

Pension Policy Dimension to Ghanaian Workers' Housing Needs Provision

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Abstract

The paper explores workers' housing needs, expectations and pension policy compatibility to meeting this need using the pension system as a mortgage facility. Use was made of a cross-sectional design. A sample of 131 workers was selected through convenient sampling. The findings show that workers have need for houses with retirement in focus and that they expect government to provide them with

affordable houses. Government's provision of these housing needs can purportedly be met via the national pension system's mortgage facility. Significantly, house acquisition situated within the context of retirement preparation is indicative of retirement portfolio diversification. The findings have implications for promoting housing provision for all workers.

Keywords: Retirement preparation, housing needs, pension policy, house acquisition, home ownership.

Dimensão da Política de Pensões para a Provisão das Necessidades de Habitação dos Trabalhadores do Gana

Sumário

Este artigo explora as necessidades de habitação dos trabalhadores, as suas expectativas e a compatibilidade da política de pensões para ir ao encontro dessas necessidades, usando o sistema de pensões como uma forma de hipoteca. Foi utilizado um design transversal. Uma

amostra de 131 trabalhadores foi selecionada através de uma amostragem conveniente. Os resultados demonstram que os trabalhadores necessitam de casas tendo em vista a reforma e que esperam que o governo lhes forneça casas acessíveis. A provisão do Governo, face às

necessidades de habitação, pode supostamente ser cumprida através da forma de hipoteca do sistema nacional de pensões. Significativamente, a aquisição de casas situada no contex-

to da preparação para a reforma é indicativa da diversificação do portfolio de reformas. Os resultados têm implicações na promoção de provisão de casas para todos os trabalhadores.

Palavras-chave: Preparação para a reforma, necessidades de habitação, política de pensões, aquisição de casas, propriedade de casas.

INTRODUCTION

Work has many individual benefits that range from a sense of purpose and accomplishment through social satisfaction and engagement (Irving, 2014). Individuals attach cherished cultural virtues such as respect, memory, love and beauty to a house (van der Geest, 1998). Ghana has had a myriad of pension reforms, the latest two of which are Provisional National Defense Council (PNDC) Law 247 and Act 766 (2008). Act 766 entails the introduction of second and third-tier reforms that has expanded pension contribution and provision to a larger mass of workers from both the formal and informal sectors of the economy, including an avenue for acquiring a primary residence. Yet, this provision relieves the state from the primary responsibility of doing so (Anderson, 2015, p.150). Housing is perceived as one of the most essential basic needs in every society, in particular for workers. A house is a vital safety need (Obiri-Yeboah & Obiri-Yeboah, 2014), the non-existence of which presents workers with one of the greatest challenges with respect to post-retirement life. House acquisition in the context of this article denotes the purchase or securing of a house for use as a residential facility with retirement life as the focus.

Workers' housing needs is reflective of housing deficits as a component of the critical development challenge for Ghana. The critical question then is: What measure may be appropriate in addressing the issue at hand? Such is of key concern to the paper. The focus of this paper is the acquisition of houses through mortgage facility payment induced by pension policy.

As a result, the main objective of this paper was to articulate workers' need for houses prior to retirement and ascertain how the national pension system may facilitate house procurement for workers.

METHODOLOGY

This mixed methods study was designed to explore workers' housing needs using questionnaire survey and key informant interviews. The survey investigated workers' need for houses in 2016. In order to augment the survey data, four key informant interviews among policy level officers were conducted with National Pensions Regulatory Authority (NPRA), Social Security and National Insurance Trust (SSNIT) and National Pensioners' Association members. The key informant interviews examined the importance of owning a house in post-retirement life and contribution of the national pension system in facilitating workers' acquisition of houses. The paper sought to investigate pension policy's role in meeting workers' housing needs.

The study population comprised individuals aged 15 years and above, males and females who live in Adabraka. Fifteen years old individuals were included in the study because the Pension Act 766 articulates 15 years as the earliest start point for pension contribution. Adabraka is a town in the Accra Metropolitan district of the Greater Accra Region of Ghana. Adabraka's population is 36,510 (Ghana Statistical Service [GSS], 2014). It was chosen because it depicts an epitome of an urban setting it also examined the proposition regarding relationship between gender difference and requiring state provision of workers' housing needs.

Access to the study district, organisations and individual respondents was gained through the following means namely pre-entry, during fieldwork, after fieldwork and getting back. First, gaining access to the study site entailed convincing the people about the researchers' decision on the informants that would provide information during the conduction of the research, through the development of rapport with them. After access had been gained, access was negotiated with entry into the actual lives of people, utilizing basic interpersonal skills and procedures such as good appearance, verbal and nonverbal communication. Access was gained at three distinct levels. At the first level, formal access was attained via an agreement between the organizations and the researchers on specific conditions in terms of what, when and how empirical data were to be collected and what might be the return. This may be termed as engagement with gatekeepers in order to establish relationship with gatekeepers to gain access to multiple informants. A preliminary visit was undertaken to the Adabraka district office and organizations as a way of notifying and explicating the research project to them. At the second level, personal access was gained, depicting a context in which the researchers knew relevant executives, managers and

individuals in the organizations. Finally, at the third level of access, the researchers fostered individual rapport, where a good understanding was developed and there was collaboration between the researchers and the organizations and individuals.

Second, during the field work permission was sought and obtained to tape-record interviews and as informed consent. The third strategy involved agreeing on a deadline for the closure of data collection as well as bringing closure to the process of data collection. A formal thank-you note was sent to the participating district and organizations. Last but not the least, the researchers envisaged the option of returning back for further research, thus, the researchers managed the process of withdrawal from the study community favorably. The researchers exited the study site by retaining good rapport for future needs.

The study adopted the convenience sampling technique in selecting the respondents. For the quantitative data, 131 respondents were selected from public formal, private formal and informal sector workers and retirees. In the case of the qualitative data, eight key informant interviews were conducted with SSNIT official and the NPRRA as well as retirees.

Respondent selection eligibility in the study was guided by inclusion criteria and exclusion criteria. The inclusive criteria encompassed individuals aged 15+ years old; male or female; work in the public, private and informal sectors of the economy and retirees; and willingness to give informed consent. The exclusion criteria entailed individuals aged less than 15 years; unemployed individuals as well as refusal to give informed consent.

The administration of the questionnaire took the form of face-to-face interviews including self-administration. The face-to-face interviews were conducted in English and three Ghanaian languages, namely Ga, Ewe and Twi. The answered questionnaire were cleaned and properly serialized for easy identification. Each key informant interview took the form of semi-structured interviews, conducted individually in the participant's office. The interviews lasted between 30 and 45 minutes and were audio-taped by the same researchers, who had no prior relationship with the participants.

A data entry template for the quantitative data was developed in Statistical Package for Social Science (SPSS). Subsequently, the responses were entered into SPSS. Basic descriptive statistics - frequencies and percentages were run. The interviews were transcribed and the resultant data were manually coded and conducted along the following procedures: first there was the creation of a list of coding cues, and second, analysis of verbatim quotes of the narratives from participants thematically.

The paper is organized as follows: section one introduces the study, section two presents the evolution of retirement system in Ghana, section three presents study findings, section four discusses the findings and section five concludes the study.

EVOLUTION OF THE GHANAIAN RETIREMENT SYSTEM

The first pension programs which were established in the colonial administration, particularly in the period between 1936 and 1946 (Kumado & Gockel, 2003; SSNIT, 2015) were targeted not at providing retirement income security for the older people but were designed to serve as loyalty awarded to Africans who served the Crown diligently and blamelessly (Kpessa, 2011, 2018). After independence, a new pension program known as the Provident Fund was introduced but was designed as a contributory program based on formal sector earnings. Later, this provident fund was changed to a social insurance program known as SSNIT that pays both a lump sum amount and subsequently regular monthly benefits to contributors when they retire. Private pension schemes were instituted, aimed at developing for wage earners in urban areas, a rudimentary system of material security in Ghana, prior to the establishment of the social security scheme in 1965 (SSNIT, 2015).

Recently, the scheme has been transformed into a three-tier pension system in 2008 that allows for diversification of retirement income through private sector participation in the provision of old age income security (Doh, Afranie & Bortei-Doku Aryeetey, 2014; Tonah, 2009). The new national pension system has distinguishable characteristic features that provide it with a degree of uniqueness, setting it apart from those that preceded it. First, it is constituted by three tiers namely tiers 1, 2 and 3. The three-tiers are not mutually exclusive. The Act stipulates a total contribution of 18.5% of the approved monthly equivalence of the national daily minimum wage (Government of Ghana (GOG), 2008, p.18). Overall, 13.5% goes to tier 1; and 5% to tier 2. Tier 3 comprises the contribution of 16.5% monthly into the provident fund and personal pension scheme (GOG, 2008; Kpessa, 2011). It is the consistent contributions of the latter two tiers that can be used as mortgage.

The system is characterized by five distinct benefit pillars namely monthly pension income including invalidity pension, wherein SSNIT will have to take care of retired workers till death, superannuation which relates to qualifying conditions and how to go about them including healthcare from tier 1. Others entail the provision of

mortgage for the purchase of a house and a lump sum from tier 2 as well as additional savings obtainable from the third tier. According to Chia and Tsui (2018), in the Singaporean case the pension system is constituted by contributions channeled into three individual saving accounts for different purposes. Savings in the special account and medi-save account are earmarked for retirement and healthcare expenses respectively. Savings in the ordinary account can be withdrawn before retirement for investment in housing and financial assets. Barrientos (2004) has indicated that using retirement savings albeit pensions have been pursued for a range of merit expenditures namely health, housing and education.

Nevertheless, the pension program in Ghana is still limited in scope. This point is further illustrated by reports from SSNIT which intimates that at the end of 2015, the total number of the elderly persons in Ghana, who receive statutory old age income support from SSNIT was far less than 1% of that cohort of the population (SSNIT, 2015). Further, only about 1% contribute to the pension program by the end of 2015. With this trend, a huge majority of over 99% of the Ghanaian elderly population would be without any form of retirement income security in the future and the attendant inability to use pension mortgage facility, in a country where the family and community systems of care and support for the elderly are fast disintegrating.

CONCEPTUAL FRAMEWORK AND LITERATURE REVIEW

Human beings have needs which may be hierarchically ordered (Maslow, 1954), which by order are physiological, safety, social esteem and self-actualization needs. Maslow's hierarchy of needs depicts a systematic way of thinking about workers' different needs including house acquisition. The hierarchy of needs have different means of addressing them. Inadvertently, workers' housing needs resonate with safety need from the Maslowian perspective. House acquisition follows a certain trajectory where during the early stages of working lives, workers rent apartments. However, they acquire houses of their own through investment (Modigliani, 1985), for instance, the national pension policy expressed through institutional arrangement(s) (See Figure 1). There is the recognition that use could be made of diverse mechanisms such as markets and social, economic and political roles of the state to facilitate cohesive acquisition. Policies namely pension policy exist, the implementation of which facilitates primary residence acquisition. Significantly, society constantly evolves "with

well-designed institutional arrangements offering only temporary and tentative solutions. Hence, as society changes, so it becomes necessary to revise institutional arrangements” (Pugh, 1986, p. 8).

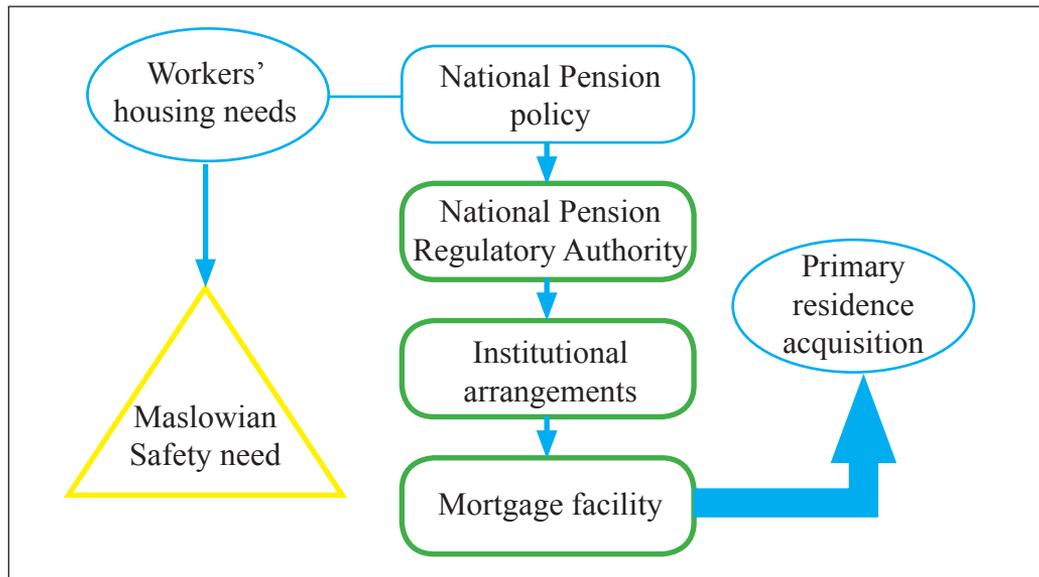


Figure 1. Conceptual framework. Source: Authors, 2018

Housing issues and finance in Ghana

A variety of housing or residential facilities avail to workers before and after retirement. The before retirement options entail co-housing, shared housing (Moody, 2010), voluntary and private homes, including apartments, detached and semi-detached forms of low-cost housing (Barrow, 1986; Moody, 2010). Workers may acquire conventional houses consisting mostly of single-family houses. The above stated housing facilities also exist in Ghana including compound and family houses, whereas the types of tenure include owning, renting, rent-free and a host of others.

The key challenge here is the fact that countries in Sub-Saharan Africa including Ghana have poorly developed housing institutions and markets, tremendous backlog of housing needs and weak policy responses. The situation may further deteriorate “if the necessary measures are not instituted to improve upon housing delivery system” (Ansah, 2015, p. 7). The mode of housing delivery in Ghana from a historical viewpoint has undergone a myriad of changes particularly after independence. A state-led

housing delivery once existed in the 1960s and 1970s which targeted both middle and lower classes, laying emphasis on affordability for low income earners.

The introduction of liberalization ideology inherent in economic reform and structural adjustment programs had implications for state contribution to houses delivery (Tonah & Essamuah, 2004). This placed the state in a secondary role in relation to the production and delivery of houses. The significance of housing can hardly be exaggerated. In consequence, since independence, successive governments motivated by allocation or equity considerations have sought via a myriad of policies in order to provide affordable homes to all Ghanaians. Among other things, these diverse efforts reiterate the call for creative financing methods to solve ‘the alarming housing problem’. In the context of this paper, housing may be defined as a variety of processes through which workers acquire habitable, stable and sustainable public and private residential environments and structures.

Payment for workers’ houses encompasses private out of pocket payment or organizational acquisition but the fund involved is deducted from workers’ monthly incomes, outright payment using savings or through ‘mortgage home loans’, paying for buildings on installment basis including building on incremental basis. Some workers have the physical and financial resources to acquire and live in homes of their own choosing. Similarly, workers can equally purchase or lease houses (Barrow, 1986). The other means entail inheritance, gifts, exchange, and mortgage. The latter is reflective of the new pension system under Act 766 of 2008. Essentially, home mortgages are secured towards house acquisition. A mortgage system or guarantee enables workers to secure funds towards the purchase of houses while allowing the deduction of mortgage interests from workers’ taxable incomes (Boelhouwer, 2017; Bond, 2000).

FINDINGS

This section articulates an in-depth outline of the main findings of the study as obtained from both the survey and interview data.

Socio-demographic background of respondents

The study population comprised 57 males (43.5%) and 74 females (56.5%) aged between 15-60+ years. Approximately one-third of the respondents (35.1%) were married, 3.05% have lost their spouses while 57.3% were single. Most of the respon-

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dents had some level of education and were constituted by public formal, formal private and informal sector workers. On the whole, the highest educational level attained by the majority of the respondents (68.7%) was tertiary education, while 3.05% had no formal education as evident in Table 1. This shows that the sample is composed of high proportions of university graduates.

The study participants differed in professional experience and personal characteristics, yet all were identified as individuals who expressed divergent views on the theme of the paper. However, as it stands, the sample is not evenly distributed between men and women, since the latter outnumber the former.

Table 1
Socio-demographic and Economic Characteristics of Respondents

Variables	Frequency	Percentage (%)
Age category		
18-19	4	3.05
20-24	52	39.69
25-29	14	10.69
30-34	20	15.27
35-39	10	7.63
40-44	7	5.34
45-49	9	6.87
50-54	5	3.82
55-59	6	4.58
60+	4	3.05
Sex		
Male	57	43.50
Female	74	56.50
Marital status		
Married	46	35.11
Divorced	6	4.58
Widowed	4	3.05
Single	75	57.25
Educational background		
No formal education	4	3.05
Primary	1	0.76
Junior High School/Middle School	14	12.98
Senior High/Vocational/Technical	21	16.03
Business college	1	0.76
Tertiary	90	68.70
Occupation		
Public sector employed	44	33.58
Private sector employed	43	32.82
Informal sector employed	44	33.58

Source: Field data

Importance of owning a house in post-retirement life

All the key informants intimated that aging has implications for home ownership. It establishes the fact that workers must be provided with houses by the state before they retire from active service. Hence, the interview data revealed that various governments have made efforts towards the issue of workers' house provision. The quote below illustrates this argument:

“government have been talking about SSNIT flats of which the idea was purposely instituted so that when people are going on pension they can get somewhere to stay. So although we know that SSNIT has built flats in all the regions across Ghana right now, not many workers are in one of those flats. And that is also a concern” (Interviewee 1, Retiree).

When asked how important it was to own a house in preparation towards retirement, Interviewee 2, NPRA official 1, says: *“owning a house is paramount”*. Similarly, Interviewee 3 claimed that *“planning for a house is essential. It is an essential commodity that humans cannot do without”*. These statements show that there is the need to acquire a house before retirement. However, financial constraints have impeded accomplishing it. Thus, Interviewee 4 notes that *“some wait so that they can use their pension contribution's lump sum for this. But this is risky. They may not complete the houses too and this will affect their survival”*. Yet, the acquisition of a house enables the saving of money meant for renting an apartment in old age. Such money could be channeled into meeting select survival needs. The essence of this lies in the relatively low levels of pension incomes in Ghana (Dovic, 2018a).

Scenarios of this sort have resulted in the untimely death of some retirees. These statements suggest that workers have the desire to acquire houses with government's support notwithstanding the form it may take. But workers are disappointed since social institutions such as SSNIT mandated to do so were unable to, because of bias inherent in the acquisition of these houses in lieu of upper class workers to the detriment of the middle and widely the lower income classes. The lower income brackets of workers mentioned above are made to contribute a little, yet they contribute all the same to the act of purchasing houses. According to Interviewee 5, a retiree:

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“the government of Ghana is trying to do the same by subsidizing individual units but the problem is that they allow the rich alone to purchase the houses in bulk, and in turn sell or rent to others including low level income workers”.

This, this is an issue that requires serious consideration in a country with the lack of formal support infrastructure development in an era of population aging and increased life expectancy. This issue and a host of others account for the fragmented nature of state oriented housing provision for citizens and/or workers which constitutes a critical developmental issue.

From hindsight, it may imply workers' retirement planning through house acquisition and that in the absence of flats or houses, old age homes may serve as alternatives for those who lack the former. In confirmation, Moody (2010) maintains that some people prefer to live 'in their own homes and they do not go into a separate residential facility'. Besides an aging adult needs to possess a house, though not always the case. For instance, Interviewee 6 intimates that: *“this is my family's experience – my father retired without acquiring a house due to indecision. He was ejected from state bungalow a year after retirement amid several reminders to leave the building”*. The reasons for indecision may entail beliefs and practices in society, lack of funds, mismanagement of funds and/or the lack of prioritization. This finding is consistent with the argument that *“many civil servants continue to reside in public office residences years after retirement because they simply have nowhere to go”* (Obiri-Yeboah & Obiri-Yeboah, 2014, p. 128).

The statement below purports that all income levels must be contained in a single given community, and shows that:

“in other jurisdictions, it is the state that has instituted affordable housing schemes, for example in India, Malaysia, etc., where income levels are ascertained before planning for houses. These schemes contain three levels of workers namely low, middle and upper income brackets” (Interviewee 7, SSNIT official 1).

These also exist in the Ghanaian case but as earlier stated, houses built by SSNIT are largely patronized by the upper and middle classes neglecting the masses in the lower income bracket.

With respect to house acquisition mediums, Interviewee 7 argued that *“workers can also acquire houses through the end of service scheme where land, administrative*

and design costs are not charged except the direct cost of construction which is paid for by the workers”. Funds in the second and the third tiers of the three-tier pension scheme may facilitate the attainment of the same aim. Clearly, using contributed funds as mortgage in house acquisition is one of the five benefit pillars of the three-tier pension system (Dovic, 2018b). This point will be articulated in the next section.

Retirement planning and house acquisition

Inarguably, retirement planning strategies may entail starting to plan immediately at the start of work, a house acquisition plan institution, family planning, including diversification of retirement plans. This view has been alluded to by 7 out of 8 informants. For instance, it has been observed that *“from day one, when you start work, plan for a house – because accommodation is key, else you are going to rent. If you cannot buy it outright, you save money to put a deposit down towards it”* (Interviewee 8, SSNIT official 2).

The quote above articulates the essence of retirement planning while intimating plan diversification (Dovic, 2018b, 2018c) beyond pension contributions including house acquisition and ownership and the means of houses purchase by workers that could take the form of outright payment or payment in installment. They both may be attained through the process of savings, the most significant fiscal action that fosters financial resource mobilization for houses purchase and ownership. Significantly, the new pension system may foster the provision of houses for the lower income category of workers including informal sector workers.

Workers’ expectation of housing needs provision

As can be gleaned from Figure 2, two distinct divergent views on how workers’ housing needs could be provided pertain. The workers espoused pro-government provision viewpoints and anti-government provision views. Approximately, 65% of the respondents proffered pro-government on one hand and on the other hand anti-government provision views (35.3%) for diverse reasons. These reasons are found in columns 1 and 2 of Table 2 below.

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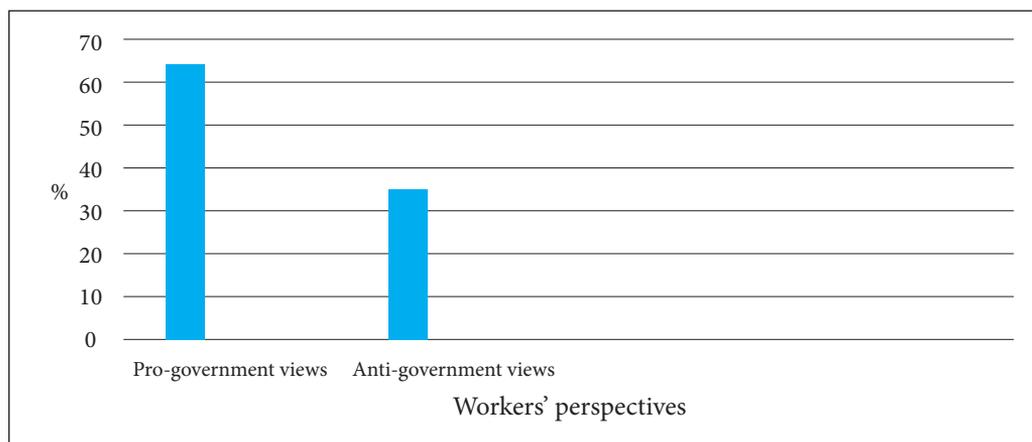


Figure 2. Responses pertaining to whether government should provide workers with houses. Source: Field data

The reasons for the pro-government views entailed the following: most workers are faced with inadequate salaries or funds, which may impede their ability to secure a house and are therefore struggling to meet their housing needs. This is of immense concern to them. Further, most of the workers who need houses are the poor and/or lower income workers, whom the government needs to earnestly support. State induced housing provision should take into consideration workers' plight in this context. This finds expression coincidentally in the pension policy induced house acquisition mortgage facility, the details of which are discussed in the next section.

The pro-government view outlines a set of strategies in relation to meeting workers' housing needs while they are still in active service, which contains the deduction of a percentage of workers' monthly salary in support of this program. There is also the provision of soft loans to workers during active service for house acquisition among others (see Table 2). The pro-government provision perspective presupposes housing provision for workers on the basis of provisions derived from government, the employer and personal initiatives.

Contrarily, the anti-government perspective espoused reasons such as funds meant for workers' house provision should be used for more urgent needs. This is because of the unsustainability of providing workers with houses including the capability of workers to secure their own houses. These perceptions intimate the

existence of the ‘will’ on the part of workers to acquire houses. Essentially, a worker should plan for house acquisition while in active service.

Table 2

Pro-government and Anti-government Perceptions on House Provision

Pro-government views	Anti-government views
Provision of houses serves as an incentive for workers. Inadequate salary or funds may impede some workers’ ability to secure houses. Workers tend to have shelter needs and rent concerns. Government should provide houses for workers who need it. Contribution to the national pension scheme is an alternative. Individuals are responsible for their personal accommodation needs after retirement.	Funds for house provision for workers should be used for urgent needs. It is not necessary – workers serve and are paid and some even were privileged to occupy state bungalows. It is impossible for government to do that. Providing workers with houses cannot be sustained. Workers are capable of providing their own houses. Government is unable to continually provide workers with houses.

Source: Field data

Table 3 tabulates a simple Pearson’s Chi-Square run with a significance level of $\rho=0.05$ to test if the difference in the frequencies is statistically significant between gender difference regarding requiring state provision of workers’ housing needs among the respondents. A Pearson’s Chi-Square value of 0.52 was obtained. From the analysis, it was concluded that there is no evidence to support the claim that there is gender difference between the variables.

Table 3
Chi-Square Tests

	Value	Degree of freedom	Asymp. Sig (2-sided)
Pearson Chi-Square	7.746	3	.052
Likelihood Ratio	9.196	3	.027
Linear-by-Linear Association	.477	1	.490
N of Valid cases	131		

Source: Field data

Linkages between workers' housing needs provision and pension policy

As explained, the pro-government views on government providing houses especially for workers with no houses of their own is in line with government's pension policy as stipulated in the National Pension's Act of 2008, Act 766 regarding primary residence acquisition. Six out of eight key informants articulated houses acquisition through the means of mortgage facility – tiers 2 and 3 of the pension system. Procedurally, the acquisition of a primary residence can be attained in consultation with the particular pension scheme trustees involved.

By contrast, the anti-government views are suggestive of means other than the government's direct provision. But these views are relevant towards attaining the same goal including the pension system as well as obtaining loans or allowances from the Ministry of Water Resources, Works and Housing for workers, State Insurance Company mortgage, Home Finance Company home loans, housing grants and a host of others for onward purchase of houses from real estate developers and personal building projects. Ironically, all the aforementioned sources are largely state institutions excluding personal building projects. This negates the unsustainability issue raised much earlier since the state apparatus is still required in this process. It is important to note that the anti-government provision perceptions find the utilization of pension contribution for financing house acquisition as unfair due perhaps to low incomes. Occasionally, workers may acquire houses through the medium of inheritance (van der Geest, 1998). Finally, use could be made of employees' retirement benefits to acquire houses for them by the employer(s) (Gerrar, 1998).

The diverse views expressed above suggest that while government is unable to do so directly, the same purpose may be attained indirectly through the state's pension

policy. The pro-government perspective is indicative of government's direct provision while accommodative of the national pension system induced mortgage facility, tiers 2 and 3 to be precise. This aligns with the statement below:

"I tell workers that you can use your tiers 2 and 3 contributions as collateral to secure a primary residence, particularly if you don't have one. What it means is that your funds in that particular scheme, you use it in consultation with the trustee. Stating that I want to buy a house and my contributions here will serve as collateral. If I am able to pay by the end of my working life, fair enough, I take my money. If not then my money should be used to defray the cost that is left" (Interviewee 4, NPRA official 2).

Further, although SSNIT builds houses for workers, it does not fairly administer the acquisition of these houses in relation to those who really need it including the poor. This administrative system of house acquisition emphasizes the monetary aspect of the process of house acquisition to the detriment of a more or less fair and just distribution to cover the masses who need it for personal use as opposed to commercial use, that may find expression in rentals and sale of units by the few bourgeoisie and the associated monopoly. This has repercussions for ownership of houses among workers with retirement in focus. The quote also clearly stipulates one house per worker in the case of the national pension system (NPS). However, this does not imply that workers who already have houses may not seek to use this means to acquire another.

Awareness of pension policy provisions

The study also explored whether contributors know about the existence of this facility including whether contributors have started assessing the above stated mortgage facility. It revealed that although the new pension system has been functional and/or operational since 2010, more than the stipulated 8 years, there is no record of workers opting to use tiers 2 and 3 contributions for the acquisition of primary residences according to 5 out of 8 informants. For instance, it was observed that:

"not to the best of my knowledge. A lot of people have been asking about that...It means they do not know about it. That is why we are intensifying public education in that aspect. We are also working on guidelines to that effect" (Interviewee 4, NPRA official 2).

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This denotes a mismatch between housing needs and provision. Besides there are no concrete guidelines with respect to the utilization and facilitation of the mortgage facility including the fact that workers are unaware of the existence of the mortgage facility. This evidence could be interpreted in four folds: first workers lack information regarding the facility and interpret the default option as a signal. Second, they do not think very much about their retirement savings and the concomitant house acquisition and third, they can be influenced by very small changes in their environments and the lack of preparedness on the part of NPRA and allied agencies. Lastly, the amounts accumulated may be too small to warrant the usage of the facility. This does not however make “stronger the link between contributions and individual benefits” (Mckinnon, 2016, p. 7).

This suggests that the widespread utilization of this mortgage facility is determined by awareness creation among prospective users to enable them acquire the requisite knowledge of the facility without which patronage of it may be non-existent. Pension system literacy is then the ultimate prerequisite in this context in particular and financial literacy in general. The absence of it will stall the effectiveness and efficiency of the facility in terms of implementation. As Giesecke and Yang (2017) have argued, “*being informed about a forward-looking measure of pension benefits makes the financial consequences of retirement choices more salient to the decision maker*” (p.1). Financial literacy plays a role in preparing towards retirement (Dovie, 2018b, 2018d; Kpessa-Whyte, 2018) and securing livelihood activities even in old age (Kpessa-Whyte, 2018).

PROSPECTS OF WORKERS ACQUIRING HOUSES UTILIZING PENSION POLICY INDUCED MORTGAGE FACILITY

The findings underscore the essence of planning towards post-retirement life from the viewpoint of house acquisition. The potential of the NPS to facilitate workers' house acquisition attests to the fact that pension contributions alone cannot suffice a comfortable post-retirement life, attainable through pension policy interventions, personal initiatives, inheritance, gifts and private developers. This may involve several years of mortgage payment and thus might interfere with the quantum of funds remaining as lump sum for workers. Majority of the workers expected government's support in house acquisition, yet not all can afford it using their pension funds as mortgage. Significantly, this has implications for time dimensions in retirement

planning. House acquisition has implications for the material domain of well-being, the indicators of this material domain encompasses deprivation of necessities in life, financial situation of the workers as well as worker affluence (Szanto, Susanszky, Berenyi, Sipos, & Muranyi, 2017).

The pro-government provision views are ‘emotionally flavored’ towards the plight of poor workers compared to the anti-government provision views. The former brings to the fore the fact that in the Ghanaian context, it is poor workers who do not have any clearly delineated free service and/or resource qualification and access, even from the viewpoint of housing. By contrast, Ruiters (2018) demonstrates that there are municipal indigents in South Africa, a category of poor citizens who qualify to receive certain municipal services for free.

Essentially, the National Pension Act, 2008 (Act 766) mandates under section 103 regarding house acquisition by workers who contribute to the national pension scheme as follows:

“tier 2 and 3 benefits are available as a lump sum and can be used for any purpose when accessed. Tiers 2 and 3 schemes may be utilized at any time as the down payment for a mortgage on your primary home ...making them then the best way to save for home ownership” (GOG, 2008, p. 34).

To acquire a house, workers are required to apply to the trustees of their respective pension funds to allow and facilitate the use of contributed funds accrued over a period of at least 5 years for informal and 10 years for formal sector workers. This is stipulated under section 100 of Act 766 that *“the regulations required for the management of a scheme may include (a) notices to be given, and (b) procedure(s) to be followed, in connection with the transfer of accrued benefits”* (GOG, 2008, p. 33). However, using this mortgage facility may involve several years of mortgage payment and thus might interfere with the quantum of funds remaining as lump sum for the worker. Obiri-Yeboah and Obiri-Yeboah (2014) contend that the mortgage industry in Ghana is very expensive, unaffordable and unreliable in furnishing low cost housing to low income workers.

Noteworthy is that homeownership in its entirety entails mortgage interest payments, property taxes, depreciation, maintenance and repairs. Chia and Tsui (2018) found similar findings. In other situations, maintenance cost may be favored above the payments of mortgage interest.

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The response to workers' housing needs has been executed diversely worldwide namely through the pension policy trajectory as exemplified by Ghana as portrayed earlier and Singapore, and economic policy orientation route evident in Egypt and South Africa respectively. In Singapore, Chia and Tsui (2018) found that Singapore has achieved a high level of homeownership financed by Central Provident Fund monies. Hence, retired homeowners do not have to spend their incomes on rents.

In the mid-1970s in Egypt for instance, one attempt in addressing this issue relates to the fact that the state encouraged self-help house ownership by providing plots, services, technical assistance including cheap materials (Hassan, 2012). Yet, this was only largely beneficial to the middle income groups to the detriment of the poor. Similarly, Bond (2000) shows that the South African state withdrew from the provision of black urban housing (policy) under the assumption of the liberalized urban residential status commencing with the 99 year lease in the 1980s, with expected contributions from the private sector.

Houses acquisition as a process poses questions about the appropriate mechanisms for the delivery of houses for workers in anticipation of post-retirement life. Consequently, the new vision of the state vis-à-vis workers' primary residence provision should entail coordinated and multifaceted modalities as part of a broader program in achieving sustainability. May et al. (2000) and van der Geest (1998) maintain that a situation of insecure housing for workers increases their vulnerability to the vagaries of old age including premature death. A secure housing system in old age constitutes a productive asset that can serve to cushion workers against the long-term impact of old age induced poverty, adjustment challenges and stress. It provides shelter for post-retirement life including space for human development.

Moreover, securing a house ensures the preservation of funds in hand during retirement. This finding is consistent with those of (Chia & Tsui, 2018; Sing, 2009). Interestingly, policies and programs that focus on workers' house acquisition foster less vulnerability, offer a greater number of choices and purchase opportunities. House acquisition is about the availability of land, access to credit, affordability, economic growth, social development and environment (Khan, 2003).

The pension system's house acquisition policy is founded on the principle of creating an enabling environment wherein the state supports and facilitates the delivery of houses rather than engage directly in the provision of a state assisted market-driven delivery approach. Thus, it creates a supportive regulatory and institutional environment for the effective functioning of workers' house acquisition, which is key to

enablement. The pension system therefore has the propensity to address the issue of affordability (Mensah & Williams, 2013) and ensure home ownership (Barrow, 1986; Moody, 2010). This may grossly contradict the expectations of workers in terms of state provision of houses for them. Worker expectations seem to espouse direct state provision of houses, exemplified by the state's affordable housing scheme. It is worth stating that these enhance wealth accumulation in lieu of post-retirement life. Inherently, the government plays the role of a facilitator by virtue of providing the required resources, institute a general framework while ensuring the enforcement and protection of contracts. This stance of the government's downplays the 'moving boundary' between benevolence and control regarding this critical worker-state provision interface (Ruiters, 2018). There are key issues that are worth mentioning with respect to low-income workers. First, the issue of capability surrounding what workers are capable of doing on their own as well as the extent of dependence on the government. Second, the issue of control relates to who possesses the power over the requisite resources aimed at provisioning quality housing. For example, what are the low-income workers allowed to do and what exactly prevents them from achieving their purposes? This may be due to access to land and control over resources. Considering that current land tenure arrangements and labor relations in Africa are often explicated in relation to globalization. Yaro, Teye and Torvikey (2018) argue that an expansion in the range of commodities over time increased the demand for more land in particular. These two issues raise a question related to whether using this pension policy induced mortgage facility to acquire houses is anchored within government's 'affordable housing scheme'?

It is evident that a house is a 'safety need' from the Maslowian viewpoint. Workers' assertion reflects the need to acquire houses with the support of the state before retirement and confirms the Life Cycle Hypothesis (Modigliani, 1985) that during the early stages of working lives, workers rent apartments. Later, they acquire houses of their own through investments. This makes house acquisition an investment need (Holzmann & Hinz, 2005). The attainment of the aim of primary residence acquisition through the pension system may have dire consequences for financial security in old age. The solution provided by this policy intervention is tentative with allowance for revision (Pugh, 1986). The pension policy's intervention as it stands makes the state a facilitator of house acquisition but not a provider. This suggests that state policies are characterized by the tendencies of many intended and unintended consequences (Clapham, 2002).

Ordinarily the high cost of buying or mortgaging houses has resulted in patronage being skewed in favor of high-income earners. A situation that the pension policy may seek to correct. Kumado and Gockel (2003) “*doubt whether the general NPS can cater for other contingencies including housing without derailing the scheme*” (p. 12). The house prices in Ghana are mostly quoted in foreign currencies including the United States dollars. This is consistent with findings from (Bank of Ghana (BOG), 2007; Obiri-Yeboah & Obiri-Yeboah, 2014). This makes it difficult to articulate the propensity of the mortgage facility to facilitate low-income workers' house acquisition. Thereby tilting the facility more towards high and middle income workers including the wealthy. This result confirms other research findings Obiri-Yeboah and Obiri-Yeboah (2014). This may be due to low salaries and incomes, difficulty in land acquisition, high cost of building and building materials, lack of confidence in the Ghanaian financial sector (Hadiya, 2012), which deprive most workers of house acquisition with implications for residential arrangements in later life. Thus, majority of Ghanaian workers are unable to acquire houses since the mortgage market has challenges of its own (Obiri-Yeboah & Obiri-Yeboah, 2014).

Addai-Sundiata (1996) notes that family types influence residential arrangements, whereas in this study old age influences primary residence acquisition and the associated arrangements. Primary residence here is denoted by the term ‘retrilocal residence’ which refers to a residence that individuals acquire in preparation solely towards post-retirement life. This type of residential pattern is different from the commonest types of post-matrimonial residence as prevalent in the Ghanaian society. For example, patrilocal or virilocal, matrilocal or uxorilocal, avunculocal, duolocal or natolocal and neolocal residential patterns (Addai-Sundiata, 1996; Nukunya, 2016). The ‘retrilocal residential pattern’ may share features with neolocal residence. It could also be acquired for the provision of shelter needs in old age particularly after retirement. It is also different from institutional homes where older people live away from their individual homes and families. It may also serve the dual purpose of housing the acquirer, family members including other non-family members, transcending all the other residential patterns indicated above.

CONCLUSIONS

The study clearly articulates the intricate nature of workers' housing needs. The usage of the convenience sampling approach and the limited sample size means that the results are not strictly statistically representative of the general population. Thus, generalizability is restricted to the sample studied, irrespective of the sample size and therefore should be taken as illustrative rather than generalizable.

The main objective of this paper was to articulate workers' need for houses prior to retirement and ascertain how the national pension system may facilitate house procurement for workers. This mixed methods study was designed to explore workers' housing needs using questionnaire survey and key informant interviews.

The findings predict retirement planning and allows for a more regular and consistent provision pattern. It depicts living arrangements from an aging dimension. The results have implications for sensitization on the new national pension policy and system. Significantly, house acquisition facilitates improvement in standards of living, a surety of accommodation in old age entailing accommodation for (low-income) workers. This is tantamount to housing inequalities which is associated with the broader concept of social inequalities whereas housing inequalities are further related to social exclusion. Using the Ghanaian experience as a case study, it is argued that the country's basic house acquisition model inherent in the pension system holds value for low and middle income countries who expect to enhance house ownership among workers with retirement in view.

Workers must endeavor to acquire houses with post-retirement life in sight, else retired workers may be required to seek refuge in institutional homes. House acquisition translates into house ownership, a means of capital accumulation including sound economic investment, a source of economic success, self-esteem, security and satisfaction. This is particularly important for retirement purposes and in some cases prior to being evicted from organizational bungalows. The importance of this highlights the pro-government provision perspective and the requisite strategies, as well as the anti-government provision perspective. These perspectives intimate in diverse ways the need for the provision of houses for workers, acquisition mode, and the state profiling of the fashioning of the 'modus operandi' towards workers' goal of house acquisition. The findings could be extrapolated to other countries with similar characteristics in Sub-Saharan Africa.

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The following policy implications have been proffered based on the findings. First, Act 766 can only solicit the attainment of houses through this medium when linked with the government's housing scheme but not by private developers such as Trassacco, DEVTRACO among others, since the contributions involved are relatively small in the majority of cases. The pension system induced mortgage facility should also include the buying and titling of land, especially in cases of insufficiency of funds. Second, the NPRA and its allies must indicate the size of houses to be obtained from the facility – whether two, three or four bedrooms to provide some level of uniformity in terms of categorization and standardization. Third, the percentages of funds from tiers 2 and 3 to be used for primary residence acquisition must be clearly stipulated. Fourth, the Ghana Real Estate Development Fund should be established through legislation to enable sector stakeholders to have access to resources at lower costs in order to fulfill the government's housing policy agenda. Lastly, government needs to design a policy dimension that will enable low-income earners to pay for a land over a period of time, and build on it at a later date. This will eventually remove the pressure on the pension system for house acquisition and the funds thereof for use in old age in this era of increased life expectancy. This is especially pertinent in the case of those who may not be able to repay the mortgage, the value of which might reduce their funds with implications for old age income (in)security. This trade-off between retirement adequacy and pre-retirement fund withdrawals notwithstanding, the key to a new era of affordable and equitable housing is characteristic of high-priority, innovative, holistic, and integrated policy that accounts for more than just the symptoms of these problems.

The findings have implications for promoting housing provision for all workers. This depicts housing wealth which in addition to financial wealth, and the value of publicly provided services collectively affect retirement adequacy (OECD, 2013). It espouses building into the national pension system grant and subsidy facilities including clearly delineated and specific outlines of opportunities for upper, middle and lower income categories.

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