose the SISF.

Alternatives available apart from the to the SSNIT Informal Sector Fund

Knowledge of other avenues of securing income during periods when regular incomes unavailable which the SISF is supposed to be for, is likely to fuel the competition between the two alternatives as presented in the diagram above. It is also likely that people may be aware

of the alternatives but not the SISF. On the other hand, people may subscribe to both SISF and alternative arrangements.

CHAPTER TWO

LITERATURE REVIEW

2.0 INTRODUCTION

Social Security includes all the wide range of contingencies that societies put in place to ensure that individuals or group of persons have some degree of protection from unforeseeable events as a result of reduction or loss of income for which they are not likely to be entitled to any form of public assistance. Increasingly, it has become important for developing countries to extend Social Security to workers in the teeming Informal Economy which hitherto have no access to appropriate formal Social Security System like that available for the formal Economy. At the International Labour Conference, of which Ghana is a member, in 2001 (ILO, 2001: 2), it was agreed upon by stakeholders that "of highest priority are policies and initiatives which can bring social security to those who are not covered by existing systems". This has resulted in the Global Campaign on 'Social Security and Coverage for all', launched in 2003. In recognition of this need for universal Social Security and for that matter, pension schemes, the Government of Ghana initiated major reform of its Pension System in 2004.

2.1 Traditional Social Security Arrangement in Ghana

Boon (2007: 63) indicates that the people of Ghana had their own traditional forms of Social Security before the advent of formal Social Security. People were interested in the problems of vulnerable individuals such as the aged, the sick, widows, and orphans. It was however the extended family that was traditionally tasked with providing for these groups of persons based on the principle of solidarity and reciprocity which foster the idea among others that it was the obligation of members of the extended family to support each other in time of need.

Traditionally, it must be noted that the African family is what is referred to as the extended family and constitutes three to four generation living together in a traditional compound (Apt, 1994). The collective roles of members of the family were what constituted a solid social security for each other in a society where cohesion was strong. It was recognised that members of one's family, especially, children, would take care of their parents in the event of old age and/or invalidity as the support system. This however is characteristic of all countries of the world (Chappel, 1990). Traditionally, the aged lived with their children and grandchildren or other members of the extended family who provided them with their needs. This system was enforced by the African values and norms which forms basis for its sustainability.

However, for this traditional support system to thrive today, depends on certain factors relating to the socio-economic status of those society places the responsibility of care giving. Factors such as low income levels and distant family relations are likely to seriously hamper the kind of help that would be given. In Ghana, low incomes have become the major obstacle to help given to the aged and other vulnerable group of persons as per the traditional arrangements for social security in recent times.

In addition, modernization in the form of education, industrialisation, rural-urban drift in search for jobs, new values have led to the breakdown of the tradition systems as well as the informal support system enjoyed by the aged has been eroded by these modern trends by creating institutions and policies which have taken over the function which were formally performed by the children. In spite of all these challenges Boon (2007: 64) states that this system is still viable today for providing SS and also identifies Inheritance System, Traditional Agriculture, Polygamy and Voluntary Savings Associations as other forms of

social protection mechanisms. He, however, opts for a combination of the traditional and formal Social Security.

2.2 History of Formal Social Security

Before independence, Social Security Schemes had been introduced in Ghana although not at the national level (Boon, 2007: 65). There were a number of schemes that catered for some categories of workers who were in the formal employment and receiving wages. For instance in 1940, the International Labour Organisation's convention on worker adopted required that payment in cash be made to workers who were injured in the course of executing their jobs. The workmen's compensation ordinance (No. 52), which is considered as the first legislative endorsement in SS was passed in July 1940. Then in 1946 the Pension Ordinance (No. 42) established a non-contributory pension scheme (CAP 30) designed for senior civil servants and also the Armed Forces. This was later extended their widows and orphans. CAP 30 started out as a non-contributory scheme with defined benefits. However, a 5% before-tax contribution was instituted for workers in the civil service and teachers while the Armed Forces were still maintained on the non-contributory plan.

In 1955, a separate Pension Plan was put together for certified teachers under the Teachers' Pension Ordinance. In effect, certified teachers were covered under the 194 Ordinance. However, senior members of the University of Gold Coast now University of Ghana, had a private superannuation scheme.

In the early 1960's however, there was the introduction of a Compulsory Savings Scheme. Under this scheme, compulsory deductions were made from all workers' salaries and wages and paid into state coffers. When workers reached the appropriate age for pension, their savings were paid with interest. The Compulsory Savings Scheme was to replace the Pension

Ordinance however the former was soon to also be replaced by a broader social security system. It came into being with a bill known as Social Security Act 279, passed by the parliament of the first Republic. This saw the commencement of formal social security scheme in Ghana (Boon, 2007). The Act led to the establishment of the Social Security Fund which first operated as a Provident Fund Scheme and was started as a department of the State Insurance Company. Under this system, all contribution and other monies were put into the fund and when workers were due for pension, they got a lump sum with interest. The aim of the Act was to guarantee security for worker against sickness, invalidity and old age and to ensure that in the event that a worker dies their dependents will be protected to some extent from destitution.

In 1972, the Social Security Decree, NRCD 127 established the Social Security and National Insurance Trust (SSNIT) to administer the social security scheme for Ghana to replace the State Insurance Company. Then in 1991, the Social Security Law, (PNDC Law 247) was transformed SSNIT from a Provident Fund Scheme to a Full Pension Scheme. Under Law 247, the scheme was opened to all classes of workers, both in the informal and formal sectors of the economy and unlike provisions of NRCD 127 which only allows enterprises with 5 or more employees to have them covered by the scheme, PNDC Law 247 gives the opportunity for self-employed individuals to join in they choose to. According to Kumado and Gockel (2003) “the main thrust of PNDC Law 247 is that the social security system in Ghana has been converted from the payment of lump sum benefits into a pension scheme under which periodic monthly payments are to be made to members until their death.”(p. 11).By this time Ghana was still operating two major public pension schemes, i.e. CAP 30 and SSNIT.

Aidoo-Mensah in his synopsis on “the New Three-Tier Pension Scheme- Benefits and Safeguards” asserts that over the years, disparities between the two schemes became more pronounced, which led to protests by some public sector workers on the SSNIT scheme demanding to be placed on the CAP 30 scheme which the workers considered more favourable, particularly the lump sum element. In response these concerns amongst other shortcomings of the Scheme, the National Pensions Act, 2008, (Act 766) was promulgated in December 2008 and this set out to unify all Pensions schemes in the country. However, the main task of the new Act was to create a new contributory Three-Tier Pension System for Ghana to replace existing parallel pension schemes. In addition, the new Act sought to extend pension coverage to workers in the informal economy that had been neglected for so long.

2.3 Extending Coverage to the Informal Economy

Prior to the enactment of the National Pensions Act, 2008, (Act 766) and due to SSNIT’s concern for the continued low coverage of the informal economy, a number of studies were done. According to Osei (2003: 4), the results of the studies conducted provided the foundation for a consultancy project that was sponsored by the Government of Ghana, SSNIT, and the Non-Bank Financial Institutions unit of the World Bank titled “Widening Social Security Coverage to the Informal Sector” in 1997. The primary aim of the project was to design a social security scheme that would be attractive to workers in the informal economy. The study revealed that the informal sector workers were not patronizing the scheme due some associated features which will invariably prevent them meeting the following concerns of;

- the immediate needs for funds to run their businesses;
- help them to take care of their children’s needs; and
- help them meet the cost of their medical needs (Osei, 2003: 4).

In conclusion, the team recommended a distinct scheme as opposed to the existing one for the workers in the informal sector to help attend to their specific needs and characteristics. They suggested that the scheme should include a savings component that will be available for workers to withdraw whilst in active work.

2.4 SSNIT Informal Sector Fund

The SSNIT Informal Sector Fund (SISF) is a subsidiary company of SSNIT set up to administer the SSNIT Informal Sector Pension Scheme designed largely for workers in the informal economy of Ghana. It is a voluntary contribution pension scheme that provides benefits for members based solely on their contributions. The scheme is designed to take care of the following categories of persons; workers in the informal economy within the ages of 15 – 59 years, Ghanaians resident abroad, and formal sector employees who want to augment their pensions. Registered members are assigned Unique Transaction Numbers that are used in all transactions relating to the scheme. At the moment, members have a passbook into which all transactions are recorded. This is until the computerized system is fully installed. One unique feature of the scheme is that contributions are not fixed but based on the individual's preference and ability. Registered Members can make their contributions daily, weekly, monthly, annually or seasonally. The scheme allows for members to register through organized groups or trade associations. However if a member wants to make additional contributions in addition to the fixed rate of the group, they are at liberty to do so. Contributions can be paid through the following modes; directly at any office of the Fund, Commissioned Agent of the Fund, Organized groups or Trade Associations, Bank Standing Order, Payroll deductions, and Money Transfer. Individuals are entitled to an additional Life Insurance Premium cover which attracts a deduction of an amount not exceeding 0.35% of their contributions. The insurance cover ensures that named beneficiaries of a deceased member are entitled to twice the total

contributions by the deceased member during the previous calendar year, including the outstanding balance of the late person's account.

2.4.1 Contribution Accounts:-

After deductions are made for the life insurance cover, the remaining amount is divided into two equal parts and deposited into two separate sub-accounts; Occupational Scheme Account (OSA) and Retirement Account (RA), and invested guided by Investment Policy guidelines. The OSA is the withdraw-able portion of the account that can be accessed after five months of commencement of contribution provided the account has a credit balance. A contributor can also withdraw all or part of the accrued benefits on the OSA before 5 years of their initial contributions or the retirement age but this is subject to some statutory deductions. This is to primarily enable members to enhance their business and education. Members can also use the accrued savings in the OSA as security to secure credit from approved financial institutions. On the other hand, the RA can only be withdrawn when the following contingencies of Old Age, Disability or Death occur. The funds accrued in the RA can nonetheless be used as guarantee for securing a mortgage for the purchase of a **primary** residence.

2.4.2 Benefits:-

All members of the scheme are entitled to the following benefits once they meet qualifying conditions; Old Age Retirement Benefit, Disability Benefit, and Death/Survivor's Benefit.

Old Age Retirement Benefit: - A contributor who has reached the retirement age of 60 years qualifies to receive a lump sum inclusive of all accrued benefits. Individuals not covered by the mandatory pension scheme can use part of their benefits to purchase an annuity for life from a certified Life Insurance Company that will ensure a monthly or quarterly income.

Disability Benefit: - A member should be declared by a medical board constituted by the Fund to be incapable of any normal productive employment due to permanent physical or

mental disability. When this is done the individual is then entitled to the total accrued benefits in the form of a lump sum.

Death/Survivor's Benefit: - Upon the death of a member of the scheme either before or after reaching the stipulated retirement age, any benefit built up for the deceased member is transferred to the certified beneficiaries listed by the deceased. In the absence of the named beneficiary the benefits will be disbursed in agreement with the laws of Ghana.

2.5 The Informal Economy in Ghana

Adu-Amankwah (1999: 1) asserts that the informal economy has been around even before the colonial era. This was the nature of economic activity before the advent of the colonial rule. The informal economy has always played a very vital role in the Ghanaian economy. Even at such an early stage an essential feature of labour in the informal sector with its heterogeneous character, provided or varieties of agricultural labourers, distribution agents, buyers, transport owners and employees, porters, and repairers (Ninsin, 1991). According to the SSNIT Informal Sector Fund (SISF) Overview (2011), as at 2004, 85% of the economically active population in Ghana operated in the informal sector. Due to these factors, the informal economy has increasingly been receiving attention in the area of policy initiatives and activities by the government and non-governmental organisations such as pension reforms that resulted in the National Pension Act, 2008 (Act 766). Also the attention being given to the sector has been due to its rapid expansion and according to Adu-Amankwah (1999: 2) this has been a consequence of the structural adjustment programme in Ghana. The structural adjustment programme resulted in cutback of workers in the formal sector in the mid 1980's and these workers naturally moved towards the informal market.

2.6 Characteristics of the Informal Economy

Becker (2004: 11) indicates that generally, the informal economy in the unregulated part of the market that produces goods and services for sale. However, their activities are not illegal. He asserts that the “informal economy” thus refers to all economic activities by participants that are partly or in some cases wholly not covered by any formal arrangements relating to laws that apply to their economic activities. This means that there is no calculated attempt to avoid payment of taxes, making social security contributions or violate labour regulations. Due to this factor, it has also been difficult to extend existing Social Security System to workers in the Informal Economy.

Due to the heterogeneous nature of the informal economy, it has become quite difficult in finding a solid definition. For instance in Ghana, Adu-Amankwah (1999: 7) draws our attention to two major categories of the informal economy and these are the Rural Informal Economy and the Urban Informal Economy. In spite of these challenges, Becker (2004: 11) describes the informal economy in Africa as being characterised by certain features that include:

- The low cost, and entry and professional requirements for setting up.
- Operations of such enterprises are on a small scale employing relatively few workers.
- Skills required for operating in this part of the economy is usually obtained through on-the-job training or apprenticeship other than formal education.
- The technology and mode of production is highly based on the human capital.

2.7 Experiences of other West African countries

Pension Reforms in Senegal

The Ministry of Labour and Employment in Senegal, the Senegal Old-Age Pension Insurance Institution and the Social Security Fund (CSS) have jointly set up a social security scheme for the informal sector workers. The sector accounted for 58.7 percent of the employed urban population in 1991. This scheme is directed at the self-employed and offers a variety of benefits such as a pre-natal allowance, maternity allowance, family allowances, accident and health insurance. The legislation also mandates all employers to offer pension policies to their employees. Unique features that have been noted about Senegal's pension scheme are its long-standing indisputable autonomy and institutional pluralism. With the implementation of the reforms, since 2002, the membership base has increased; the age for eligibility of benefits has been increased from 55 to 60years, etc.

Source: Samson, 2009 & Lecuyer, 2002

Pension Reforms in Mauritius

Mauritius has an efficient multi-tier pension system. The first tier is a non-contributory Basic Retirement Pension which is financed through tax revenue and provides a minimum income security for older people. The second tier is made up of two mandatory income-related pension schemes – the National Pension Fund and the National Savings Fund. The third tier is made up of a variety of voluntary schemes that are on a smaller scale and intended for those who are not covered by the first two tiers. With the increasing aged population and pressure on the retirement system, the reforms and the increase in retirement age has provided some effective responses. As a result of the reforms, the National Pension Fund has expanded to cover 300,000 employees representing 60% of the labour population in 2004. In addition contribution to the fund has also increased making the scheme sustainable and stable.

Source: Samson, 2009

2.8 Conclusion

From the literature reviewed, it is clear that planning of one's retirement needs in the informal economy have been to the individual's discretion. According to the Ghana Living Standard Survey Report (2008), most workers experience fluctuations in income and only 29% of all workers are entitled to some form of Pension. Subsequently, there is the need for greater effort to improve access and sustainability of social security systems in Ghana and Africa as a whole. In spite of the progress being made in the area of policies for greater inclusion of all, there is the need to increase subscription by workers in the informal economy.

CHAPTER THREE

3.0 METHODOLOGY

The chapter on methodology includes the overall research design, and the methods and procedures adopted for the study.

3.1 The Research Design

The design employed in the study was quantitative research using a survey method. The study employed the use of descriptive statistics to help explore the emerging patterns in Social Security in the Informal Economy in the Madina Municipal Area. This in the end produced quantitative summaries and bivariate analysis. The design was appropriate for studying the relationships among the variables such as socio-economic factors, educational levels and income levels and the type social security system one is likely to use.

An advantage of using the quantitative research is the degree to which findings can be generalised to other individuals other than those who participated in the study. Face to face interviews were conducted using structured questionnaires. The face to face interviews were vital in helping to clarify questions and responses from respondents and also for observing their reactions and expressions. The structured questionnaires included close-ended and open ended questions. The close-ended questions allowed for easy analysis and helped maintain the direction of the study. It also made coding for analysis less cumbersome by reducing the difficulty of grouping responses and saves time. The open ended questions, although presented some challenges, allowed for probing for in-depth information from the respondents.

The study focused on the socio-economic background of informal economy workers in the Madina Municipality, and how this affects their knowledge of and level of involvement in social security whether formal or informal in Ghana.

3.2 Study Area

The study was conducted in Madina, a Municipal area and a suburb in Accra. Madina is a large town in the Ga East District of the Greater Accra Region. According to the Population and Housing Census (2000), Madina has a total population of 76,697 with 35,915 being economically active. Madina was used for the study because of its accessibility from the University of Ghana, considering the time available for the study. This aided in returning to the field for follow up and clarifying of data collected. In addition Madina has a vibrant market and is home to one of the few area offices of the SSNIT Informal Sector Fund whose operations was considered in the study, Private insurance companies, Banking institutions and Savings & Loans outlets. The area was also chosen because it is a vibrant business location with a wide variety of workers found in the informal economy.

3.3 Target Population

This refers to the overall unit the research seeks to study. The target population of this study is the total population of individuals working in the urban informal workers found in the services sector which is dominant in the study area chosen. These were Traders, Seamstresses/Tailors, Carpenters, Shoe-makers, Hairdressers/Barbers and Auto Mechanics.

3.4 The Sample Size

A sample size of one hundred and fifty (150) was chosen consisting of both male and female artisans, who work as Traders, Seamstresses/Tailors, Hairdressers/Barbers, Carpenters, Shoe-

makers, and Auto Mechanics in the AMA. The sample size of 150 has been chosen to assign 30 respondents to each category of workers listed earlier and took into consideration the ratio of men to women in that category if any. It was also deemed adequate considering the time and resource constraints.

3.5 Sampling Frame and Sampling Technique

Since the informal economy in Ghana, is largely unregistered it was difficult to design a sampling frame for the study. However, the research relied on their professional trades associations to facilitate the sampling process. In selecting the 150 respondents, the study employed the purposive sampling technique. This ensured that respondents were limited to the category of workers chosen and whose characteristics were useful to the study. The process involved the researcher identifying various areas within the selected study area that had concentrations of categories of workers indicated for the study until the sample size needed was obtained. This included the use of trade union associations of the various categories of workers.

3.6 Data Collection

The study used two main sources for data collection- primary and secondary sources. These sources as described below.

3.6.1 Primary Source:

The primary source consisted of data collected directly from respondents in this study by the researcher during the field work period of the study. This was done through the use of structured questionnaire, made up of a set of questions that cover the various areas stated in the objectives. Consequently each objective was stated as a section in the instrument. The

questionnaire employed the use of both closed-ended and open-ended questions. The closed ended questions provided a set of possible responses for respondents to choose from, while the open-ended questions allowed respondents to provide some level of subjective answers. The questionnaire was pre-tested for necessary corrections to be made before the actual collection of data.

3.6.2 Secondary Source:

The secondary source consisted of the information derived from published sources like printed books, journals, reports, official documents and internet. This provided background information and gave a global view of the study. Secondary data was also employed to support the primary data such as information from GLSS and PHC.

3.7 Data Collection Techniques

The structured questionnaires were administered in a face-to-face interview or with assistance from the researcher depending on the level of education of the respondent.

3.8 Data Management and Quality Control/Assurance

Data gathered using the structured questionnaires was cross-checked after administration of each questionnaire to make sure that all gaps in responses to questions are filled either by returning to the field or otherwise. The open-ended questions were also coded to facilitate analysis. All questionnaires were numbered so that in case a mistake occurs whilst inputting in the SPSS software it was easy to trace the actual questionnaire.

3.9 Data Analysis

The data gathered after correction and coding of open-ended questions was processed using the SPSS software. This was done serially to ensure that all the questionnaires were covered and also to permit correction of errors in the data entering process. For the purpose of univariate and bivariate analysis, the SPSS was used to generate frequency tables and cross-tabulations to aid in the analysis of the data.

CHAPTER FOUR

DISCUSSION OF FINDINGS

4.0 INTRODUCTION

Chapter four presents findings of the study on informal economy workers and their choice of social security. The bulk of data came from primary data gathered from the informal economy workers in Madina with the view of addressing the objectives of the study. This was done in reference to the literature reviewed and the conceptual framework. In all 150 respondents were interviewed. The chapter is divided into 4 sections including the following:

- Socio-Demographic Characteristics of Respondents
- Respondents' Attitudes to Savings and Social Security, Knowledge of SSNIT and SISF
- Knowledge of Alternative Social Security Arrangements
- Pricing Benefits and other Factors that affect Workers' Choice of Social Security Systems

4.1 Socio-Demographic Characteristics of Respondents

This section provides a profile of the socio-demographic background of respondents with the aim of appreciating their social milieu. The socio-demographic characteristics of respondents allow the researcher an opportunity to gain insight into their attitudes, perceptions and reasons for making the choices the respondents make with reference to the topic under study. For this reason, this study took into consideration some specific variables which include sex, age, educational background, marital status, number of children, and occupation of respondents.

4.1.1 Occupation of Respondents

According to Adu- Amankwah (2007: 2) there needs to be distinction between rural and urban informal labour and further states that the latter is mainly engaged in the service sector with limited involvement in the manufacturing sector. It is against this background that respondents from certain occupations were chosen with the aid of data from the SISF Madina Area Office, as shown in Table 4.1.

Table 4.1: Occupation of Respondents

Category	Frequency	Percent
Trader	30	20.0
Seamstress/Tailor	30	20.0
Hairdresser/Barber	30	20.0
Mechanic	30	20.0
Carpenter	15	10.0
Shoe-maker	15	10.0
Total	150	100.0

Respondents belonging to specific occupations were given equal representation with the exception of carpenters and Shoe-makers who have 15 respondents each.

4.1.2 Sex of Respondents

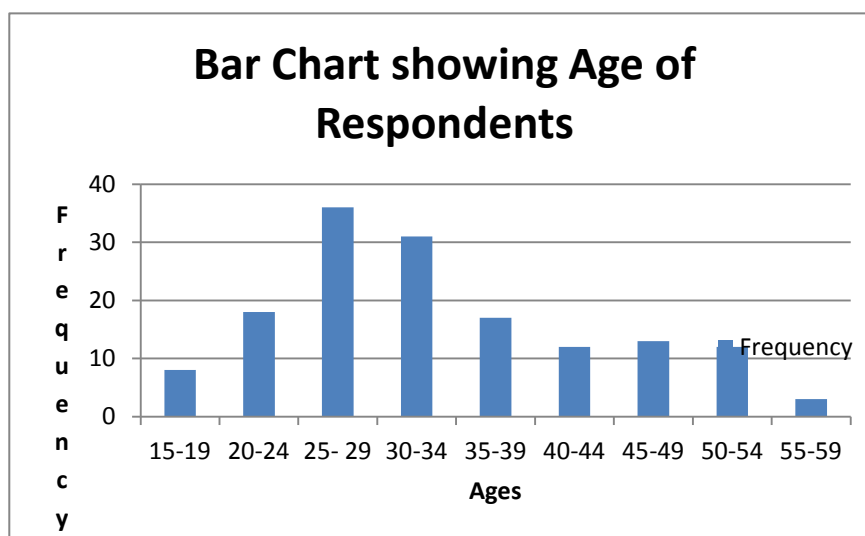
Although the study sought to have an equal representation of males and females, due to the categories of occupation selected and the tendency for gender segregation in these categories, this was not achieved. This resulted in more males being interviewed. As indicated in Fig. 4.1 below, out of the total of one hundred and fifty (150) respondents, 59 percent were males while the remaining 41 percent were females.

The gender dimension to this study is significant because it may be interesting to find out how

gender correlates with respondents' participation in social security systems available. In most societies, especially Africa, men are perceived to be heads of households who are expected not only to provide for their households but also make provisions for the future of their households (Brown, 1999). In recent years however, several women are playing similar roles in their households either in support of their male counterparts or as household heads themselves. However, this traditional view may not be true in because recent times, women now play roles which were originally the preserve of men.

4.1.2 *Age of Respondents*

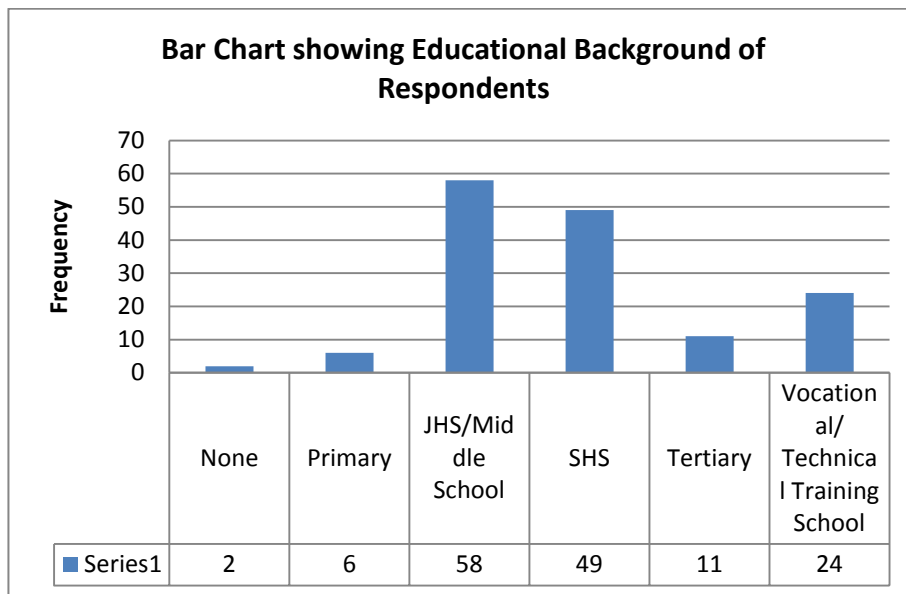
Age can play an important role in determining how people perceive social security, their saving patterns and how likely they are to consider social security arrangement options available to them. As people grow older, it is expected that they will be more likely to consider their sources of future income after they are no longer economically active. Respondents for the study were chosen from between the ages of 15 to 59 years. This was to have a full representation of the age bracket that are believed to be active in the informal economy and are also targeted by the SISF for enrolling unto their pension scheme. Fig. 4.2 as indicated below presents the age statistics of respondents with the 55- 59 age bracket having the least representation of 2percent of the respondents and the highest represented age bracket being between 25-29 years with 24percent.

Fig. 4.2: Age of Respondents in absolute figures

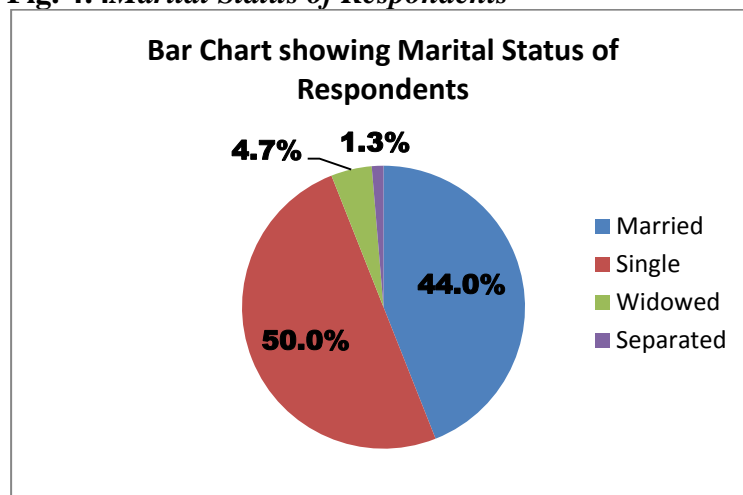
4.1.3 Educational Background of Respondents

Education plays an important role in determining the kind of jobs that most people will engage in. This is likely to affect workers' salaries, their attitudes and ability to save and also plan towards their retirement. From Fig. 4.3, the data reveals that 39percent of the respondents have attained middle school or Junior High School education with 33percent of respondents also with Senior High School education. In addition, 7percent of the total amount of respondents had obtained tertiary level of education ranging from polytechnic and university institutions. The table below gives statistics on other educational level categories. The study considers the educational background of respondents as having a possible direct relationship with their ability to prepare towards their retirement.

In addition, the data in Figure 4.3 suggests that most workers in the informal economy have at least middle school or Junior High School educational which is generally considered as low. The low educational level may inform their participation in the informal economy which is characterised by little or no skills for employment.

Fig. 4.3: Educational Background of Respondents**4.1.4 Marital Status of Respondents**

In reference to Fig. 4.4 below, majority respondents (50%) are single whilst 44% of them are married. Only a few reported being widowed or separated.

Fig. 4.4: Marital Status of Respondents

Clearly, marriage comes with responsibility for men to carry the burden of family welfare. In addition to their nuclear families they sometimes have to cater for the needs of those of their extended family. The rising cost of living coupled with all these responsibilities contest

with the ability to contribute towards any form of social security scheme may be limited. The same challenges may to some extent apply to those respondents that are single, widowed or separated. In effect the single status or otherwise of respondents does not guarantee them an advantage in relation to preparation towards retirement.

4.1.5 Number of Children of Respondents

Traditionally, children are seen as very important and considered as security for parents in their old age when children are supposed to cater for them. However, with the advent of modernisation these ideas have changed and parents have to cater for their children whilst they also make preparation towards their old age. This has in no way affected the value that parents place on their kids taking into consideration response from parents in relation to their purpose for saving.

Fig. 4.5: Number of Children Respondents

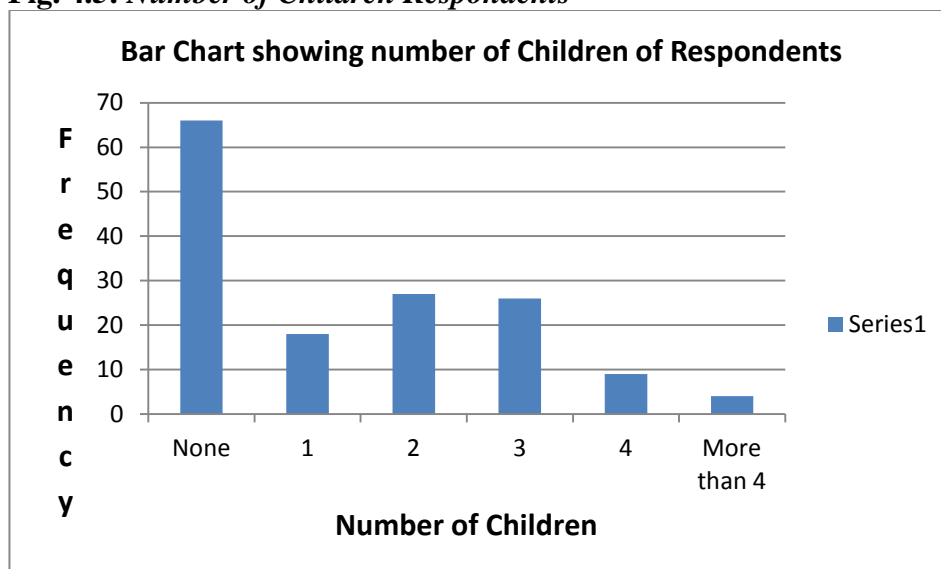


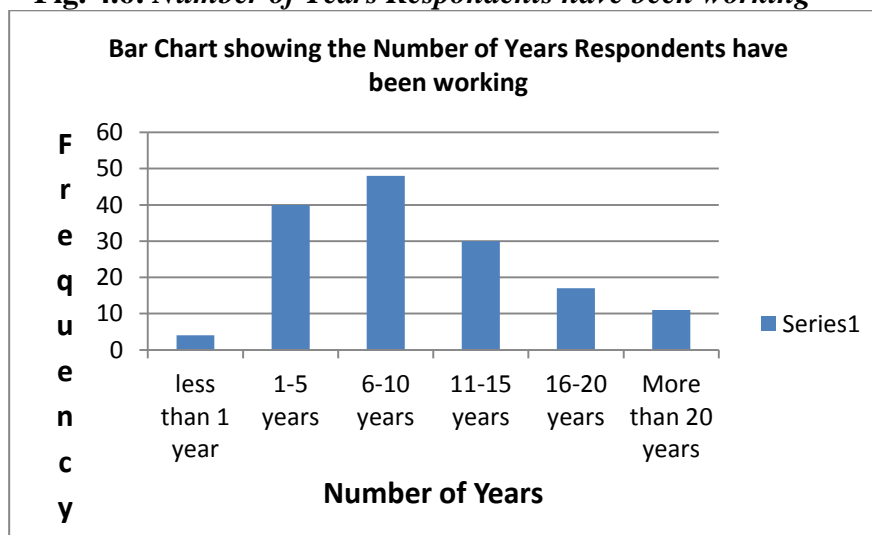
Fig. 4.5 presents detailed statistics of respondents relating to the number of children they have during the time of the interview. The data shows that a good number of respondents (44%) do not have children. This could be as a result of the category of workers interviewed for the

study and the dominant age brackets. Thus, at the time of this study, most of the respondents had relatively small nuclear family sizes.

4.1.7 Number of Years Respondents has been Working

In the formal sector, contributors have to work and contribute for at least twenty years in order to benefit from the social security scheme on their retirement. From the study, 32 percent of respondents have been working between 6 – 10 years, 7.3 percent representing had been working for over 20 twenty years with only 4 respondents working for less than a year. The number of years respondents have been working is presented in Fig. 6.

Fig. 4.6: Number of Years Respondents have been working



With regards to the Fig. 6 above, it was noted that although workers had worked for that stated numbers of years, in most cases they had changed jobs from time to time. However, they had still operated within the confines of the informal economy with a few respondents moving from the formal economy to the informal to start-up businesses.

4.2 Respondents' Attitudes to Savings and Social Security, Knowledge of SSNIT and SISF

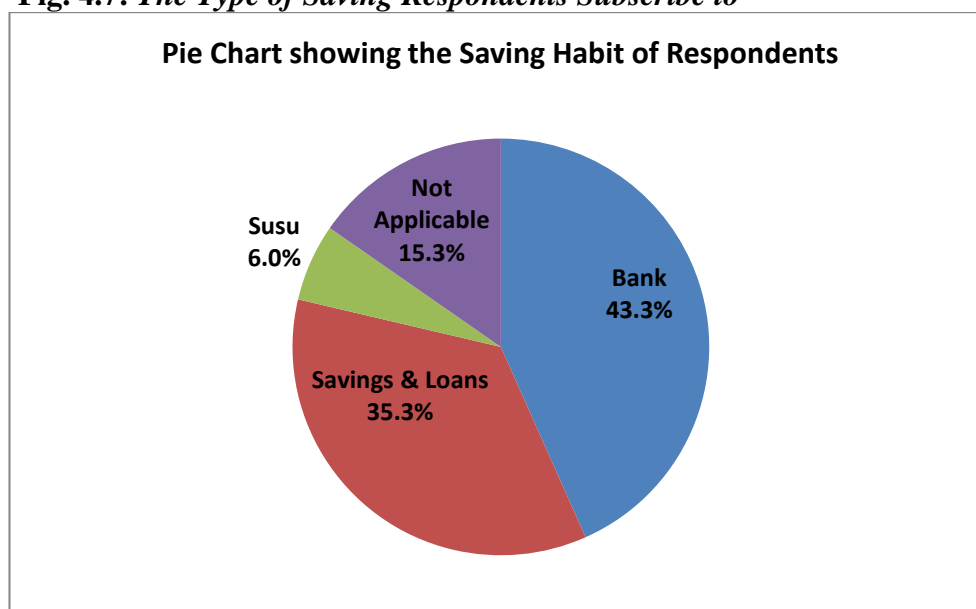
4.2.1 Saving Habits of Respondents and their Purpose for Saving

In response to the question on whether respondents were saving, 84 percent of them said they were saving. The type of savings they engaged in was with Banks, Savings & Loans Institutions and Susu outlet. Fig. 7 below presents some details on the forms of Savings that respondents are involved in.

Table 4.2: Saving Habit of Respondents

Category	Frequency	Percent
Yes	126	84.0
No	24	16.0
Total	150	100.0

Fig. 4.7: The Type of Saving Respondents Subscribe to



Preparation towards retirement or old age requires that workers engage in one form of savings or the other. However, data from the field also throws more light on the reason why people

save. In response to why respondents in this study were saving, 18 percent of respondents were saving towards raising capital to start their own businesses. Table 3 also shows that, 17 percent were saving for future use which covered most of the other individual responses given. A total of 12 respondents also stated that their savings was towards the up-keep of their children. Other responses given were to expand their business, and generally to save income. See Table 3 for the details.

Table 4.3: Respondents' Purpose for Saving

Category	Frequency	Percent
To expand my business	15	10.0
To save my money and not misuse it	21	14.0
To raise capital to start my business	27	18.0
For emergencies	25	16.7
For future use	26	17.3
To take care of my children and other domestic needs	12	8.0
Not Applicable	24	16.0
Total	150	100.0

On the other hand, the 24 respondents that were noted as not saving at the time of the interview also gave their varied reasons for not saving. Table 4 shows the response of respondents. In all, seven (5%) respondents said that they did not make enough money to enable them save whilst 5 of the respondents pointed out their numerous responsibilities as the reason for their not saving. A few of the respondents also gave no reasons for why they were not saving. In effect, this group are unlikely to even contribute towards any form of social security. The various reasons respondents gave for not saving are presented in Table 4.

Table 4.4: Reasons given for not saving by Respondents

Category	Frequency	Percent
I do not make enough money	7	4.7
I just started the business so I have to put in the money I make	3	2.0
I have many responsibilities so there is no need	5	3.3
I just started working	1	0.7
I have no reason	9	6.0
Not Applicable	125	83.3
Total	100.0	100.0

Apart from savings, the respondents were asked if they had other forms of investments. This question applied to those who did not save as well as those who did. This question was asked based on Nelson-Cofie's (2007:39) idea that investment is different from savings in the sense that it involves greater risk but may have greater returns. The thought was that respondents will rather have investments due to the returns that they are likely to receive or otherwise. One hundred and thirty- one (131) out of the 150 respondents indicated that they did not have investments. However, 7 percent of respondents had invested in houses or other landed properties. 4% respondents owned shops they were renting out or were now building them with 3 of the respondents who have purchased treasury bills. This is represented in Table 5.

Table 4.5: The Type Investment Respondents Engage In

Category	Frequency	Percent
House(s) or Landed property	10	6.7
Shops for rent	6	4.0
Treasury bills/ shares	3	2.0
None	131	87.3
Total	150	100.0

4.2.2 Respondents' Knowledge of, and Sources of Information the SISF

Response from participants in the study indicated that a good number of respondents (85%) as shown in Fig. 4.8 above have heard about SSNIT. Further enquiry revealed that they associated SSNIT with formal sector workers or individuals that worked in Government agencies.

In contrast to their familiarity with SSNIT the number of respondents who had knowledge of SISF was rather lower. From Fig. 4.9 below, 63% of respondents reiterated that they knew about SISF whilst 37.3 percent of respondents had no knowledge of SISF. This shows that the National Pension Act, 2008 (Act 766) has not met its objective of ensuring that all workers in Ghana are covered under the scheme.

Fig. 4.8: Respondents' Knowledge of SSNIT

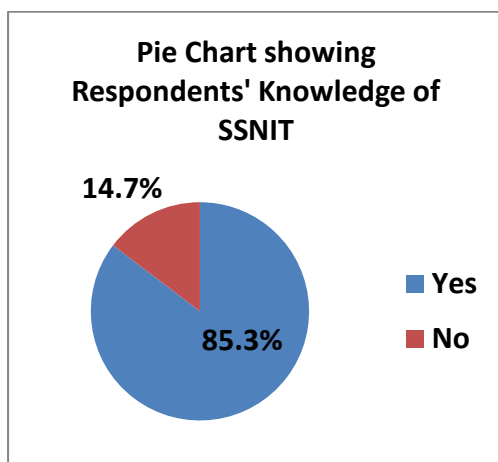
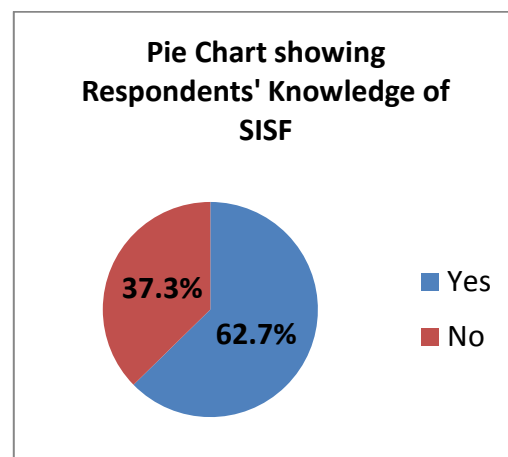
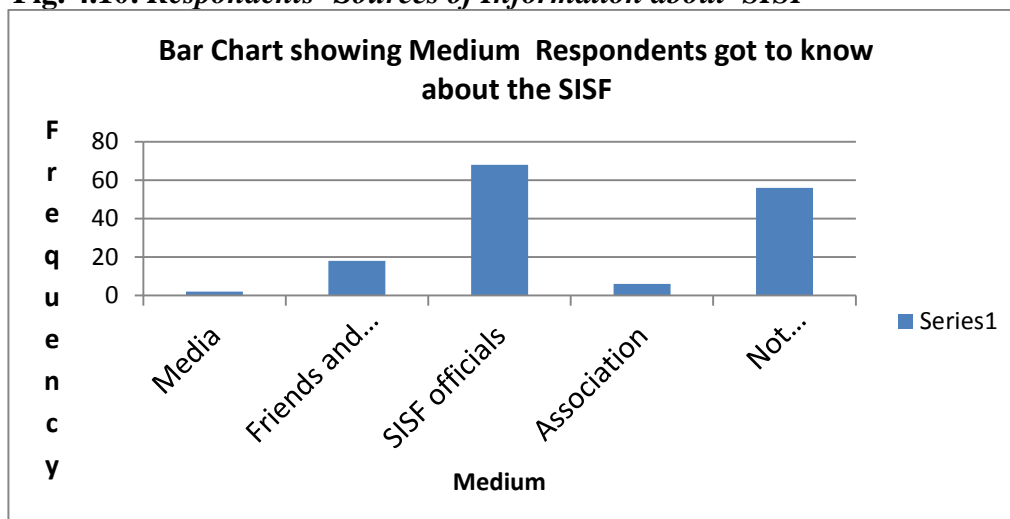


Fig. 4.9: Respondents Knowledge of SISF

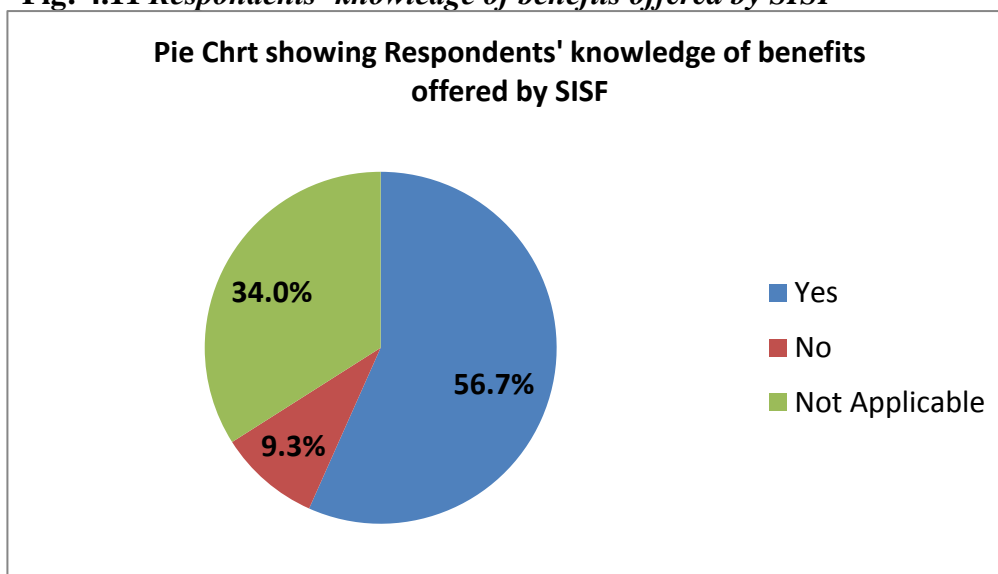


It is interesting to note that 46.0% of the respondents got to know about SISF through their officials whilst only 2 respondents (1%) got to know about it through the various forms of media outlets available. Apart from the 37percent of respondents who did not know about SISF and so could not give any response the rest of them stated friends and family, and association as their source of such information. Their respective statistics can be obtained from Fig. 4.10below.

Fig. 4.10: Respondents' Sources of Information about SISF

4.2.2 Knowledge of benefits offered by SISF

Although some respondents had not registered with the SISF, it was necessary to find out whether they knew about the benefits offered by the SISF. When respondents were asked if they knew about the benefits of SISF, 85 respondents out of the 99 participants, who were eligible to answer this question, answered in the affirmative. Their detailed responses are presented in Fig. 11 below.

Fig: 4.11 Respondents' knowledge of benefits offered by SISF

When questioned about the benefits of SISF, a myriad of responses were given. Some of the

responses given as depicted in Table 10 were: Old Age Retirement Benefit, Part of funds used as guarantee for securing mortgage, Withdrawal Account to enhance business, and Death/Survivor's Benefit. It is worth noting that, most respondents that knew about the SISF benefits were not aware of other benefits such as the life insurance that they were entitled to. In effect, as shown in Table 10, most people know about just the Old Age Retirement Benefit and in some cases the Withdrawal Account to enhance business in addition to the former.

Table 4.6: Respondents' list of benefits offered by SISF

Category	Frequency	Percent
Old Age Retirement Benefit	58	38.7
Part of funds used as guarantee for securing mortgage	1	0.7
Old Age Retirement Benefit & Withdrawal Account to enhance business	19	12.7
Old Age Retirement & Death/Survivor's Benefit	8	5.3
Not Applicable	64	42.7
Total	150	100.0

4.2.3 Respondents' Attitudes towards SISF

Given the fact that a number of the respondents (62.7% as represented in Fig. 4.9) knew about SISF, it was necessary to find out their perceptions about the SISF. According to Table 4.7, 21.3 percent of respondents thought that the SISF was important to their wellbeing with another 21.3 percent being indifferent about the subject. Another 20.0 percent of respondents also felt that the SISF was very important to their wellbeing in the future. According to the Ghana Living Standards Survey (2008), remittances accounted for less than 10 percent of the total household incomes with wage income and self-employment accounting for 29 percent

and 25 percent respectively. This also goes to support the findings that family support has reduced and this has made people to find other alternatives to secure a comfortable life during their old age.

Table 4.7: Importance of SISF to wellbeing of Respondents

Category	Frequency	Percent
Not important	1	0.7
Indifferent	31	20.7
Important	32	21.3
Very important	30	20.0
Not Applicable	56	37.3
Total	150	100.0

Despite the fact that more than 50percent of respondents had knowledge of the SISF, a lesser number of 33percent of the respondents have registered with the SISF. A good number of 51 respondents were not able to give a response since they had no knowledge of the SISF. This presupposes that people may know about the workings of SSNIT but may not be interested in what SSNIT has to offer.

A look at Table 4.8reveals that most respondents who have registered with the SISF were those that got to know about the system through the SISF officials. Only four of the respondents said they heard about SISF through their trade association. However, during the collection of the data, it was realised that some of the respondents who had heard about SISF did so at meetings organised by their associations SISF officials made presentations.

Having information is however no guarantee for subscription to SISF. There were 30 respondents (Table 4.7) who had also heard about SISF from officials but had enrolled unto the service. Table presents a summary of the reasons they gave for not enrolling. It was also evident that the SISF may not be using the media as a primary medium to reach prospective

client since from Table 4.8, only 2 respondents had gotten to know about their activities through the media.

Table 4.8: Sources of Information about SISF, and Registration with SISF among Respondents

		Are you registered with SISF			Total
		Yes	No	Not Applicable	
Channels used by Respondents acquire knowledge of SISF and Registration with SISF	Through the media	1	1	0	2
	Through friends and family	7	10	1	18
	Through SISF officials	38	30	1	69
	Through my association	4	2	0	6
	Not Applicable	0	6	49	55
Total		50	49	51	150

In addition, Table 4.8 below also tries to depict the relationship between the importance respondents place on the SISF and whether this may influence their decision to subscribe positively. Table 4.9 below shows that the 23 respondents, who thought the SISF was very important to their wellbeing, had registered for with the SISF. But interestingly, 11 of the respondents although indifferent about the SISF had also registered with the SISF. This is likely to account for the some of the respondents not paying their contribution regularly as shown in Fig. 4.12 below. One respondent attributed her indifference to the fact that she did not understand the system very much but was contributing because it was done by her employers on her behalf. In addition, some of the respondents were indifferent because they were not exactly satisfied with the credit facility that was available to them. They continued to contribute simply because they could not stop contributing since they would not be able to claim all their money, unless they were going on retirement. From Table 8, it is also evident

that although a sizeable number of people found SISF to be either important or very important, they had not registered. The reasons for this pattern have been given in Table 11.

Table 4.9: Perceived Importance of SISF to wellbeing of Respondents and Registration with SISF

		Are you registered with SISF			Total
		Yes	No	Not Applicable	
<i>Importance of SISF to wellbeing of Respondents and Registration with SISF</i>	Not important	0	1	0	1
	Indifferent	11	20	1	32
	Important	16	16	0	32
	Very important	23	7	0	30
	Not Applicable	0	5	50	55
Total		50	49	51	150

Further probing was made to find out respondents' reason for not registering. The information in Table 4.10 shows that the respondents which was limited to those with knowledge about SISF and they gave various reasons for not registering. In response to the question, 7percent said they were not ready and that they would like to join the scheme later, and 7 percent said they already had retirement plans with Insurance companies or SSNIT. For those who had already registered with SSNIT, they represented individuals that had moved from the formal sector to the informal economy to work. Other reasons given by respondents were that I already have savings (1%), I do not have money (4%), I just started a new job or business (4%), and I am not interested (4%). These are further illustrated in Table 11.

Table 4.10: Reasons Given by Respondents for not Registering

Category	Frequency	Percent
I already have savings	2	1.3
I have retirement plan (Life insurance or SSNIT)	10	6.7
I do not make enough money	6	4.0
I just started a new or business	7	4.7
I am not ready and I will join later	11	7.3
I am not interested	6	4.0
Not Applicable	108	72.0
Total	150	100.0

4.2.4 *Channels used by Respondents to make Contributions to SISF*

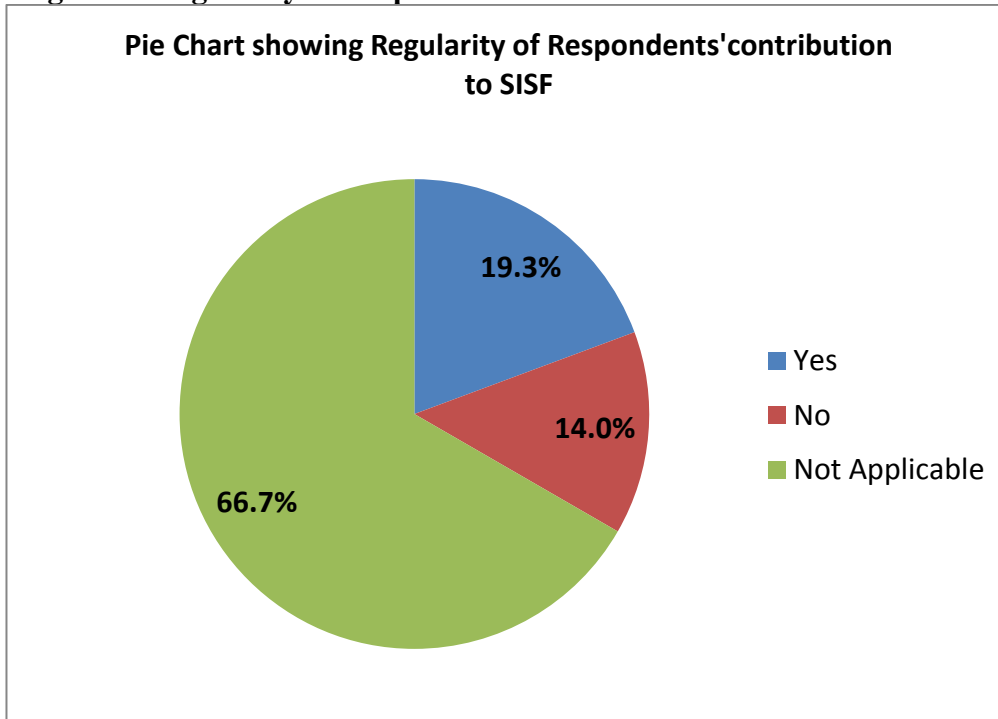
Although there were about three channels available to respondents for making payment, it appears that the most popular amongst them (30% of respondents) was the susu type of collection by SISF agents (Table 4.11). Contributors were given a receipt for the transaction and it was also recorded in a passbook kept by the respondents. For those who contributed as through their associations monies were collected by officials on their meeting days as agreed upon. However, 2percent of respondents made their payments at the office of SISF whilst the remaining 1percent made their payments through their employers.

Table 4.11: Channels used by Respondents to make Contributions

Category	Frequency	Percent
Through collection by SISF officials	45	30.0
Making payment at their office	3	2.0
Through my employers	2	1.3
Not Applicable	100	66.7
Total	150	100.0

4.2.5 *Regularity of Respondents' contribution to SISF*

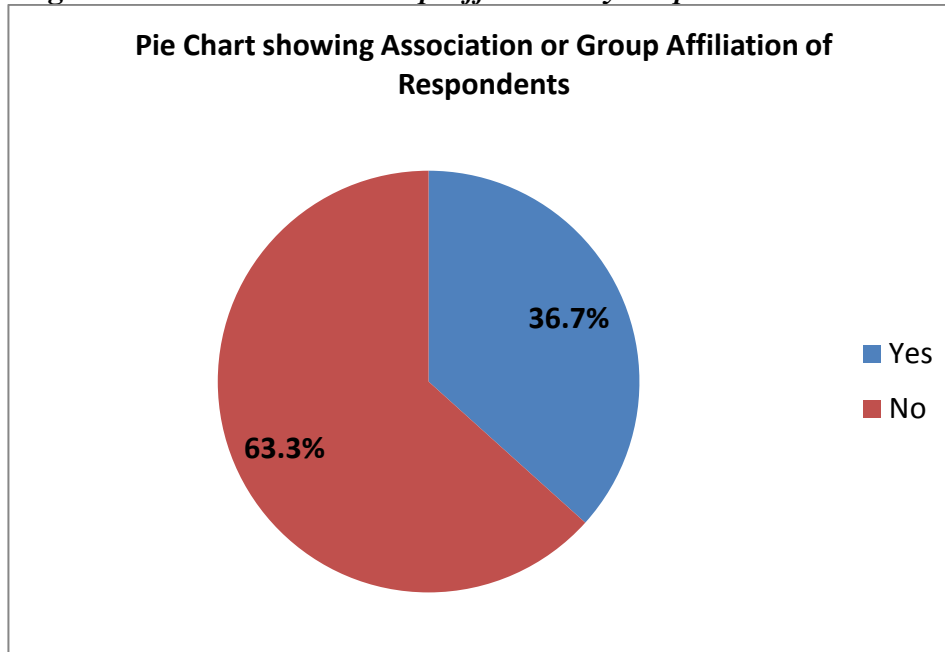
Despite these responses from *Fig. 4.8- 4.10 and Table 4.7 &4.8*, in terms of regularity of contributions, 29 out of the 50 who are registered with SSNIT said their contributions were regular. For the 14percent of respondents whose contributions were not regular, some reasons were given. Since most respondents depended on the agents of SISF to come around to collect their contributions, once they faltered in their routine visits the respondents in most cases would not make any follow up from their offices. This reaction can attributed to the level of indifference expressed by respondents about the SISF. On the irregular visit of the agent, when inquired from the offices was due to changes made to agents due to a number of factors which made it difficult for the agents to sometimes track their clients and their locations. Others also mentioned that their income levels were low and that this sometimes posed as a challenge.

Fig. 4.12: Regularity of Respondents' contribution to SISF

4.3 Knowledge of Alternative Social Security Arrangements

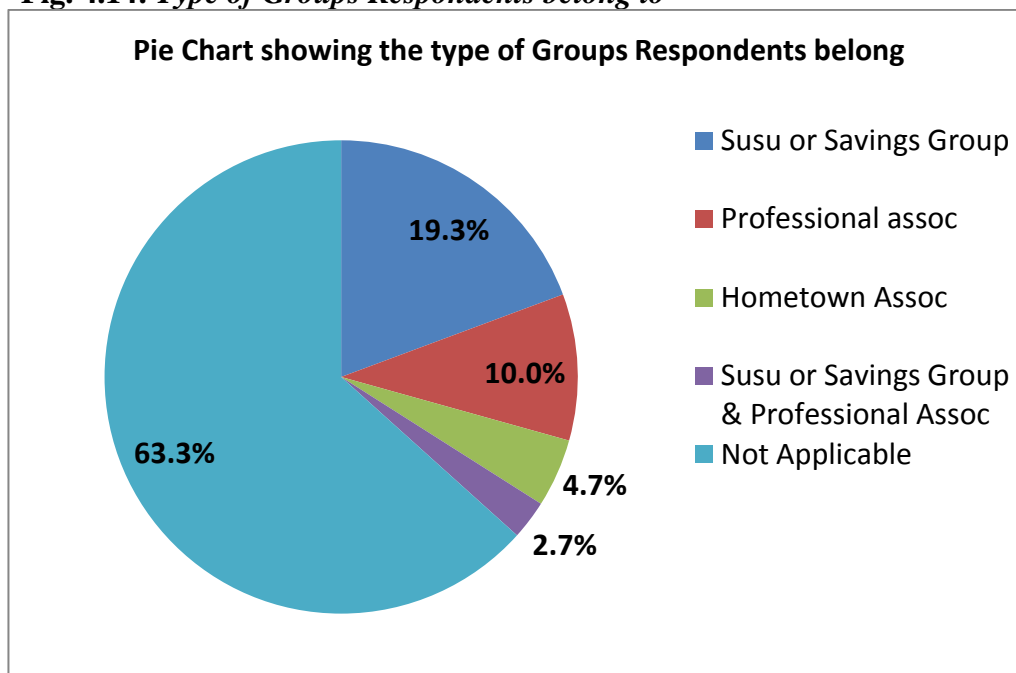
With the understanding that respondents may have their own means of preparing for their retirement apart from that offered by SISF and Insurance companies, the study sought to find out about these associations from respondents. Of the 150 respondents, 36percent said they belonged to association(s), while the remaining 64percent said they do not belong to any association as depicted in Fig. 13 below.

Fig. 4.13: Association or Group Affiliation by Respondents



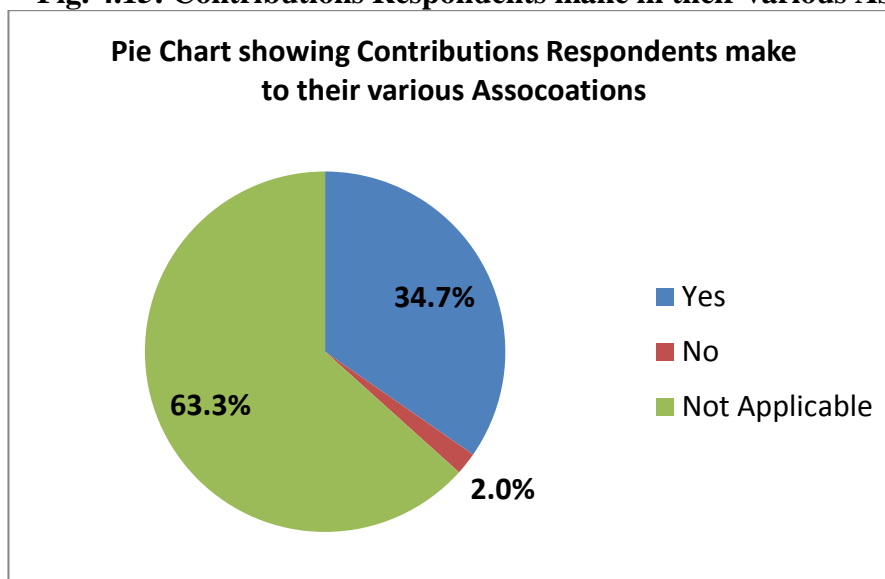
4.3.1 *Type of Groups to which Respondents belong*

The kinds of association(s) that respondents belonged to included: Susu or Savings Groups, Professional Associations, and Hometown Associations. Majority of the respondents (19.3%) belonged to Susu or Savings Group. Also, fifteen (15) of the respondents belonged to professional associations making up 10percent, and 7 respondents representing 5percent belonged to a hometown association. In addition 4 respondents as represented in Fig. 14 below Susu or Savings Group & Professional Associations.

Fig. 4.14: Type of Groups Respondents belong to

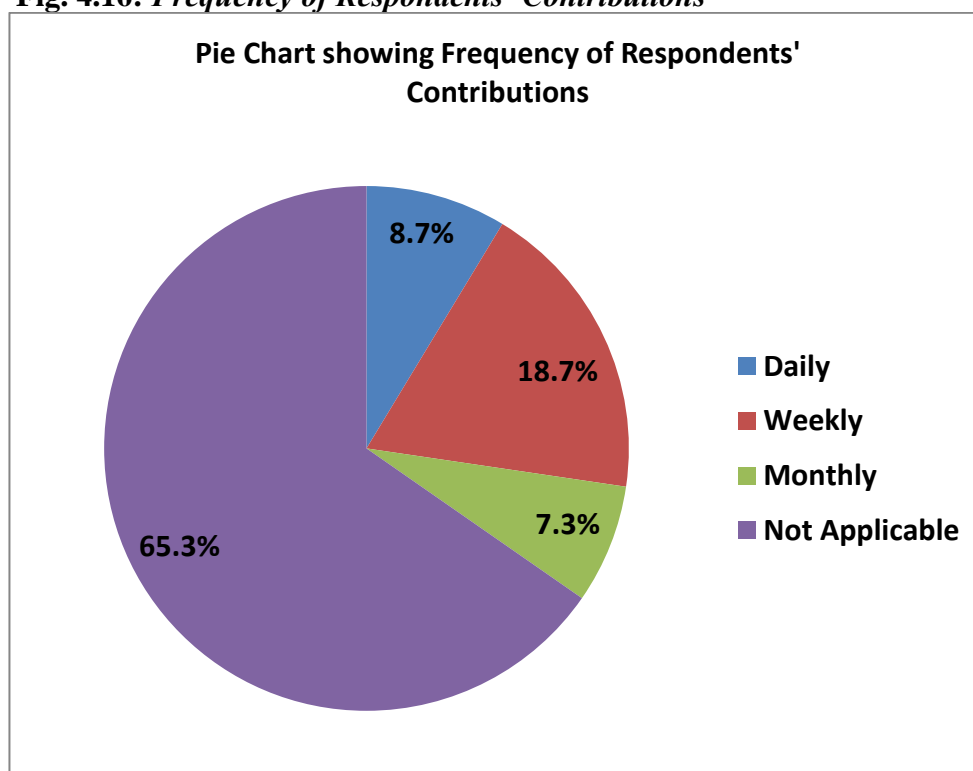
4.3.2 Contributions Respondents make in their various Associations

In order to ascertain the viability of these associations as Social security systems it was important to find out other facts about their existence. On contributions, 52 representing 35% out of the total eligible respondents of 55 stated that they make contributions to their groups with the remaining three not making any contributions.

Fig. 4.15: Contributions Respondents make in their various Associations

Also the frequency of the contributions or dues paid by the respondents was enquired. According to Fig.16, 19percent of the respondents said their contribution was made on a weekly basis whilst 9 of the respondents made their contributions on daily basis. The daily contributions mostly referred to respondent that belonged to the Susu or Savings Group.

Fig. 4.16: Frequency of Respondents' Contributions

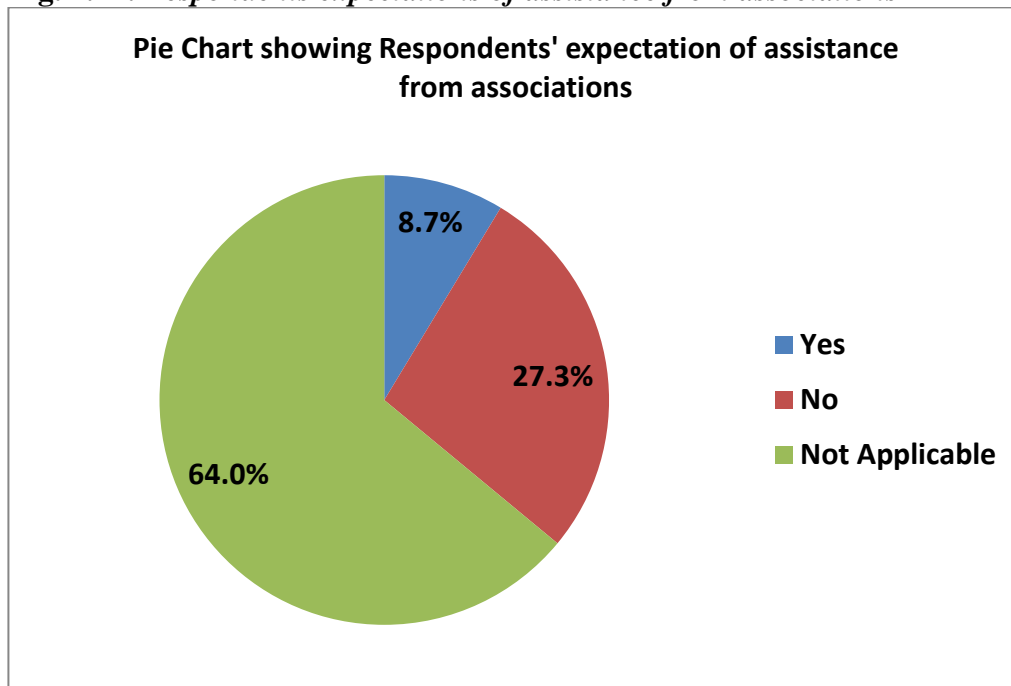


4.3.3 Respondents expectations of assistance from Associations

Though the respondents pay dues in these associations, most of them did not expect the associations to take care of them in their old age or when sick. However, in some situations where the respondents made some extra contributions to ensure wellbeing of its members or was the association, they expected the same treatment in their old age. Even in these cases, they did not expect the aid to be on a regular basis. For the 27percent that did not expect any assistance from their associations, their reason was that the dues paid was to enable them

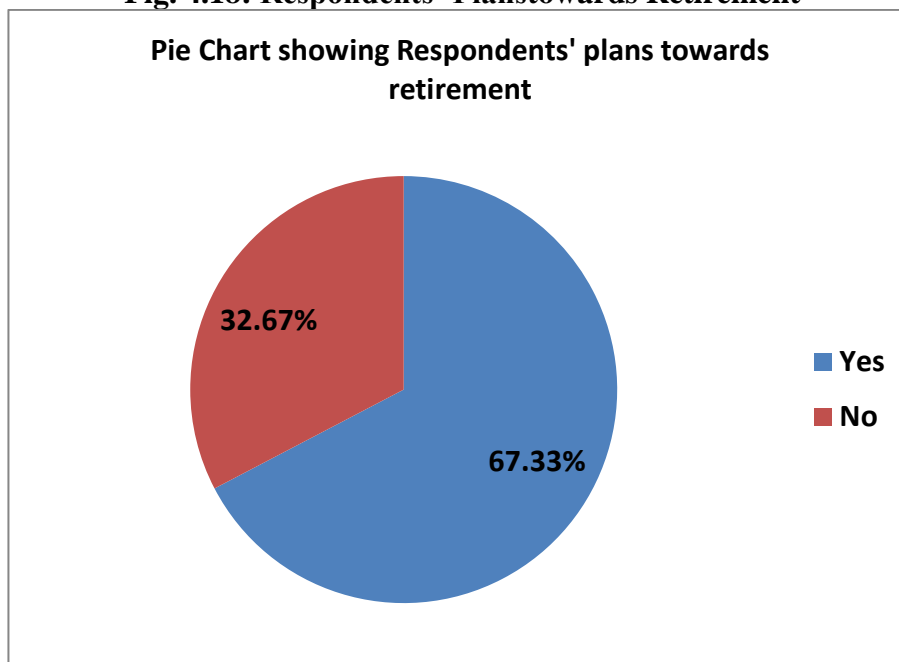
secure a place for their meeting and to carry out workshops for the benefit of their members (Illustrated in Fig. 4.17). Thus, most respondents join these associations and make contributions to have a sense of belonging.

Fig. 4.17: Respondents' expectations of assistance from associations



4.3.4 Respondents' Planstowards Retirement

Apart from the Social Security systems that respondents were likely to subscribe to, there are other ways by which respondents can make preparations towards retirement. In view of the fact that most of the respondents in this study were not registered contributors to the SISF scheme, the study sought to find out how they are preparing or intend to prepare for their retirement. When asked if they were planning towards their retirement, from Fig. 18, 67percent of respondents reiterated that they were planning towards their retirement whilst 33percent of respondents were however not making any preparations.

Fig. 4.18: Respondents' Plans towards Retirement

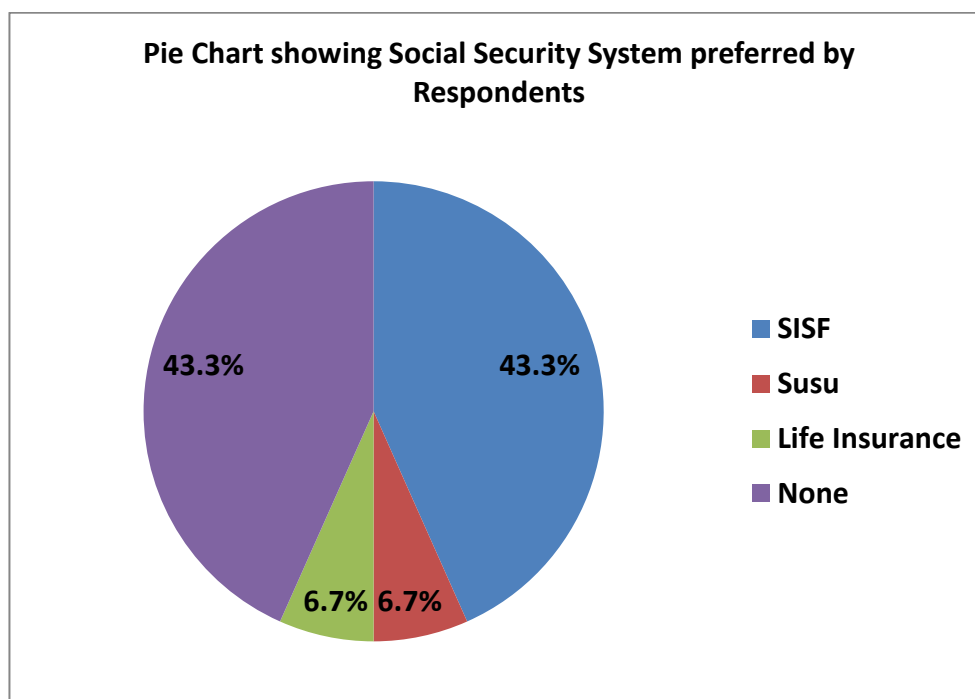
Those who were planning for their retirement further informed the researcher on the steps they are taking towards a secure old age. In Table 4.12 illustrates responses that were given by respondents who answered 'Yes' in the Fig. 4.18 above. 28percent of respondents mentioned that their contribution to SISF or SSNIT was the main preparation they were making towards retirement. 12 respondents also mentioned their saving of part of their income as their main retirement plan. 13 of respondents also referred to investments that they had made as earlier discussed in Table 4.5. On the other hand, 3percent of respondents hand intended to keep working solely to maintain themselves in their old age. This implies that they do not see themselves as retiring from what they do even in their old age. Respondents also gave other contingencies they were planning towards their retirement and these are duly represented in Table 4.12.

Table 4.12: Respondents' Plans towards Retirement

Category	Frequency	Percent
I am saving part of my income	12	8.0
Purchased Life insurance	4	2.7
I contribute to the SISF or SSNIT	42	28.0
Employ people to take care of my business	10	6.7
The investments I have made	19	12.7
Keep working	4	2.7
Taking care of my children so they can take care of me when I grow old	2	1.3
Working towards going back to school	2	1.3
Start my own business	7	4.7
Not Applicable	48	32.0
Total	150	100.0

4.4 Pricing, Benefits and other Factors that affect Workers' Choice of Social Security Systems

According to Fig. 4.19, 43percent of the respondents preferred the SSNIT Informal Sector Fund although not all of them were contributors to the scheme. It is also worthy of note that 10 percent of respondents also preferred the life insurance which some respondents had subscribed to. Although 65 of the respondents indicated that they preferred the SISF, it must be noted that not all of them had registered as shown in Table 4.8 for the service due to some reasons they give subsequently. Another 65 respondents also indicated that they had no preference for any form of social security systems that are available. The varied reasons given by respondents are indicated in Table 4.13.

Fig. 4.19: Social Security System Preferred by Respondents

4.4.1 Reasons for Preferred Choice in Fig. 4.19

On reasons for their preferred choices nearly one-quarter (21%) of respondents said they preferred the choice they had made because they thought it was much more reliable in terms of security of their savings. 19% of respondents were also not interested in any of the systems available although they were aware of them. The rest gave other responses that are shown in the table below.

Table 4.13: Reasons for Preferred Choice in Fig. 19

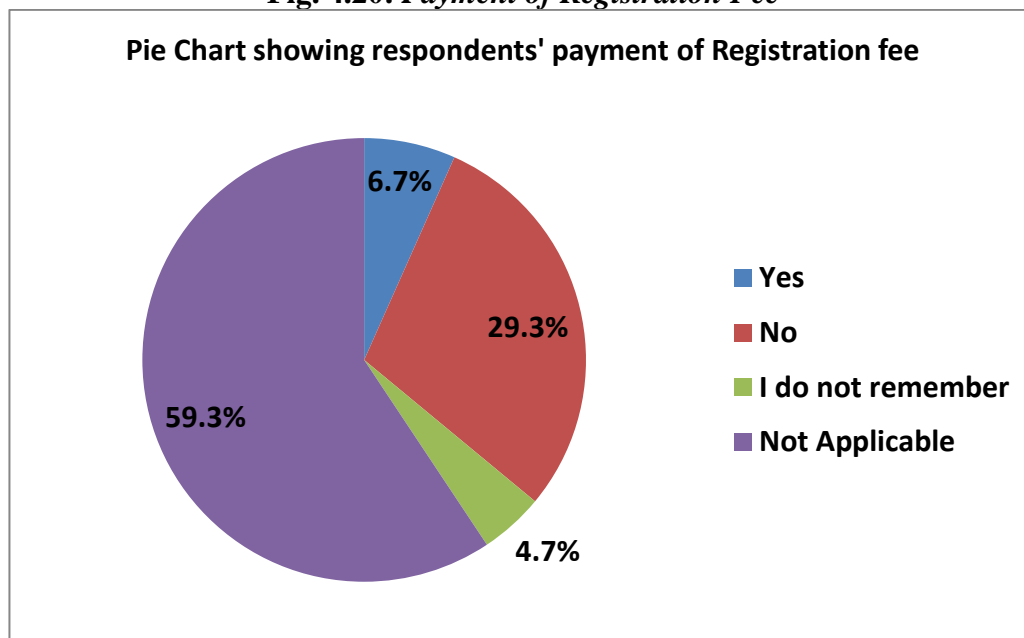
Category	Frequency	Percent
The cost of contribution	9	6.0
The payment plan	10	6.7
The benefit that I will receive in the future	23	15.3
Get access to capital and loans for business	10	6.7
It is more reliable and secure	32	21.3

I am not interested	28	18.7
I do not know much about them	20	13.3
No Reason/Response	18	12.0
Total	150	100.0

4.4.2 Attitudes towards Payment of Registration Fee and Choice of Social Security

The study posed this question in order to find whether registration fees were likely to be a factor respondents considered before they made a decision on the sort of social security system they subscribed to. For the 59percent of respondents that did not respond to the question, it was due to the fact that they did not have any form of social security. However, 6% of respondents did say that they paid a certain amount for registration with 7 respondents who could not remember whether or not they had paid a registration or subscription fee.

Fig. 4.20: Payment of Registration Fee



4.4.3 Frequency of Premium Payment

Table 4.14 shows the frequency with which respondents who have subscribed to various schemes pay premiums. From the data collected it was evident that frequency of payments of premiums was flexible and that respondents usually decided the frequency with which they paid. In the case of the SISF, subscribers that made payments through the agents or at the offices sometimes did not even have a regular schedule they followed to make such payments. In most cases, they paid as and when they thought they had money to do so.

However, for some respondents the regularity of payment was decided on by the associations of which they are members of. This was done with the understanding that their benefits would be calculated based on their accrued contributions. Table 4.14 shows that 16% of respondents representing the highest group made these payments on a weekly basis whilst 1 respondent said payments were made quarterly.

Table 4.14: Frequency of Premium Payment

Category	Frequency	Percent
Daily	5	3.3
Weekly	24	16.0
Monthly	18	12.0
Bi-Monthly	14	9.3
Quarterly	1	0.7
Not Applicable	88	58.7
Total	150	100.0

4.4.4 Preference of Social Security System

In this section, the chi square is used to investigate whether the distribution of categorical variables differ from one another. The variables used were SISF, Susu and Life Insurance to determine the relationship between Pricing and Choice of Social Security.

Table 4.15: Preference of Social Security System Cross Classified by Premiums Paid

		O	E	O-E	(O-E)²	(O-E)²/E
SISF	≤ 11	5	5	0	0	0
	11-20	20	19.4	0.6	0.36	0.02
	21+	18	18.6	-0.6	0.36	0.02
Susu	≤ 11	2	0.9	1.1	1.21	1.3
	11-20	6	3.6	2.4	5.76	1.6
	21+	0	3.5	-3.5	12.25	3.5
Life Insurance	≤ 11	0	1.1	-1.1	1.21	1.1
	11-20	1	4.1	-3.1	9.61	2.3
	21+	8	3.9	4.1	16.81	4.3
	Total	60	60.1	-0.1	47.57	14.14

NB: There is more than 20% of cells with less than 5 expected cases which is contrary to the accepted norm for chi-square analysis.

$$X^2 = 14.14 \quad df = 4 \quad p < .005$$

Ho: There is no relation between Pricing and the Choice of Social Security System the Informal Economy Worker subscribed to.

H1: There is relation between Pricing and the Choice of Social Security System the Informal Economy Worker subscribed to.

At $\alpha = 0.005$ and 4 degrees of freedom, the critical value from the chi square table is 9.49. Since the $X^2 = 14.14 > 9.49$, the null hypothesis of no relationship between the two variables can be rejected. The chi square test above establishes a relationship between Pricing and Choice of social security by respondents.

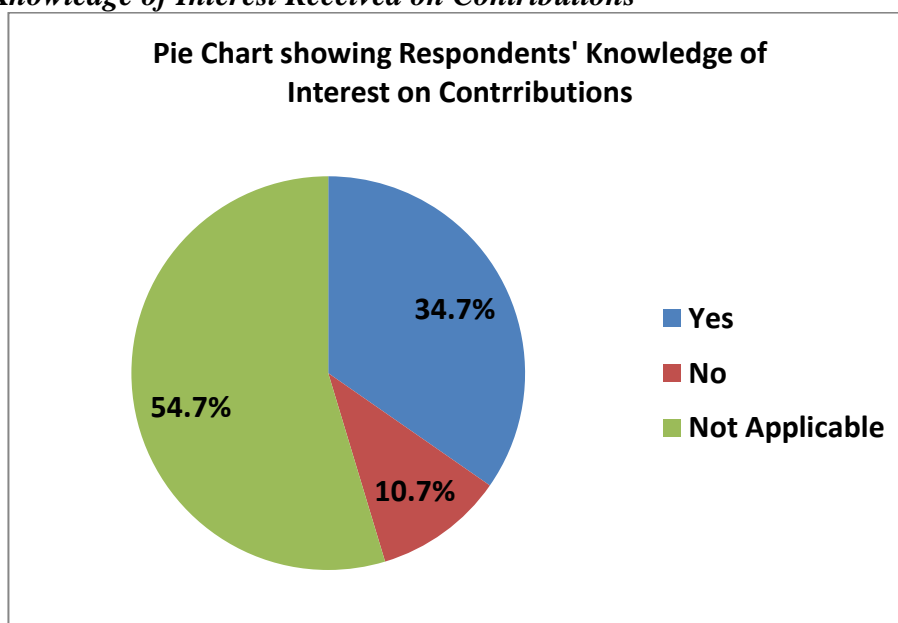
Given the conclusion that Pricing and the Social Security System preference are related to each other, the nature of the relationship can be examined from Table 4.15. Respondents that

subscribed to SISF were likely to do so because they may be financially able to do so and due to the flexible term of contributing. From the study, it was also established that most respondents were not contributing to any of the systems available which may have been as a result of the Pricing. In summary, considering the huge number of respondents that did not subscribe to any of the Social Security System, it reiterates the existence of a relationship. Apart from the life insurance which have defined amount that subscriber must pay every month, it was evident the other had flexible pay plans which were likely to influence the decision to rather opt for the latter.

4.4.5 Knowledge of Interest Received on their Contributions

From Fig. 4.21 below, there were 35% representing 52 respondents that said they were aware that they receive interests on their contributions. However most of them could not readily tell us the percentages at which these were calculated and therefore the amounts they were likely to receive. On the other hand 16 of the respondents also reported that they did not receive interests on their contributions.

Fig. 4.21: Knowledge of Interest Received on Contributions



It is clear from the above that some respondents in one way or the other are involved in some social security system geared mainly towards old age pensions or security. It is also evident from the data that a large number are not aware of the existence of the SISF which has a primary aim of enabling workers in the Informal Economy to enjoy pensions in their old age. It is also important to note that most respondents made their choice of social security based on whether they thought the organisation was credible and that their contributions will be safe. In most situations they were less likely to consider the premiums since they decide on the amount to contribute, the payment schedules and the interests they were likely to receive on their contributions; of which the latter could be highly due to lack of information.

Chapter 5

FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.0 INTRODUCTION

The preceding chapters have given an insight on the subject of emerging patterns in social security systems relating to the informal economy. This chapter will, however, attempt to give a summary of findings from the analysis of data and conclusion that can be inferred from these findings. This will also include some recommendations towards building awareness and extending coverage of Social Security more effectively to the Informal Economy, and encouraging preparation towards retirement.

5.1 Summary of Findings

A review of the socio-demographic background of informal economy workers in this study revealed that majority of them are in the prime of their working lives, that is, between ages 15 and 49 years. That is the age bracket that the National Pensions Act, 2008 (Act 766) through the SISF wants to extend Social Security coverage in the Informal Economy. Consistently, they constituted an important target for this study since they are labelled as being in their prime and so are able to work satisfactorily and make sufficient income that should assist them in making such important decisions such as concerning their social security. In relation to the respondents' educational background, the study establishes that informal economy workers generally have low levels of education which is likely to account for them being with little or no employable skills and eventually finding themselves in the informal economy where skill requirements for entry are not high or strict. The study also reveals that quite a number of respondents are married and in addition to this number, most of the respondents also have children who are their dependants.

On their attitude and knowledge about SSNIT and SISF, and its operations, the study found that majority of the respondents (about 85%) knew about the existence of SSNIT. However, they had very little knowledge about the activities of SSNIT. In most cases, respondents only knew SSNIT for providing pensions for workers employed by the Government institutions. Unlike the SSNIT, even fewer respondents (62.7%) knew about the SISF and its core functions. Apart from their knowledge about the retirement benefit they would be entitled to, most respondents had no knowledge about the other benefits that they were entitled to. The few (33%) who had also registered with the SISF did not make very regular payments. This may be due to financial constraints such as low and irregular incomes, limited knowledge of the benefits and service they were entitled to and in some cases the mode of payments posed a challenge to them. On the other hand, some participants in the study had not registered with the SISF because they were not satisfied with some of the services especially the opportunity to access credits. These credits are given out based on one half of their contributions and this; they thought was not realistic enough since they needed bigger credit facilities. In addition the respondents were mostly not aware of the Insurance Product (Life Insurance Premium) they are automatically entitled to.

With regard to saving habits, the study establishes that most of the respondents were saving in cash or in kind. It was also realized that for most of the respondents that operated the susu (6%) or saved with the Savings and Loans (35.3%) outlets, it was a way of raising some capital to reinvest in their businesses. This also helped them meet some very immediate needs that required quite a substantial amount of money or to enable them have access to loans from financial institutions. The respondents in most cases did not consider long term projects such as saving towards old age. Instead, they felt that once they were able to build their businesses and look after their children that should be enough security against old age and any other

unexpected occurrences.

Apart from those who had registered with SSNIT and SISF, some of the arrangements the respondents listed were; investments in landed property and their businesses which they hoped to rent out, which would in return give them some income. Some hope that the associations or groups of which they are members will assist them in times of need. It was interesting noting that most respondents did not identify their children as a support system for their old age. This confirms Aboderin's (2005: 1) view that both the developing and western societies have experienced a decline in the *material* family support for older people due social and economic change.

The study also revealed that accessibility of the SISF offices or contact centres to the respondents or subscribers also poses another challenge. Although agents come around, they do not know where the offices are and how to get in contact with them to make enquiries and once the agents failed to show up, it meant they did not have any other means of communication. This was partly why some of the subscribers did not make payments regularly.

The study also noted that the media through the radio, television and newspapers, has not been extensively used to disseminate information about the product or to build awareness. The respondents that had heard about SSNIT and SISF listed that they had heard about these institutions through their officials, friends and their associations of which they are members of.

Finally, the study shows that pricing, interests accrued on contributions and reliability may

have some level of effect on the choice of Social Security System respondents subscribed to. There appear to be a preference for SISF though the 'Susu' system, a traditional form of social safety net is available to informal economy workers. This preference of the SISF may be attributed to respondents stating that their choice was based on the guarantee of contributions being safe and readily available.

5.2 Conclusion

In conclusion, the study has revealed that there was no emerging new trend in informal social security in Ghana. 'Susu' is a known informal social security system which has operated for decades and has not changed its characteristics of operations. The 'Susu' does not seem to play an effective part in the social security arrangement. Only 6% of respondents participated in the 'Susu' system. It has, therefore, no competitive advantage over the SISF.

However, there has been a lot of effort on the part of government and relevant institutions to include the informal economy workers in the Formal Social Security Systems such as the National Pension Scheme. In contrast to the abysmal Informal economy workers' participation in the 'Susu' system, a third (33%) of respondents in this study had subscribed to the SISF. In spite of this, further studies need to be carried out to assess the overall impact of the SISF in the informal sector of the economy.

This study has given an insight into the dynamics of Social Security arrangements within the Informal Economy that asserts that information is key. A lot more needs to be done to effectively extend coverage of social security to the informal economy. This will require intensified education and information dissemination. The effort being made by some workers in the informal economy to secure their future in their old age and during the times when they cannot work for a regular income must be encouraged and the mechanisms expanded.

5.3 Recommendations

In view of the key findings and the conclusion stated above, the following recommendations are proposed that should help strengthen social security in the informal economy. According to the literature reviewed, the informal economy has persisted over time and is here to stay. However it is time that we formalized their activities and this will make it easier for them to be included in the formal social security systems available.

- At the policy level, an open discussion of pensions and other contingencies is needed to fill the information gaps for people.
- Intensive advocacy through the media, mobile vans, at Grand durbars such as Festivals, Associations such as churches to encourage workers to register unto the scheme. This will also help remove doubts in the minds of people about the products offered by the SISF. In addition, civil societies can be encouraged to take interest in Social Security as part of the mandate.
- With regard to the irregularity of payments, workers can be encouraged to open bank account with banks and other financial institution and encouraged to use the payment order system to make their contributions to the scheme. This should take care of the problem of the agent not coming around
- Association or groups can also be helped to start their own Pension schemes if possible. This is with the knowledge that ownership might drive them to be more concerned and this can be managed by an insurance company and possibly regulated by the National Pensions Authority.

Since this study focused mainly workers informal economy in Accra, which is an urban area, there is the need for further studies that would look at the issues that are peculiar to the rural areas.

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Appendix 1

Population of Madina

POPULATION			
AGE	MALE	FEMALE	TOTAL
0-4	3,416	3,395	6,811
5-9	3,672	3,911	7,583
10-14	3,991	4,738	8,729
15-19	4,538	5,356	9,894
20-24	4,795	4,845	9,640
24-29	4,293	4,231	8,524
30-34	3,243	3,298	6,541
35-39	2,516	2,599	5,115
40-44	1,977	1,880	3,857
45-49	1,575	1,357	2,932
50-54	1,106	1,062	2,168
55-59	788	672	1,460
60-64	572	521	1,093
65-69	418	428	846
70-74	269	278	547
75-79	151	174	325
80-84	102	130	232
85+	193	207	400
TOTAL	37,615	39,082	76,697

ECONOMICALLY ACTIVE	
MALE	18,377
FEMALE	17,538
TOTAL	35,915

Source: Ghana Statistical Service: PHC(2000)

Appendix 2

Percentage Points of the Chi-Square Distribution

Degrees of Freedom	Probability of a larger value of χ^2								
	0.99	0.95	0.90	0.75	0.50	0.25	0.10	0.05	0.01
1	0.000	0.004	0.016	0.102	0.455	1.32	2.71	3.84	6.63
2	0.020	0.103	0.211	0.575	1.386	2.77	4.61	5.99	9.21
3	0.115	0.352	0.584	1.212	2.366	4.11	6.25	7.81	11.34
4	0.297	0.711	1.064	1.923	3.357	5.39	7.78	9.49	13.28
5	0.554	1.145	1.610	2.675	4.351	6.63	9.24	11.07	15.09
6	0.872	1.635	2.204	3.455	5.348	7.84	10.64	12.59	16.81
7	1.239	2.167	2.833	4.255	6.346	9.04	12.02	14.07	18.48
8	1.647	2.733	3.490	5.071	7.344	10.22	13.36	15.51	20.09
9	2.088	3.325	4.168	5.899	8.343	11.39	14.68	16.92	21.67
10	2.558	3.940	4.865	6.737	9.342	12.55	15.99	18.31	23.21
11	3.053	4.575	5.578	7.584	10.341	13.70	17.28	19.68	24.72
12	3.571	5.226	6.304	8.438	11.340	14.85	18.55	21.03	26.22
13	4.107	5.892	7.042	9.299	12.340	15.98	19.81	22.36	27.69
14	4.660	6.571	7.790	10.165	13.339	17.12	21.06	23.68	29.14
15	5.229	7.261	8.547	11.037	14.339	18.25	22.31	25.00	30.58
16	5.812	7.962	9.312	11.912	15.338	19.37	23.54	26.30	32.00
17	6.408	8.672	10.085	12.792	16.338	20.49	24.77	27.59	33.41
18	7.015	9.390	10.865	13.675	17.338	21.60	25.99	28.87	34.80
19	7.633	10.117	11.651	14.562	18.338	22.72	27.20	30.14	36.19
20	8.260	10.851	12.443	15.452	19.337	23.83	28.41	31.41	37.57
22	9.542	12.338	14.041	17.240	21.337	26.04	30.81	33.92	40.29
24	10.856	13.848	15.659	19.037	23.337	28.24	33.20	36.42	42.98
26	12.198	15.379	17.292	20.843	25.336	30.43	35.56	38.89	45.64
28	13.565	16.928	18.939	22.657	27.336	32.62	37.92	41.34	48.28
30	14.953	18.493	20.599	24.478	29.336	34.80	40.26	43.77	50.89
40	22.164	26.509	29.051	33.660	39.335	45.62	51.80	55.76	63.69
50	27.707	34.764	37.689	42.942	49.335	56.33	63.17	67.50	76.15
60	37.485	43.188	46.459	52.294	59.335	66.98	74.40	79.08	88.38

Appendix 3**Emerging New Patterns in Social Security in the Informal Economy in Ghana in Accra****STRUCTURED QUESTIONNAIRE FOR WORKERS IN THE INFORMAL ECONOMY**

Dear Respondent,

I am a post-graduate student of the University of Ghana, undertaking a study on emerging new patterns in social security in the informal economy in Accra. This study is part of the requirements leading to the award of a Master of Arts Degree in Sociology. You are assured that the information you provide will be treated as confidential and used for academic purposes only. Thank you.

(Please tick (✓) or provide the answers where appropriate)

Date of interview:-

Name of locality:

Section A: Socio-Demographic Data of Respondents

1. Sex of respondent:

1) Male 2) Female

2. Age of respondent:

3. What is your educational background?

1. None	
2. Primary	
3. JHS/Middle School	
4. SHS/	
5. Tertiary Education	
6. Other Specify:	

4. What is your marital status?

1. Married	
2. Single	
3. Divorced	
4. Widowed	
5. Separated	
Other Specify:	

5. Number of children:

6. What is your occupation?

- a) Trader []
- b) Seamstress/Tailor []
- c) Hairdresser/Barber []
- d) Mechanic []
- e) Carpenter []

Section B: Respondents' Saving Habits, Knowledge and Attitudes towards SISE

7. For how many years have you been working.....

8. Do you save? (1) Yes [] (Go to Question 22) (2) No []

9. If no, why don't you save?

10. If yes, what kind of savings do you have?

.....

11. For what purpose do you save?

12. What other form of investment do you have?

.....

13. Do you know about SSNIT? (1) Yes [] (2) No []
14. Do you know about the informal branch of SISF? (1) Yes [] (2) No []
15. If yes, what do you know about SISF?

16. If yes, how did you get to know about SISF?
 (1) Through the media
 (2) Through friends []
 (3) Through SSNIT officials []
 (4) Other (specify)
17. Are you registered with SISF? (1) Yes [] (2) No []
18. Are your contributions to SISF regular? (1) Yes [] (2) No []
20. If yes, how do you make your contributions?
 (1) Through payment order
 (2) Through collection by officials []
 (3) Through walk-in to their office []
 (4) Other (specify)
21. If no to Qtn. 18, give reasons.

22. Do you know the benefits offered by SISF? (1) Yes [] (2) No []
23. List some of the benefits offered by SISF to its members?
 a) Old Age Retirement Benefit []
 b) Disability Benefit []
 c) Death/Survivor's Benefit []
 d) Withdrawal Account to enhance business []
 e) Part of Funds used as guarantee for securing mortgage []
 f) Other (Specify)..... []

Section C: Knowledge of Alternative Social Security Arrangements

23. Do you belong to any association/group?

(1) Yes [] (2) No []

If yes, Answer questions 24-27

24. What type of group do you belong to?

- a. Susu or Savings Group []
- b. Church association []
- c. Professional association []
- d. Hometown association []
- e. Other, Specify.....

25. Do you make contributions to the group or pay dues? (1)Yes [] (2) No []

26. How often do you make these contributions?

- (1) Daily []
- (2) Weekly []
- (3) Monthly []
- (4) Quarterly []
- (5) Other (specify):

27. Do you expect the association/group to help you in your old age and when you are sick?

(1) Yes [] (2) No []

28. Are you planning towards your retirement?

(1) Yes [] (2) No []

29. If yes, in what ways?.....

30. Which type of Social Security System do you prefer?

- a. SISF []
- b. Informal Social Security System []
- c. None []
- d. Other (Specify).....

31. Give Reasons why you prefer the choice made?

- a. The cost of contribution []

- b. The payment plan []
- c. The benefit that you will receive []
- d. Other (Specify).....

SECTION C:

- 32. How much do you pay for registration?
- 33. How much do you pay for as premium?
- 34. What is the interest rate on your contributions made?

THANK YOU.