SSNIT: ITS PERFORMANCE AND IMPORTANCE TO THE GHANAIAN SOCIETY

(A CASE STUDY OF PENSIONERS AND BENEFICIARIES OF SSNIT AT LA-ACCRA)

BY

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JULY, 2008

ABSTRACT

This study examined the performance, future and the importance of SSNIT in the Ghanaian Society. The convenient sampling procedure was used to select thirty (30) pensioners and beneficiaries in the ratio of 1:1 for the research. Regression analysis was the major statistical tool used to analyze the data collected. SPSS and Microsoft Excel software were used for the analysis.

In addition, all the respondents (100%) are SNNIT contributors. This is because the study was targeted to only those who benefited financially from SSNIT. The major benefit they got from SSNIT was student loans. Others had it through pensioners’ schemes. Also, the community is currently benefiting from SSNIT through the La-Palm Beach. This is attracting investors, tourists and so forth to the community. However, the respondents
complained that it takes several days for pensioners to process or access their returns or claims. They therefore advised SSNIT to fasten her processes in that area.

Also, the regression analysis shows that, the number of contributors, pensioners and students increase every year leading to a high amount of contributions and disbursement. To add to the above, from all the literature reviews, findings and analysis done, it is obvious that Social Security and National Insurance Trust (SSNIT) is doing a lot of improvement works in Ghana despite the flaws stated by the pensioners.

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CHAPTER 1
INTRODUCTION

1.1 BACKGROUND TO THE STUDY
In a world of stupendous technological and medical advances, social protection has become mankind’s pre-occupation due to the vagaries of life. Well before the advent of Europeans, and the rise of modern states, traditional African societies realized the need to put in place measures to cater for the major contingencies through collective security and mutual help to one another. Until recently, the extended family was the institution in Ghanaian communities that provided social and economic support to various family members at the appropriate times of need.
Traditionally, the family was the critical focus in the provision of support when members become old and are threatened by economic deprivation, disability, and social isolation. In appropriate cases, the community as a whole provided the social net for aged without a family. In fact, it was legend that traditional extended family practices transcended socio-economic protection to offering psychological stability and moral upliftment. In contemporary times and especially with the decline of the extended family, there is a gradual shift away from primary reliance on the extended family towards dependence on more semi-formally institutionalized social security systems. The pressures created by the promotion of economic growth and social mobility together with the severe resource constraints confronting traditional systems, are all putting strains on the extended family as an effective cohesive unit that provides income security for the aged and the disabled, care for the sick and unemployed members of the family, the new born child and the mother, the orphan and even the complete stranger. The breakdown in traditional social protection schemes has been compounded by the new economic order in the 1980s based on market-led strategies to economic growth.

The main thrusts of the new economic order that have affected the level of social protection include the following:

• Minimalist state intervention in economic activity with policies of deregulation and divestiture of state-owned enterprises,
• Stabilization and structural adjustment policies,
• Liberalization of both domestic and foreign trade that entailed removal of price and distribution controls by franchise,
• Removal of subsidies under incomes reform to reward performance consistent with allocative efficiency policies and cost-effectiveness in the production and delivery of goods and services, especially those produced by the public sector,
• Exit policies such as redeployment/retrenchment in the public sector, wage restraint, revision and transfer payment.

1.2 Statement of the Problem
Social Security schemes are programs established by statute for the protection of members of society through a series of public measures against economic and social distress. They are meant to provide income when some or all sources of income are terminated. The question is: Does SSNIT perform its functions to perfection? This research therefore looks at the performance and importance of SSNIT to the Ghanaian society.

1.3 Aims and Objectives of the Study
The purpose of this study is to investigate the performance and importance of SSNIT to the Ghanaian Society. This study seeks to investigate how effective SSNIT operates in this developing economy of ours (Ghana).

Specifically, the study seeks to accomplish the following objectives:

- To find out the importance of SSNIT in Ghana.
- To find out the impact of SSNIT on the people of Ghana.
- To find out whether SSNIT do help all category of people in Ghana.
- To find the trend of the number of contributors and beneficiaries of SSNIT.
- To make an attempt to offer suggestions and recommendations based on the findings of the research.

1.4 Research Hypothesis
The aim of this study is to seek empirical evidence to examine the hypothesis below:

Null hypothesis (H0): ‘SSNIT does not protect members of the society’
Alternative hypothesis (H1): ‘SSNIT protects members of the society’

1.5 The significance of the study
This study would be a useful tool in the hands of the Ministry of Finance, SSNIT and the Ghanaian Economic Planners. Also, it is envisaged that the result of this study would help to create an awareness of the performance and the importance of SSNIT to the Ghanaian Society as well as to the policy makers and the people of Ghana. This would
enable the nation to adopt strategies which will help to achieve the objectives of SSNIT. Finally, the findings of the study would provide evidence for further research work.

1.6 Limitations
This study is limited to the performance, future and importance of SSNIT to the Ghanaian society. There are a number of factors that boost the protection of members of society but very limited mention was made of them and their impacts. The study was limited to selected pensioners and beneficiaries in La-Accra. The limitation is significant because of

- financial constraints- This poses difficulty in interviewing so many pensioners and beneficiaries.
- time- The study was undertaken within a time frame of 5 months.
- data collection – The distribution and collection of questionnaires were time consuming because of the location and dispersed nature of the respondents.

1.7 Definition of terms
For the purpose of the study, certain words and terms were used which may not be familiar to readers. Such words and terms have been explained as follows:

Primary data: - This is the name given to data that were collected under the control and supervision of the person or the organization making particular study.

Secondary data: - This is the name given to data that are being used for some purpose other than that for which they were originally collected.

1.8 Organization of the Study
The study was divided into five chapters. Chapter one consists of the introduction, rational for the study, statement of the problem, research question, objective of study, hypothesis, limitation of the study, definition of terms and organization of the study. Chapter two reviews existing literature as regards SSNIT as a factor generating security of the society. Chapter three consists of methodology. Chapter four consists of data presentation, analysis, and discussion of the main findings. Chapter five concludes the study with summary, conclusion and recommendations.
CHAPTER 2
LITERATURE REVIEW

2.1 INTRODUCTION
This section of the study seeks to find out what others have written about the subject matter. The section primarily deals with what other authors have done in regard to this subject matter.

2.2 A short History of SSNIT
SSNIT basically administers the pension fund of the working population of Ghana. Its history dates back to 1965. It was then a provident fund until 1991 when a new bill was passed converting the provident fund into a pension scheme. The reason was that the
interest rate on the funds, the bulk of which was invested in government bills, was far below the rate of inflation and this affected the benefits accruing to members. This therefore made the benefits woefully inadequate. To provide for a better social income protection, the provident fund was replaced by the pension scheme (Gockel, 1996).

SSNIT currently has over 700,000 members contributing and it is paying out pension to over 30,000 people. It operates through 46 offices in the districts, 11 regional offices and a head office (Gockel, 1996).

In terms of business, SSNIT operates on two main lines. These are pension’s administration and investment management. To the investing public oversees, SSNIT believes they would be interested in the investment aspect of what it does (Gockel, 1996).

2.3 Objectives of SSNIT today
The primary objective of SSNIT is to manage the fund to meet the pension obligations that it has promised the contributing members. SSNIT’s slogan which ties in with its goal is to "deliver on our promise" and that is the primary objective of any pension scheme. SSNIT has a contractual obligation to pay the pensions when they come due. SSNIT provides 3 benefits; the old age pension for those between 55 and 60 years, invalidity pension for those who are totally invalid and a survivors lump sum for dependants of a deceased member (Disney & Co, 2000).

2.4 The Philosophy of SSNIT to become what it is today
SSNIT is the biggest by its assets and also by the volume of contributions that it takes. As a young fund, SSNIT accumulates surpluses with investments in various sectors of the economy. SSNIT is very visible in the real estate sector. SSNIT is the largest single investor on the local stock market with investment in 16 out of the 21 companies on the stock exchange (Disney & Co, 2000).

SSNIT also has investments in companies, spanning all the sectors; financial, manufacturing, services, agriculture. SSNIT is basically looking for returns to help it
meet its obligations in the future. Therefore, it is driven by the need to generate returns to meet these obligations (Disney & Co 2000).

2.5 SSNIT’s sources of funds
The pension scheme is self-financed with contributions from members and the investment returns on the contributions. To maximize the returns on its investments, SSNIT is now looking at co-investing with other international pension fund managers who are interested in coming to Ghana. This will enable SSNIT to pick up bigger projects than it can take on its own (Holzmann & Co, 1997).

SSNIT has started talking to some fund managers. SSNIT hopes that before long it should be working with other fund managers to maximize the returns on its investments. So far, it has been a co-investor with other private investors but not with pension fund managers (Holzmann & Co, 1997).

2.6 Investment of SSNIT
First, SSNIT has to appreciate that the investment outlets in Ghana are limited and as a developing nation it is somehow driven by developmental needs. Therefore, SSNIT has put in quite a lot of investments in property development and tourism. SSNIT’s biggest investment outlay is in property development and tourism. SSNIT is, through its participation in the housing industry, facilitating Ghana’s housing delivery programme. On the commercial front, it is participating in equities in listed and unlisted companies across all the sectors of the economy. Its investments in the banks have proven to be the most profitable investment it has made (World Investment news, 1999).

SSNIT sees a lot of future in tourism. Therefore, it is helping to diversify the foreign exchange earnings of this country gives the conditions around West Africa. This is because; Ghana is becoming increasingly attractive for commercial business and direct investment as well as for the tourism industry. Politically, Ghana has enjoyed stability over the last two decades. She has had two successive civilian governments (World Investment news, 1999). The economy has improved with the liberalization of the
economy. She has seen the inflow of tourists and SSNIT has moved to respond to the increasing demand. SSNIT has established two hotels at Busua in the Western Region and Elmina in the Central Region and investments in Labadi Beach Hotel, La Palm Hotel. As a matter of fact, SSNIT just concluded discussions to link up to one holding company to create a chain of beach resorts, anchoring it at La Palm Royal where foreigners can come on packages, spend the weekend in Accra, move to Elmina, to Busua, come and go back. SSNIT believes that this should generate a lot of business over the next two years and beyond. SSNIT’s investment is also in Merchant Bank Ghana Limited and Elmina hotel (World Investment news, 1999).

The overall objective of Vision 2020 is to make Ghana a middle-income country by 2020. It takes various components to achieve that. Savings levels must increase; investments must come in to create jobs. SSNIT wants the health care system to improve, education to also improve and SSNIT is contributing in all these areas. In education, SSNIT is assisting through its investment in the students’ loan scheme which it has funded for sometime now (World Investment news, 1999).

In the healthcare sector, SSNIT has provided health centers to some deprived communities. It runs a Trust Hospital and it has also provided financial assistance to develop some regional hospitals (World Investment news, 1999). It is currently in the process of launching a national health insurance scheme to be privately run and it should be able to do it to make healthcare affordable. If healthcare is more affordable, a lot more people would stay healthy, be more active and help to propel the economy to the heights that it wants to get. If you talk about investments, SSNIT comes in handy. SSNIT senses that with the surplus, it stands ready to invest along with the foreign partners who can complement its resources, financial and natural, with technology, management and technical know-how. These will facilitate investments in certain areas that can generate jobs and produce returns for SSNIT and the country (World Investment news, 1999).

Certainly, SSNIT looks at its investments in two broad ways; commercial and social. A successful commercial investment would have to generate jobs. If a company is
successful by making profit, then, it will be adding more value to the economy. For the social investments, SSNIT has focused its resources on education and healthcare and these are all areas that improve the quality of life in Ghana (World Investment news, 1999).

Basically, SSNIT has been reaching out in certain areas where it identifies the need for foreign partnership. This is where the skills are not available locally and you can talk of hotel management in the tourism industry (World Investment news, 1999).

Another area SSNIT is looking at is commercial agricultural farms. It is in discussion with some foreign partners to come and team up with it to enter into commercial farming ventures (World Investment news, 1999). In the area of property development, SSNIT has built five commercial office buildings which are going to require professional management. There is some level of expertise in Ghana but to maximize its returns, SSNIT needs to have the full complement of professionals who are also experienced (World Investment news, 1999).

SSNIT has started defining the areas into which it wants to move, its priority areas being the agro business. Ghana is well endowed with natural resources, good climate and soils, well positioned geographically to produce fresh vegetables and fruits for the European market or even flowers to compete with the East African markets or Caribbean markets. These are areas SSNIT believes it should look at in addition to food production for local consumption (World Investment news, 1999).

The history of all third world countries has been a hindrance to foreign investors and they have certain concerns politically, socially and commercially. Most people in Europe look at Africa as one country without differentiating between the various countries and we tend not to enjoy the best press. Even within each country, there are differences from year to year. Certain years may be good, others may be bad. We have to be pro-active and market our country (World Investment news, 1999).
Again, the opening up of Eastern Europe has diverted a lot of attention and the general lackluster investment climate in the emerging markets has tended to affect developing countries. In the face of all these we need to aggressively market and create "an enabling environment". Politically, Ghana has set the right things in place and formed the right liaisons with America: President Clinton visiting us and our President going to the United States (World Investment news, 1999).

Various laws have been passed to facilitate investment and business in general and Ghana has created one shop centre, the GIPC, all aimed at reducing the hindrances to investment. SSNIT is making the right noises and people need to know that they can invest safely here. Ghana has no restrictions on dividend transfers or corporate ownership (World Investment news, 1999).

2.7 Workforce of SSNIT
SSNIT has about 2200 employees of which approximately half are officers and the rest junior staff. SSNIT operates a network of 46 district offices, 11 regional offices and about 3 administrative offices in the centre of Accra (Callund & Co, 1999).

2.8 Student Loans
The student loan scheme was introduced in Ghana in January 1988, prior to the introduction of cost sharing. The main purpose of the student loan was to supplement the student’s private resources, especially parental support for food, lodging, transportation costs, and other expenses that were difficult for many families because of the very high poverty rate in the country. The student loan scheme was a financial arrangement under which all Ghanaian students who are enrolled and pursuing approved courses in an approved public tertiary institution were eligible to receive a loan regardless of their real financial needs (Dei & Co, 1999). The loan was available to full time students, but part-time students could also receive a loan with the approval of the Minister of Education.
In October 2002, the government began including students in the emerging private universities in the student loan scheme under the Ghana Educational Trust Fund. The Social Security and National Insurance Trust (SSNIT) was assigned to provide loans, which were repayable at a fixed and substantially subsidized interest rate: originally 3 percent but increasing to 6 percent in the mid 1990s. Student borrowers who were employed could elect to repay via a diversion of both their own employee contributions and their employers’ matching contributions to the Social Security and National Insurance Trust (Dei & Co, 1999).

CHAPTER 3
METHODOLOGY

3.1 Introduction

This chapter discusses the research design, the population and sample, the instruments used in the data collection, the procedure for data collection and the method for data analysis.

3.2 The research design

The research design used is the survey design. Research design is the specific data analysis techniques or methods that the researcher intends to use. The survey design involves the collection and analysis of data and finding out the answers concerning the current status of the subject. Also, it is a study of variables in their natural setting or
under usual circumstances. This comprises observation of facts, formulation of hypothesis, collection and classification of data, interpretation of data, formulation of theories, application of facts and predictions. Since human behaviour is difficult and can not be predicted, it makes the results of the research, at times, not applicable to the population.

Regression was also done using the model: \( Y = A + BX + E \)

\( Y \) is the dependent variable (number of contributors, contributions made, number of pensioners, pensions paid, number of students, loans disbursed or total payments), \( X \) is the independent variable (years or time), \( A \) is the y-intercept, \( B \) is the slope or gradient and \( E \) is the random error term.

### 3.3 Population, Sample and Sampling Technique

The target population is pensioners and beneficiaries in La-Accra area. The convenient sampling procedure was used to select thirty (30) pensioners and beneficiaries for examination. The selection was done in the ratio of 1:1. That is 50% for beneficiaries and 50% for the pensioners. Convenient sampling is the selection of people not at random and also at the researchers’ own space. The convenient sampling method was used because of the sparsely distribution of pensioners and beneficiaries at the study area. This number (30) was studied because, prior to this research, the researcher found out that pensioners and beneficiaries are not many at the study area (La).

### 3.4 Instrument

Questionnaire is the major instrument that was used to collect the data. The questionnaire was used in order to get a standard form of answers or responds.

### 3.5 Data Collection Procedure
Thirty questionnaires were used, one for each person or respondent. The questions were read for them to answer. Also, a secondary data on the records of SSNIT’s performance was collected from SSNIT’s headquarters.

3.6 Data analysis

Frequencies, percentages, bar graphs, non-parametric test (Chi-Square Test), regression analysis and correlation coefficient were used to analyze the data. SPSS software and Microsoft Excel were used for all the analysis.

Regression was also done using the model: \[ Y = A + BX + E \]

This model was used because it is the best model to use to get the trend and correlation of the secondary data collected.

CHAPTER 4

DATA ANALYSIS AND INTERPRETATION OF THE FINDINGS

4.0 Introduction

This Chapter consists of the data analysis and the interpretation of all the findings of the research.

4.1 Findings from the respondents

Table 4.1 Age Distribution of the respondents
From Table 4.1, 50% of the respondents are within the ages of 26-45 whiles the other half are above the age of 45. Also, none of them are below the age of 26. It should be noted that this does not mean that a person has to be 26 and above before he or she benefits from SSNIT. This is represented graphically in Appendix A (Figure 4.1).

### Table 4.2 Gender Distribution of the respondents

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>17</td>
<td>56.7</td>
<td>56.7</td>
<td>56.7</td>
</tr>
<tr>
<td>Female</td>
<td>13</td>
<td>43.3</td>
<td>43.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Authors fieldwork, 2008

From Table 4.2, we could see that more of the respondents (56.7%) are males. 43.3% of them are females. The graphical representation of this information is shown in Appendix A (Figure 4.2).

### Table 4.3 Level of education

<table>
<thead>
<tr>
<th>Education</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary</td>
<td>6</td>
<td>20.0</td>
<td>20.0</td>
<td>20.0</td>
</tr>
<tr>
<td>J.S.S.</td>
<td>8</td>
<td>26.7</td>
<td>26.7</td>
<td>46.7</td>
</tr>
<tr>
<td>Tertiary</td>
<td>16</td>
<td>53.3</td>
<td>53.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Authors fieldwork, 2008

From Table 4.3, it is obvious that more of the respondents (53.3%) are tertiary graduates. Few of them are primary or J.S.S. graduates. This does not mean that one has to be educated before he or she benefits from SSNIT but it advisable to be educated. More light is thrown on this in Appendix A (Figure 4.3).
From Table 4.4, majority of the respondents (83.3%) are married, just to support the saying that “behind every successful man there is a woman and vice versa”. Only 16.7% of them are not married. Appendix A (Figure 4.4) throws more light on this.

From Table 4.5, 46.7% of the respondents are into trade (that is distributors, importers and exporters) and 53.3% of them are professional workers (that is, teachers or school proprietors, beauticians, fashion designers, caterers, drivers, furniture designers, auto mechanics, contractors, doctors or hospital owners, etc). This is shown graphically in Appendix A (Figure 4.5).

From Table 4.6, all the respondents (100%) are SSNIT contributers. This happened because the target population were the pensioners and beneficiaries of SSNIT. This means that the respondents believe that SSNIT is the safest or secured place for keeping their monies. Figure 4.6 of Appendix A gives the pictorial view of this information.
Table 4.7 Frequency distribution of the question: ‘Have you been assisted by SSNIT financially before?’

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Yes</td>
<td>30</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>30</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Authors fieldwork, 2008

From Table 4.7, all the respondents (100%) have been assisted by SSNIT financially before. The major benefit they got was a student’s loan. Others had it through pensioners schemes. The community is currently benefiting from SSNIT through the La-Palm Beach. This is attracting investors, tourists and so forth for the community. The graphical representation of this information is shown in Appendix A (Figure 4.7).

Table 4.8 Frequency distribution of the question: ‘Do all kinds of people get help from SSNIT?’

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Yes</td>
<td>0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>30</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>30</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Authors fieldwork, 2008

From Table 4.8, of the respondents declared that not all kinds of people get help from SSNIT. The only way that one becomes a full beneficiary is through SSNIT contribution. Figure 4.8 of Appendix A throws more light on this.
Table 9 Frequency distribution of the question: ‘Does it take several days or weeks for pensioners to process or access their returns or claims?’

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Yes</td>
<td>30</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Authors fieldwork, 2008

From Table 4.9, all the respondents (100%) said that it takes several days for pensioners to process or access their returns or claims. They therefore advised the SSNIT to fasten her processes in this area. They also recommended that SSNIT should build hospitals, give loans to small or medium scale industries or enterprises in all the ten regions to boost the morale of the entrepreneurial citizens to improve upon the economic situations in the country. The graphical representation of this information is shown in Appendix A (Figure 4.9).

4.2 Analysis of the Secondary Data

Table 4.10 Performance of SSNIT in Ghana

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of contributors</th>
<th>Contributions made. (in GH¢)</th>
<th>No. of pensioners</th>
<th>Pensions paid (in GH¢)</th>
<th>No. of students.</th>
<th>Loans disbursed. (in GH¢)</th>
<th>Total payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>594,191</td>
<td>-</td>
<td>3,551</td>
<td>247.38</td>
<td>15,656</td>
<td>985.51</td>
<td>1232.89</td>
</tr>
<tr>
<td>1993</td>
<td>571,159</td>
<td>-</td>
<td>6,684</td>
<td>907.13</td>
<td>16,302</td>
<td>2,199.30</td>
<td>3106.43</td>
</tr>
<tr>
<td>1994</td>
<td>575,282</td>
<td>-</td>
<td>10,738</td>
<td>8,257.43</td>
<td>18,644</td>
<td>3,565.00</td>
<td>11822.4</td>
</tr>
<tr>
<td>1995</td>
<td>579,903</td>
<td>-</td>
<td>16,214</td>
<td>13,407.22</td>
<td>23,053</td>
<td>7,575.60</td>
<td>20982.8</td>
</tr>
<tr>
<td>Year</td>
<td>Contributions</td>
<td>Outflow</td>
<td>Contributions</td>
<td>Outflow</td>
<td></td>
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<tr>
<td>------</td>
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<td>---------</td>
<td>---------------</td>
<td>---------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1996</td>
<td>583,768</td>
<td>170,062</td>
<td>21,775</td>
<td>13,599.17</td>
<td></td>
<td></td>
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<td>2,867,914</td>
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<td>-</td>
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</table>

Source: SSNIT, 2008

From table 4.10, it can be seen that the highest number of SSNIT contributors is 784,294 in 2006 while the lowest is 571,159 in 1993. Also, an amount of GHS2,867,914 was contributed in 2006. Moreover, GHS166,745.90 was disbursed to 49,699 students in 2005. An amount of GHS243,748.64 was paid to pensioners in the year 2004.

The estimated trend equation of the number of contributors is: $Y = -30000000 + 12991X$.

From the equation, we could see that if the number of years is set to zero, the number of contributors will reduce by 30,000,000. In addition, when there is an increase in years by one unit, contributors will increase by 12,991. Moreover, the correlation coefficient ($R^2$) of the number of contributors is 0.8464, which shows that, the relationship between the number of years and the number of contributors is high and positive. This is drawn graphically in Appendix A (Figure 4.10).

Further more, the estimated trend equation of the number of contributions made is: $Y = -500000000 + 244880X$. From the equation, we could see that if the number of years set at zero, the number of contributions made will reduce by GHS500,000,000. In addition, when there is an increase in years by one unit, contributions made will increase by
Moreover, the correlation coefficient \((R^2)\) of the number of contributions made is 0.8818, which shows that the relationship between the number of years and the number of contributions made is positive and high. This is drawn graphically in Appendix A (Figure 4.11).

Besides, the estimated trend equation of the number of pensioners is: \(Y = -10000000 + 5098.5X\). From the equation, we could see that if the number of years set at zero, the number of pensioners will reduce by 10000000. In addition, when there is an increase in years by one unit, the number of pensioners will increase by 5098.5. Moreover, the correlation coefficient \((R^2)\) of the number of pensioners is 0.9982, which shows that, the relationship between the number of years and the number of pensioners is high and positive. This is drawn graphically in Appendix A (Figure 4.12).

It should also be noted that the estimated trend equation of the pensions paid is: \(Y = -30000000 + 15804X\). From the equation, we could see that if the number of years set at zero, the pensions paid will reduce by GHc30,000,000. In addition, when there is an increase in years by one unit, pensions paid will increase by 15804. Moreover, the correlation coefficient \((R^2)\) of the pensions paid is 0.7481, which shows that, the relationship between the number of years and the pensions paid is high and positive. This is depicted graphically in Appendix A (Figure 4.13).

Again, the estimated trend equation of the number of students is: \(Y = -6000000 + 3047.9X\). From the equation, we could see that if the number of years set at zero, the
number of students will reduce by 6000000. In addition, when there is an increase in years by one unit, the number of students will increase by 3047.9. The correlation coefficient \( (R^2) \) of the number of students is 0.746, which shows that, the relationship between the number of years and the number of students is high and positive. This is drawn graphically in Appendix A (Figure 4.14).

The estimated trend equation of the loans disbursed to students is: \( Y = -20000000 + 11991X \). From the equation, we could see that if the number of years set at zero the loans disbursed to students will reduce by GH¢20,000,000. In addition, if there is an increase in the number of years by one unit, loans disbursed to students will increase by 11991. To add to the above, the correlation coefficient \( (R^2) \) of the loans disbursed to students is 0.8876, which shows that, the relationship between the number of years and the loans disbursed to students is high and positive. This is drawn graphically in Appendix A (Figure 4.15).

The estimated trend equation of the pensions paid and the loans disbursed is: \( Y = -40000000 + 19541X \). From the equation, we could see that if the number of years set at zero, the pensions paid and the loans disbursed will reduce by GH¢40,000,000. In addition, if there is an increase in the number of years by one unit, pensions paid and the loans disbursed will increase by 19541. Moreover, the correlation coefficient \( (R^2) \) of the pensions paid and the loans disbursed is 0.673, which shows that, the relationship between the number of years and the pensions paid and the loans disbursed is high and positive. This is drawn graphically in Appendix A (Figure 4.16).
4.3 Chi Square Test

Table 4.11 A chi square test of the question “Does SSNIT protects members in the society?”

<table>
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<tr>
<th></th>
<th>YES</th>
<th>NO</th>
<th>TOTAL</th>
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<tbody>
<tr>
<td>O</td>
<td>25</td>
<td>5</td>
<td>30</td>
</tr>
<tr>
<td>E</td>
<td>15</td>
<td>15</td>
<td>30</td>
</tr>
</tbody>
</table>

\[ (O - E)^2 \]

\[ E \]

\[ \frac{(O - E)^2}{E} \]

6.7 6.7 13.4

Note: O is observed frequency and E is expected frequency of the responses.
Source: Authors fieldwork, 2008

Hypothesis Testing of the Frequency of the Responses

- Null hypothesis (H₀): SSNIT does not protect members of the society.
- Alternative hypothesis (H₁): SSNIT protects members of the society.
- The significance level, \( \alpha = 0.05 \)
- The appropriate test statistic is the \( X^2 \)-distribution. \[ Q = \frac{\sum (O - E)^2}{E} = 13.4 \]

- From tables, \( X^2 \) at \( \alpha = 0.05 \) is 3.841
- The decision rule is; reject \( H_0 \) if \( Q > X^2_{n-1} \), other wise fail to reject or accept it.
- Since 5>3.841, \( H_0 \) is rejected and we conclude that SSNIT protects members of the society.
Chapter 5

SUMMARY, CONCLUSION AND RECOMMENDATIONS OF THE STUDY

5.1 Summary of findings of the study

This study examined the performance, future and the importance of SSNIT in the Ghanaian Society. It was found out that 50% of the respondents are within the ages of 26-45 whiles the other half are above the age of 45. Also, none of the respondents are below the age of 26. In addition, 56.7% of the respondents are males while 43.3% of them are
females. It was also found from the research that more of the respondents (53.3%) are tertiary graduates. Few of them are primary or J.S.S. graduates. Also, majority of the respondents (83.3%) are married. 46.7% of the respondents are into trade (that is distributors, importers and exporters) while 53.3 percent of them are professional workers (that is teachers or school proprietors, beauticians, fashion designers, caterers, drivers, furniture designers, auto mechanics, contractors, doctors or hospital owners, etc).

In addition, all the respondents (100%) are SNNIT contributors. This is because the study was targeted to only those who benefited financially from SSNIT. The major benefit they got from SSNIT was student loans. Others had it through pensioners’ schemes. The community is currently benefiting from SSNIT through the La-Palm Beach. This is attracting investors, tourists and so forth to the community. However, all the respondents (100%) said that it takes several days for pensioners to process or access their returns or claims. They therefore advised SSNIT to fasten her processes in this area. They also recommended that SSNIT should build hospitals, give loans to small or medium scale industries or enterprises in all the ten regions to boost the morale of the entrepreneurial citizens to improve upon the economic situations in the country.

Furthermore, from the secondary data, the highest number of SSNIT contributors is 784,294 in 2006 while the lowest is 571,159 in 1993. Also, an amount of GH₵2,867,914 was contributed in 2006. Moreover, GH₵166,745.90 was disbursed to 49,699 students in 2005. An amount of GH₵243,748.64 was paid to pensioners in the year 2004. It was clear from the regression analysis that the number of contributors, pensioners and students
increase every year leading to a high amount of contributions and disbursement. This indicates that the relationship between the various variables and the number of years are positively correlated.

To add to the above, from all the literature reviews, findings and analysis done, it is obvious that, Social Security and National Insurance Trust (SSNIT) is doing a lot of improvement works in Ghana despite the flaws stated by the pensioners.

5.2 Conclusion of the study

The findings of this study show that SSNIT protects members of the society.

5.3 Recommendations of the study

Based on the findings of the research, the following suggestions or recommendations are made:

- SSNIT should fasten her processes in the payment of claims and returns.
- SSNIT should help the nation by building hospitals, schools, manufacturing industries, giving loans to small or medium scale industries or enterprises in all the ten regions to boost the morale of the entrepreneurial citizens to improve upon the economic situations in the country.
REFERENCES


7. www.google.com

APPENDIX A

Figures of the research
Figure 4.1

Age distribution of the respondents

Frequency

Age

26-35 36-45 Above 45

Figure 4.2

Gender distribution of the respondents

Frequency

Gender

Male Female
Figure 4.5

![Bar chart showing the frequency of occupation categories.]

- Occupation categories: Trader, Professional worker
- Frequency values: 13, 14.5, 15.5, 16

Figure 4.6

![Bar chart showing the response to the question: Are you a SSNIT contributor?]

- Response categories: Yes, No
- Frequency values: 30, 5
Figure 4.7

A bar graph of the question: "Have you been assisted by SSNIT financially before?"

Figure 4.8

A bar graph of the question: "Do all kinds of people get help from SSNIT?"
Figure 4.9

A bar graph of the question: "Does it take several days or weeks for pensioners to process or access their returns or claims?"

Figure 4.10

Number of SSNIT contributors

\[ y = 12991x - 3E+07 \]

\[ R^2 = 0.8464 \]
Figure 4.11

Total contributions made (in Ghana cedis)

- Contributions made
- Linear (Contributions made)

\[ y = 244880x - 5E+08 \]
\[ R^2 = 0.8818 \]

Figure 4.12

Total number of pensioners

- No. of pensioners
- Linear (No. of pensioners)

\[ y = 5098.5x - 1E+07 \]
\[ R^2 = 0.9982 \]
Figure 4.13

Pensions paid (in Ghana cedis)

\[ y = 15804x - 3E+07 \]
\[ R^2 = 0.7481 \]

Figure 4.14

Number of students helped

\[ y = 3047.9x - 6E+06 \]
\[ R^2 = 0.746 \]
Figure 4.15

Loans disbursed to students (in Ghana cedis)

\[ y = 11991x - 2 \times 10^7 \]

\[ R^2 = 0.8876 \]

Figure 4.16

Total pensions paid and loans disbursed (in Ghana cedis)

\[ y = 19541x - 4 \times 10^7 \]

\[ R^2 = 0.673 \]
APPENDIX B

The questionnaires of the research

DEPARTMENT OF SOCIAL STUDIES, METHODIST UNIVERSITY COLLEGE, GHANA

Research instrument (Questionnaire) for the localities

This research instrument is designed to study the **performance and the importance of SSNIT to the Ghanaian society**. This is just a study for academic purposes. It has no bearing on anyone or company.

Please tick and fill in the blank spaces appropriately.

1. Where do you live? .................................................................
2. Age? 18-25( ) 26-33( ) 34-41( ) 42-49( ) 50-57( ) 58-65( ) 66 and above( )
3. Sex? Male( ) female( )
4. Level of education? Primary( ) J.S.S( ) S.S.S( ) Tertiary( ) other (specify)………..
5. Marital status? Single( ) Married( ) Divorced( ) Widowed( )
6. Occupation? ........................................................................
7. Are you a SSNIT contributor? Yes( ) No( )
8. If no, then why? ......................................................................
9. Have you been assisted by SSNIT financially before? Yes( ) No( )
10. If yes, then, what type of benefit or assistance did you get from SSNIT?
..............................................................................................
11. What role do you think SSNIT plays in your community?
..............................................................................................
..............................................................................................
12. Do all kinds of people get help from SSNIT? Yes( ) No( )
13. Does SSNIT protect members of the society? Yes( ) No( )
14. Does it take several days or weeks for pensioners to process or access their returns or claims? Yes( ) No( )
15. Generally, what impact does SSNIT have on you in your community?
..............................................................................................

37
16. What other strategies do you think should be implemented by SSNIT to help Ghanaians?

........................................................................................................................................

Thank you.

DEPARTMENT OF SOCIAL STUDIES, METHODIST UNIVERSITY COLLEGE, GHANA

Research instrument (Questionnaire) for SSNIT

This research instrument is designed to study the performance and the importance of SSNIT to the Ghanaian society. This is just a study for academic purposes. It has no bearing on anyone or company.

Please fill in the blank spaces appropriately in the table below:

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<th>No. of students</th>
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Thank you.