

Effect of Social Security Pension Scheme on Social Welfare of Rwandans, Case Study: Rwanda Social Security Board

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Abstract: The research aimed at examining the effects of Social Security pension Scheme on welfare of Rwandans because Pension schemes in most African nations; suffer from a series of significant weaknesses reflecting deficiencies in their design, financing and administration hence poor social welfare of the pensioners. The researcher intend to achieve this by use of three specific objectives namely; To analyze the effect of old age pension scheme on social welfare of members in Ngoma district; To examine the effect old age lump sum pension scheme on social welfare of members in Ngoma district and to assess the effect of survivors pension on social welfare of members in Ngoma district. The researcher used descriptive method of study based on qualitative and quantitative approach in order to get better analysis of the study. The population size is 645 and sample of 215 respondents was taken. Both primary and secondary sources with their relevant tools like questionnaire and documentary analysis in order to come up with required data. The data was processed by use of SPSS version 22 and analyzed by use of frequency/percentages and relationship was established by use of Pearson correlation model. In the finding it was established that Rwanda Social Security Board has Social Security Pension Scheme like Old Age Lump Sum Pension Scheme, Old Age Pension Scheme and survivor's benefit which is provided to beneficiaries, at the right amount, and right time. In the finding it was established that the Social Security Pension Scheme has promoted the welfare of beneficiaries inform of educational standards of beneficiary's family, nutritional status of beneficiaries family, accommodation status of beneficiaries families, dressing for of beneficiaries' family and transport means beneficiaries. In summary it was established that there is a relationship between Social Security Pension Scheme and Social Welfare of Members in Ngoma district, out of 215 and the significant level is 0.01, the results indicate that independent variable has Positive strong correlation to dependent variable equal to .927** and the p-value is .000 which is less than 0.01. When p-value is less than significant level, therefore researchers conclude that variables are correlated. This means that there is a significant relationship between Social Security Pension Scheme and Social Welfare of Members.

Keywords: Social Welfare of Rwandans, Case Study: Rwanda Social Security Board.

1. INTRODUCTION

1.1 Background of the study:

The economy of the modern world is developing in quite a heterogeneous way: the average life level across the globe differs dramatically. There is a huge gap of the life style implied behind the words "developing country" and "developed country" (Rust and Phelan, 1997). The level of the social and financial security is usually a reflection of the economic and political situation in the state. Old people, belonging to the part of the society which solely depends on the state and family due to objective physical reasons, are always among the first to take the hit of the imperfect social protection

system. Global aging is the issue that all the countries in the world need to face. For developing countries this problem looms even larger, as according to US National Institute of Aging, The current rate of growth of the older population in developing countries is more than double that in developed countries (GAA Report, 2007). As of 2008, 62 percent (313 million) of the world's people 65 and older lived in developing countries. By 2040, today's developing countries are likely to be home to more than 1 billion people 65 and over, 76 percent of the projected world total. This striking statistics means that in several decades there will be many more old people, and that their life length will get higher as well. All these people will need financial support, and if the social security system cannot handle the loading now, the chance is slight that the necessary reforms will catch up fast enough (GAA Report, 2007). Therefore the people need to participate in ensuring their own old age financial provision themselves. This thesis analyzed several elements of the traditional pension schemes in order to select optimal settings for micro pensions, which are one of the ways for the people with low income to build their old age provision.

All developed countries including Rwanda have safety nets implied in social security systems to prevent poverty among older people. They are called first-tier redistributive schemes provided by the public sector and are mandatory. The second pillar consists of the industry- or company-based mandatory pension plans for employees and the third pillar includes voluntary contributory individual pension and savings plans arranged by individual investors themselves (Pensions Panorama, 2007).

In developing countries, where the first pillar pension plans are not developed or not properly organized, second pillar pension plans often cover a very small percentage of population. In India, for example, depending on estimates, 87% to 89% of the working population are self employed or belong to the unorganized sector. These people, when growing old, are uncovered by any type of formal old age financial provision (Gianadda (2007). Relying on the help of the family or community is a usual practice among old poor as it is the only source to expect the support from. However, recent developments towards society modernization have arrived even in the countries like Rwanda, where the life pattern is strongly influenced by historical habits and traditions. This causes gradual erosion of the joint family system, entailing the growing distance between generations and weakening the support seen in the past.

The role of pension scheme especially can be valuable in many aspects of life. Its impact extends to the family of the retiree and besides the poverty reduction may contribute to protect the dignity of the old person and prevent her from suffering while not being treated respectfully and as a "financial burden". Besides that, it often happens that old people are forced to be responsible for raising their grandchildren, missing one link in the generation sequence due to health related or other problems that make their children disabled.

1.2 Objective of the Study:

The objective of the study was sub divided into general and specific objectives:

1.2.1 General Objectives:

The general objective of this study was to analyze the effects of Social Security pension Scheme on welfare of Rwandans.

1.2.2 Specific Objectives:

- i. To analyze the effect of old age pension scheme on social welfare of members in Ngoma district
- ii. To examine the effect old age lump sum pension scheme on social welfare of members in Ngoma district
- iii. To assess the effect of survivors pension on social welfare of members in Ngoma district.

2. LITERATURE REVIEW

2.0 Introduction:

This chapter reviewed related theories on social security scheme and social welfare of the members, it also analyzed the empirical literature on the effects of old age pension on social welfare of the members, effects of old age lump sum pension on social welfare of the members and survivors benefits on social economic welfare of its members. The chapter also presents critical reviews and research gap

2.1 Theoretical models and approach:

This study on pension reforms was underpinned by various theories and approaches that together offer a holistic appraisal. There are many theories and approaches that can potentially guide this area of concern. This study focused on pension reforms in Rwanda which is a developing country. Hence the theoretical paradigms adopted to deepen the understanding of the situation include: Welfare economic approach and Theory of Finance.

2.1.1 Welfare economic theory of social security:

Lange (2010) states that welfare economic theory is concerned with the conditions which determine the total economic welfare of a community. It is concerned with how economies use policies to improve the wellbeing of its citizens. One way is by ensuring that citizens have financial security at old age and social protection. One of the policies an economy uses is social policy. Hill (1997) argues that social policy is concerned with housing, social security education and health. Social security can be grouped in three categories: contributory benefits, non-contributory benefits which are not means-tested but are contingent upon an individual being in a specific category like a child or disabled and lastly means tested benefits. Pension forms part of the social security that is contributory and it is imperative that the government should establish frame works in which they should operate.

Barr (1993) suggests that government can achieve this by using two options. The first is the PAYG system where the government taxes its current workers and uses the proceeds to pay pensioners. The limitations are that, with time the aging community grows at an exponentially high rate than the working generation. This in return puts a strain on the economy and the working generations end up suffering by paying high taxes while the retirees receive low pension benefits. In addition the PAYG is prone to high political interference especially in developing countries. To improve on this Barr, advocates for governments to increase the retirement age. This approach is however impractical for most developing economies since most of them have very low life expectancies. Secondly, Barr argues for a voluntary private pension, where the working generation contributes a fraction of their salary in a pension fund to fund their retirement. This is ideal for developing economies in that it reduces pressure on government pension expenses, increases economic stability through the fund's investment and it is free of political-interference. Care however should be considered since the financial investments are subjected to financial risk and if pension benefits are not invested in profitable portfolios would lead to income loss. It is therefore important for government to pay attention to its pension system and ensure that its social security system is not eroded and that additional burden should not be placed on the state.

2.1.2 Financial theory of Efficient Markets and Pension Savings:

Elton et al (2011) indicates that, efficient markets mean that security prices fully reflect all available information. All riskless investment in the efficient market must have a zero net present value at the time an investment is made. To decrease investing in risky portfolios financial theory argues that we must invest in portfolios with low standard deviation. Markowitz portfolio selection model suggest that this is achievable by diversifying investments and in return leads to portfolios with high expected returns and low standard deviation. It is assumed that investors will invest their saving only in portfolios with high expected returns. The aim is to earn high income in the future. Altman (2008) argues that as economies grow, the population grows with it. The older are living longer and the cost of supporting them is rising. If economies wish to reduce the substantial rise of elderly living in poverty they must employ policies that focus on ensuring that individuals save more money while they are economically active.

The pension reform of Malawi thus aims at encouraging people to save more as they work. This is characterized by defined contribution. However for it to work members need an extensive knowledge of financial concepts especially risks associated with various asset classes. Members need to understand their risk profiles and savings behavior. The financial out-come is that firms would offload their contingent liabilities and members would acquire investment risk. Secondly there is need to encourage employers to provide high contribution to occupational pensions. The third need is to spend more public money on pensions and pensioners. The second and third aforementioned needs are normally incorporated in PAYG. However in the case of Rwanda, increasing pensions led to high taxes for current workers. Even with the increased taxes poor management of the pension fund led to misallocations of the proceeds.

2.1.3 Scheme Design Economics:

Underlying the global movement spurring participant choice is an implicit assumption about behavior: that the employee to whom the responsibility of choice has been handed is a well-informed economic agent who acts rationally to maximize self-interest. To this end, it is assumed that the employee can interpret and weigh information presented regarding options offered by employers and governments, appropriately evaluate and balance these choices, and then make an informed decision. Social scientists working at the interface of economics, finance psychology, and even sociology agree with the fundamental economic proposition that people can and do try to maximize their self-interest, but it also recognizes that such decisions are often made with less-than perfect outcomes. In the real world, people's decisions are subject to bounded rationality (Simon, 1955).

Certain types of decisions and problems may be simply too complex for individuals to master on their own. There is also what Mullainathan and Thaler (2000) call bounded self-control, where individuals have the right intentions or beliefs, but they lack the willpower to carry out the appropriate changes in behaviour and last, there is the problem of bounded self-interest or bounded selfishness (Mullainathan and Thaler, 2000). This acknowledges that many people do seek to maximize their personal welfare, yet they prove far more cooperative and altruistic than economic theory predicts they will be. Understandings why people save, and what they invest in, are questions of central importance to economists and policymakers. With the growth of design economics schemes, it is clear that having a meaningful retirement benefit depends increasingly on participants' decisions to save and invest in their retirement plans.

Neoclassical economic theory casts the saving outcome as the result of people trading off current versus future consumption. Thus, households compare the benefit gained from consuming their income today, with the benefits of deferring some of that income into the future. This is what drives contributions to a DC scheme, with the goal being to save for retirement. The life-cycle model of saving posits that individuals are rational planners of their consumption and saving needs over their lifetimes, taking into account the interests of their heirs (Modigliani and Brumberg, 1954). During their younger years, workers tend to be net dis-savers, borrowing from the future by means of debt to boost current consumption; middle-aged individuals become net savers and purchasers of financial assets and enter accumulation phase, during which they stock pile assets for the final, retired phase of life. As labour earnings decline or disappear, people then decumulate or draw down their financial assets to finance old-age consumption. According to the tenets of lifecycle theory, people will logically develop assets for retirement that will be sufficient to protect them from unexpected declines in their standard of living in old age.

On balance, the life-cycle theory is thought to do a reasonable job of explaining patterns of household saving behaviour. Saving generally rises with income and age, and it is positively associated with education and total wealth. Young households generally have more debt than assets, while prime aged households do appear to begin saving more and accumulating financial holdings. Finally, in retirement, people do tend to consume portions of their financial assets as they age (Viceira, 2009). As with saving theory, behavioural economics ask a very fundamental question about investors in general and plan participants in particular: how good are they at actually understanding and acting on the predictions of mean-variance theory? Arguably, a rational investor should do a reasonable job of constructing mean-variance efficient portfolios, so there should be some evidence of widespread competency at these types of investment decisions.

The conclusion is that, just as menu design influences participant investment decisions, so too does the employer's plan design decision. Offering a match in company stock encourages participants to hold more in stock than workers whose employers do not match in stock.

Prospect theory and behavioural economics have been deemed relevant to investment decision making in three ways (Kahneman, 2003). First, in the area of gains, investors are often characterized by over confidence and excessive optimism: people tend to construct forecasts of the future that are typically too rosy. Second, in the area of losses, investor risk-aversion will lead to unwillingness to realize investment losses, and a premature realization of investment gains, called by Shefrin and Statman (1985) the disposition effect. And thirdly, if decisions are less than optimal due to both over-confidence and loss avoidance, the impact of these anomalies will be exacerbated by narrow framing effects.

2.2 Conceptual Framework:

Figure 1: Showing the relationship between the variables

Below is a conceptual frame work showing the effect of pension Scheme on social welfare of Rwandans.

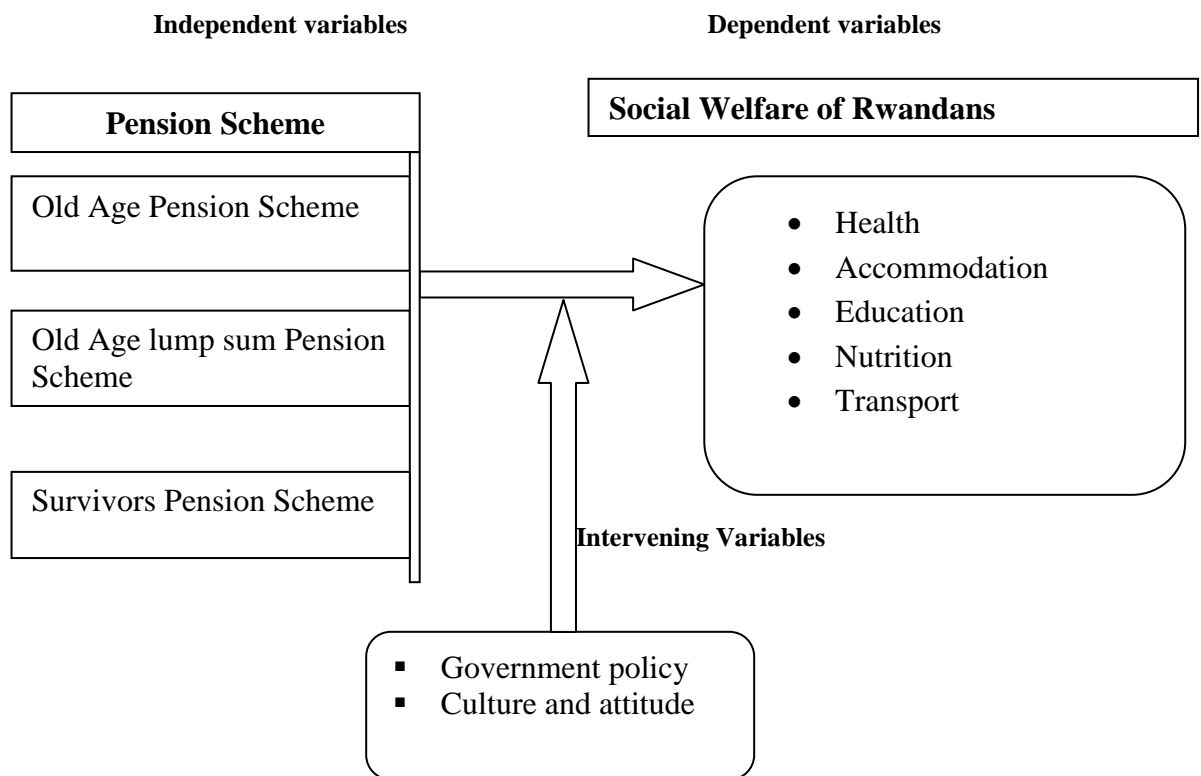


Fig.1: Conceptual framework of the study

2.4 Empirical Review:

2.4.1 Effect of Old Age Pension Scheme on Social Welfare of Members:

The revolution of long life is now upon us. In most countries of the world, until very recently, half of all human beings died before the age of 20. Only a handful lived to see the birth of their grandchildren. But today, more and more people are living very long lives. According to United Nations (UN) projections, persons aged 60 years or older will number almost two billion by 2050. Older people will exceed the population of children, marking an unprecedented event in human history. Developing countries will experience the most rapid growth of the world's older population.

The ageing of populations is a human milestone that reflects better public health and nutrition, but the shift brings new policy issues to the fore. Particularly, there is the question of how older persons sustain themselves as they live past the period of active work. The UN estimates that today 140 million older persons, particularly older women, are living on the equivalent of less than USD 2 per day. Older people are among the poorest of the poor for several reasons. Traditional family support is declining in virtually every country. Having worked for subsistence or very low wages, few elderly people have savings or other resources of their own for old age. Nor do they have access to job-based social protection benefits. Also, they may suffer from disabilities such as sight or hearing loss that restrict their ability to work. Elderly widows may face particular disfavour and discrimination in their communities.

Paradoxically, older women often have important care-giving responsibilities. They may be raising grandchildren or taking care of sick, middle-aged children in communities hit by the crisis of HIV/AIDS. Or they may be supporting grandchildren whose parents have left for jobs in distant places. As sole breadwinners, these grandparents may find themselves unable to provide adequate nutrition, access to health care or education for their children, grandchildren or themselves. One grandmother in a village in Africa described her situation this way: When we don't have food, I put a pot with water on the fire. When my grandson asks for dinner, I say it's cooking, hoping that he will fall asleep fast enough so he doesn't find out.

Global Action Aging (GAA Report, 2007) has compiled a number of articles and reports focused on social pensions, as well as a list of sources of information. We believe that older persons have the unconditional right to income security.

Universal Social Pensions are the most effective way to provide dignity to older persons. The world is aging fast. Developing nations increasingly face difficulties supporting their older population. In most developing countries, the elderly live at the bottom of the socio-economic strata. Older women, in particular, confront harsh conditions. Women usually take care of their children and family, an activity that puts them in a disadvantaged position when older. Many people in the developing world hold informal jobs or work without wages in rural areas. These older persons enjoy no proper pension system have scarce retirement savings, if any. Most poor countries have no pension system, save for the military and government officials. By providing cash transfers to older persons, governments can meet their obligation to protect the most vulnerable sector in their society.

Where social pensions exist, older persons share their benefits with the members of their household, buying food, supplies, and providing clothes and school materials for their grandchildren. Often older persons care for relatives infected with HIV/AIDS, as well as look after their orphaned grandchildren. In the latter case, social pensions save lives. Recent examples of several poor countries that have implemented a social pension system show that they are neither complicated nor very costly. In fact, financial projections (see reports and articles) show that social pensions take less than 3% of a national budget.

In Zambia, in 2006, it was estimated that 64 per cent of the population lived in poverty. In this context, the Government of Zambia has been running a set of pilot cash transfers to test which could best form the basis of a national social protection system. As the situation is particularly problematic in households headed by older people, the Katete district transfers US\$11 a month to everyone over 60 years old. The report states that those increased incomes have not only permitted the older people and their relatives to live better, but also changed perceptions of older people from being a burden, to being a resource.

The population of older people is increasing dramatically in India. In addition, there is widespread poverty. To assist the elder poor, the government adopted a means-based social pension system. Unfortunately, the scheme did not always benefit the intended recipients. Help Age India started monitoring this scheme through the Poorest Area Civil Society program. To understand more about these “monitoring groups” and the means-based pension, HAIIndia conducted a study. It revealed that the social pension provides a secure means of monthly income to older people. They noted that the pension had improved their quality of life, improved their status in the family and gave them greater self-confidence. Respondents also felt that the monitoring groups helped make the pension application process more effective.

Very little data exists about older workers in the informal sector. Help Age International conducted research on older people and work in Bangladesh, Peru and Uganda. Among findings was the lack of pensions available to older persons within the informal employment sector, including 90% of workers in Uganda. A universal pension for older people would enable them to have a greater choice of work. It would provide them with money to travel to work, giving them access to loan schemes or simply allowing them to pay for basic goods or services such as food or healthcare.

In a 2008 report from India, researchers found that households with older members are not likely to be poorer than households without elders. Other study findings have significant policy implications. Policies that aim to reduce the mortality rate among older people have the potential to reduce poverty among older people as well. The researchers highlight that if the demographics continue to change as the trends in their study show, then the proportion of poor older people will increase in the coming years and they will be increasingly dependent on social pensions.

Global Action on Aging and other aging organizations see social protection as an indispensable but often overlooked strategy for development. This Help Age International Report describes the need for Africa to invest in social services for poor people. This report summarizes the meetings held by participating countries as well as key recommendations. The general findings include the importance of high level political commitment to making improvements, and a number of other measures to assure effective social protection programs.

Between 1980 and 1981 the Chilean government introduced a pensions based on individual capital accounts i.e. the value of the pension depends on funds accumulated and the rate of return. The new regime considers three types of pensions: old age, disability and survivor pension. Just like the pension reform in Malawi, when an individual retires, he has two options: he can buy a life annuity from an insurance company with the accumulated funds or make scheduled monthly withdrawals from his account. Both nations’ aim is to reduce old age poverty. In 2006, a diagnosis of the Chilean system revealed that a significant portion of the population lacked sufficient funds to support them-selves during old age. There were personal pension gaps, which are closely associated with informal sector and low paid jobs, they’re also associated with younger workers, married women and the self-employed. These gaps in coverage will lead to poverty and hardship for the elderly population and inflated future government welfare expenditure. To fix this the government introduced a

Pension Reform Law No. 20,255 in 2008. The act indicated the self-employed should have mandatory contribution (Júaregui, 2010). Malawi just like Chile is an economy where 50% or more of its employees are the youth, 54 % of its population have low incomes (World Bank, 2012). Therefore Malawi can use some of the solutions employed by Chile as a guide in developing the pension reform. Malawi should expect that approximately after 25 years of implementation, the pension reform challenges experienced by Chile in 2006 might crop up and thus must be ready to solve them.

Dostal's paper on Nigerian Pension Reform 2004-2010 analyses early results of the 2004 Nigerian pension reform. He pointed that in 2010, the pension system was privately managed and funded pension accounts covered around four million Nigerians in the country with a workforce of around 50 million people. The study focuses on shortcomings of the new system. The study demonstrates in a model calculation using GDP per capita and the development of financial markets as indexes in measuring the funded accounts performance. This measure was used because most of the contributions were invested in the financial market. This so far produced negative real returns for pension savers. Most crucially, the reform has failed to contribute to basic social security in old age for the majority of Nigerians employed in the informal sector. Placing these individual accounts in financial markets only increases public debt. Thus, agreeing with academic literature which offers no support for funded pensions in the context of developing countries with low GDP (Davis 1995, ch.11; Barr and Diamond, 2008). This should raise concern on the sustainability of the reform in Malawi. The mistake that the Nigerian government did was lack of portfolio diversification, lack of management accountability and pension savers had little knowledge of financial markets.

2.4.2 Effect of Old Age Lump Sum Pension Scheme on Social Welfare of Members:

This is a social security fund paid in lump sum to beneficiaries. A member can only benefit from this scheme when he or she has attained age of 60 and retires from any salaried activity as long as you have at least 12 months of contributions and less than 15 years of insurance with RSSB.

Kenya in 2006 introduced voluntary membership and contributions with the aim of securing pension for the informal sector. The statutory contributions to the National Social Security Fund (NSSF) are set at 15%. The employee pays half and the other half is paid by the employer. A lump sum benefits can be given on retirement at or after age 50, earlier invalidity, on permanent emigration and to survivors on death of a member. In 2003 a study was conducted to measure the effects of the new pension reform through portfolio weighting in land and property assets. It was noted that the level of contributors rose from 750,000 to 1 million which resulted in economic improvement. However the level of benefits outgo remained static at just over Ksh 2 billion, reflecting a combination of a decrease in early withdrawals as well as the impact on benefit outgo of the lower allocation of interest to members' individual accounts (Raichura, 2008).

2.4.3 Effect of survivors pension on social welfare of members:

While at work, the worker may fall off a ladder, the worker may cut his hand, finger, arm etc. the worker may get burnt, The vehicle he drives may skid resulting into serious accident, Fire may burn the building in which he is Working, A piece of metal or a brick may fall on his head etc. all these events constitute accidents at the place of work. While going to work, while on beneficiary way home from work or returning to work from having meals or to and from receiving beneficiary salary: A vehicle may knock beneficiary down, beneficiary may fall off a bicycle, Beneficiary may slip and fall etc. all these events are called the accidents due to work-related journey. As a result of his work, the worker may catch a disease due to the place or conditions in which he is working (Social security fund of RWANDA guide 2002, p44).

2.5 Critical review:

Pension funds have been set up in many countries to provide support for members of society who have suffered some disability or became too old to work and therefore are threatened by economic deprivation and sometimes even social isolation. The payments received by pensioners help them to meet their needs a take care of children who may not have reached a mature age to enable them gain employment by the time the parent retires. This support to families through social systems prevents the breakup of family lives and leads to the stabilization of life and intensification of psychological links among family members.

Many developing countries have reformed their pension plans from a defined benefit to a defined contribution plan. One of the reasons for this shift is that it is beneficial for the development of domestic financial markets. In defined contribution plans, the accumulation of assets by pension funds bolsters the domestic market, which in turn leads to more efficient allocations of monies to productive investments in the domestic economy. Theoretically, this will lead to increases in productivity and growth. "Pension funds could trade frequently, increasing the liquidity of the domestic stock markets, and thus crowding in savings and new investors. Similarly, the intense trading of stock by pension funds and

their large size may induce them to seek the introduction of innovations and new financial instruments to lower transaction costs, again attracting additional savings and new market participants” (Catalan, 2004).

Pension funds are also used to aid development in many countries. From investments in housing to roads and even the educational sectors they have served as a medium for bringing development to the people. After equities and bonds, property has played an integral role in balancing the asset allocation and providing a longer term element in investment strategies. Given the shrinking equity premium of the public securities market, pension funds are seeking new kinds of investments where there is reward for expertise and returns consistent with the long term objectives of such institutions.

In Ghana, SSNIT's involvement in the real estate's sector has resulted in the development of new estates in major towns of the country. The Social Security and National Insurance Trust provides affordable housing to many ordinary workers. The commercial properties built by the organization provide office accommodation and trade outlets which have brought further improvements in the country's infrastructure and employment opportunities. The circumstance of the family one is born into has a large effect on that person's economic well-being. The economic circumstances of one's birth family can seriously influence their personal development and opportunities for upward mobility. Social security can insure against the economic risks associated with being born into a poor family by providing income transfers to retirees who have had low lifetime earnings.

This is a way of redistributing income in society as the less privileged people get an additional income to improve their lot. Redistribution of income is an effective measure to reduce income differences and to stabilize the lives of the low-income class in the situations in which the market economy alone cannot ensure social fairness. Money is also transferred from people who can earn income to those who no longer have means to earn income. The funds received by these families can be used to improve the lives of their younger ones granting them better opportunities for upward mobility

3. METHODOLOGY

3.0 Introduction:

This chapter indicates various methods and techniques used by the researcher during the course of gathering relevant information from the field. It also describes the research design, target population, sample design, data collection procedures and data analysis.

3.1 Research Design:

According to Kothari (2008), research design is the conceptual structure within which research is conducted. It constitutes the blueprint for the collection, measurement and analysis of data as such the design includes an outline of what the researcher will do from writing the hypothesis and its operational implications to the final analysis of data. The researcher used a descriptive research design, where qualitative and quantitative approach was used. Qualitative research on the other hand excels at story telling from the participants viewpoint, providing the rich descriptive detail that sets qualitative results into their human context. For this study, the quantitative method was investigated the pension scheme system in RSSB. The qualitative data collection method on the other hand investigated the extent to which the pension scheme system affects social welfare of Rwandan.

3.2 Target Population:

The population of a research applies to the collection of all possible individuals, objects or measurements of interest (Mason *et al*, 1999)1 .the identification of the population of the research question helps in narrowing down to the specific objects that are the subject matter of the investigation. For the purpose of this research, the study population comprised of 645 member/beneficiaries of the pension scheme.

3.3 Sample Design:

Sample is taking a portion of a population or universe as representative of that population or universe. There are so many sampling techniques used in selection samples that will be representative of the population in conducting a research work.

3.3.1 Sample Size technique:

The researcher used stratified random sampling technique in selection of the respondents: the selection of the beneficiaries from the lists of RSSB. The names of the beneficiaries were written on small pieces of paper and put in a container and seven pieces of paper randomly selected. The selection was done without replacement.

3.4 Data Collection Instruments:

The methods used in collecting data for this study is in line with the type of data collected and the source. We utilized both primary and secondary data. Secondary method of data collection could come in form of aggregate data collection and analysis or by way of documentation. Both of these components appear to be ex-post factor in that they are almost non-relative since the investigator has Disagree way of influencing the data he handles as raw data. He can only manipulate existing data by analyzing them systematically towards tackling some research problems. In line with the above, the method used in the collection of data for the purpose of this study is the secondary and primary method. The secondary data were collected from the various RSSB reports for the respective years under consideration. While the primary data were collected via the survey questionnaires to the pensioners Both the questionnaires and documentary review. This is to enable the researcher and the respondents not to encounter any difficulty in the course of the proceedings.

3.5 Pilot Test:

Pre-testing was carried out before the questionnaires were administered to the participants, to certify that the questions were relevant, made sense and were clearly understandable. Pre-testing aimed at determining the reliability of the research tools including the sequence of the questions, wording and structure. This pre-testing involved 20 pensioners (10% of the sample size). The test was conducted at Ngoma district RSSB office. The respondents were randomly selected since statistical conditions are not essential in the pilot study.

3.5.1 Validity Test:

Creswell (2003), stipulates that validity established in a validity test is the extent to which results that are acquired from data analysis of the data actually incarnate the phenomenon under study. There are two kinds of validity. These include content validity and face validity. Face validity refers to the probability that a question is misinterpreted or misunderstood. According to Cooper and Schindler (2006) pre-testing is a proper way to increase the possibility of face validity. Alternatively, content validity, also referred to as logical validity, refers to the degree to which a measure depicts all facets of a given social construct. In this study, the content validity was improved by seeking out opinions of experts in the field of study particularly the supervisors. Also, the face validity of the research instrument was improved by carrying out a pilot test and changing any unclear and ambiguous questions.

3.5.2 Reliability Test:

Reliability is the extent to which research instruments come up with consistent results. The questionnaires reliability was statistically established by measuring the internal consistency. In turn, internal consistency was measured by the use of Cronbach's Alpha (α). The alpha value ranges between 0 and 1 with reliability increasing consistently with increase in value. Coefficient of 0.6-0.7 is a normally accepted rule of thumb that designates acceptable reliability and 0.8 or higher indicated good reliability (Greener, 2008).

3.6 Data Analysis and Presentations:

The questionnaires that were answered and retrieved were coded and analysed using the Statistical Programme for the Social Sciences (SPSS). Tables, charts, graphs, frequencies and percentages were used to demonstrate the response that was obtained from the respondents. Both qualitative and quantitative methods of investigations were employed in the analysis and interpretation of data for the study. Based on the analysis and their interpretations, conclusions were drawn and recommendations given. Frequency and correlations model analysis was applied to study and compare the effect of independent variables on the dependent variable.

4. FINDINGS AND DISCUSSIONS

4.1 Introduction:

The chapter analyzes the data collected from the field survey and presented the same data with interpretation and managerial implications. The analysis and interpretation are presented in two forms; the profile of the respondent and the analysis of the questionnaires according to specific objectives.

4.2 Findings according to specific objectives:

The analysis shows the findings according to specific objectives which include; the effect of old age pension scheme on social welfare of members in Ngoma district, the effect old age lump sum pension scheme on social welfare of members in Ngoma district; and to assess the effect of survivor's pension on social welfare of members in Ngoma district.

4.2.1 The effect of Old Age Pension Scheme on Social Welfare of members:

The analysis below shows respondents views on the effect of old age pension scheme on social welfare of members in Ngoma district.

TABLE 4.1: Assessment of old age pension scheme in Ngoma district

Assessment of old age pension scheme in Ngoma district	Response									
	Strongly Agree		Agree		Not sure		Disagree		Total	
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%
The RSSB provides the pension monthly to the beneficiaries	212	98.6	-	-	3	1.4	-	-	215	100
The right amount of pension is provided	28	13	149	69.3	29	13.5	9	4.2	215	100
The fund is provided timely	120	55.8	90	41.9	5	2.3	-	-	215	100
The pension is enough to cater for my basic needs	52	24.2	109	50.7	38	17.7	16	7.4	215	100
There is proper accountability for the pension fund	11	5.1	181	84.2	22	10.2	1	0.5	215	100

Analysis in table 4.1, 98.6% of the respondents strongly agreed that RSSB provides old age pension monthly to the beneficiaries and 1.4% not sure, which means that old age pension is provided monthly to the beneficiaries as stated in the social security statutes as agreed by the majority respondents. In ascertaining whether the right amount of pension is provided, 69.3% agreed, 13% strongly agreed, 35.5% not sure and 4.2% disagreed, which means that collectively 82.3% agreed that the right amount of pension is provided to the beneficiaries monthly. As far as the timely provision of fund is concerned, 55.5% strongly agreed that the fund is provided timely, 41.9% agreed and 2.3% not sure, which means that RSSB provides old age pension timely to the beneficiaries as seen by 97.7% of the respondents who agreed. On whether the old age pension is enough to cater for my basic needs, 50.7% agreed that old age pension cater for my basic needs of the beneficiaries, 24.2% strongly agreed, 17.7% not sure and 7.4% disagreed, which means that to a large extent old age pension is enough to cater for my basic needs as agreed by 74.9% majority respondents. Lastly in determining whether there is proper accountability for the pension fund, 84.2% agreed, 5.1% strongly agreed, 10.2% not sure and 0.55% disagreed, which means that there is proper accountability of old age pension fund as agreed by 89.3% majority respondents.

TABLE 4.2: Effects of old age pension scheme on social welfare of members in Ngoma district

Effects of old age pension scheme on social welfare of members in Ngoma district	Response									
	Strongly Agree		Agree		Not sure		Disagree		Total	
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%
Old age pension scheme has promoted my family welfare	83	36.8	91	42.3	34	15.8	7	3.3	215	100
Old age pension scheme has promoted educational standards of my family	90	41.9	88	40.9	28	13	9	4.2	215	100
Old age pension scheme has promoted nutritional status of my family	79	36.7	104	48.4	28	13	4	1.9	215	100
Old age pension scheme has improved accommodation status of my family	48	22.3	123	57.2	42	19.5	2	1.0	215	100
Old age pension scheme has improved dressing for my family	64	29.8	105	48.8	45	20.9	1	0.5	215	100
Old age pension scheme has improved on transport means for my family	53	24.7	115	53.5	45	20.9	2	1.0	215	100

Analysis in table 4.2 shows that, 42.3% of the respondents agreed that Old age pension scheme has promoted of beneficiaries family welfare, 36.8% strongly agreed, 15.8% not sure and 3.3% disagreed, which means that to a large extent Old age pension scheme has promoted my family welfare as agreed by the majority respondents of 79.1%. In ascertaining whether Old age pension scheme has promoted educational standards of beneficiaries family, 41.9% strongly agreed, 40.9% disagreed, 135 not sure and 4.2% disagreed, which means that Old age pension scheme has promoted educational standards of beneficiaries family based on the majority response of 82.8%. On whether Old age pension scheme has promoted nutritional status of my family, 48.7% agreed that Old age pension scheme has promoted nutritional status of of beneficiaries family, 36.7% strongly agreed, 13% not sure and 1.9% disagreed, which means the majority respondents of 85.4% agreed that Old age pension scheme has promoted nutritional status of the beneficiaries.

As far as Old age pension scheme and improvement of beneficiaries accommodation is concerned, 57.2% agreed that Old age pension scheme has improved accommodation status of beneficiaries families, 22.3% strongly agreed, 19.5% not sure and 1.0% disagreed, which means that to a large extent Old age pension scheme has improved accommodation status of beneficiaries as agreed by the majority response of 76.2%. In ascertaining whether Old age pension scheme has improved dressing for of beneficiaries’ family, 105% of the respondents agreed, 29.8% strongly agreed, 20.9% not sure and 0.5% disagreed, which implies that pensioners used some of the pension funds to improve on their dressing needs. Lastly the researcher established the effects of Old age pension scheme on transport welfare of the beneficiaries, 53.5% agreed that the Old age pension scheme has improved on transport means beneficiaries, 24.7% strongly agreed, 20.9% not sure and 1.0% disagreed, which means that to a large extent Old age pension scheme has improved on transport means for of beneficiaries family as seen by 78.3% response.

TABLE 4. 3: Relationship between old age pension scheme and social welfare of members

	Old age pension scheme	Social welfare of members
Old age pension scheme Pearson Correlation	1	.927**
Sig. (2-tailed)		.000
N	215	215
Social welfare of members Pearson Correlation	.927**	1
Sig. (2-tailed)	.000	
N	215	215

** Correlation is significant at the 0.01 level (2-tailed).

The analysis shows the relationship between old age pension scheme and social welfare of members in Ngoma district, out of 215 and the significant level is 0.01, the results indicate that independent variable has Positive strong correlation to dependent variable equal to .927** and the p-value is .000 which is less than 0.01. When p-value is less than significant level, therefore researchers conclude that variables are correlated. This means that there is a significant relationship between old age pension scheme and social welfare of members in Ngoma district by 92.7%

4.2.2 Effects Old Age Lump Sum Scheme on social welfare of members:

Section 4.2.2 analysis the practice of Old Age Lump Sum Scheme in Ngoma district, its effects on social welfare of members and the Relationship between old age Lump sum scheme and social welfare of members

TABLE 4.4 Assessment Old Age Lump Sum Scheme in Ngoma district

Effects of old age pension scheme on social welfare of members in Ngoma district	Response									
	Strongly Agree		Agree		Not sure		Disagree		Total	
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%
I was paid my lump sum pension after retirement age	42	19.5	124	57.7	40	18.6	9	4.2	215	100
I was paid the right amount of pension	111	51.6	61	28.4	41	19.1	2	1.0	215	100
I was paid timely	103	47.9	107	49.8	5	2.3	-	-	215	100
The pension is enough to cater for my basic needs	79	36.7	98	45.6	30	14.0	8	3.7	215	100

Analysis in table 4.4 shows that, 57.7% of the respondents agreed that lump sum pension were after retirement age, 19.5% strongly agreed, 18.6% not sure and 4.2% disagreed, which means that the beneficiaries were paid my lump sum pension after retirement age to a large extent as seen by 77.2% response. On whether the beneficiaries were paid the right amount, 51.6% strongly agreed that they were paid the paid the right amount of pension, 28.4% agreed, 19.1% not sure and 1.0% disagreed, which means that to a large extent RRSB paid right amount of pension to the beneficiaries as seen 80% response. In ascertaining whether lump sum pension is paid timely 49.8% agreed, 47.9% strongly agreed and 2.3% were not sure, which means old age lump sum pension is paid timely to the beneficiaries. Lastly, the response on whether the pension is enough to cater for my basic needs, 45.6% agreed, 36.7% strongly agreed, 14% not sure and 3.7% disagreed, which means to a large extent old age lump sum pension is paid timely to the beneficiaries.

TABLE 4.5 Effect of old age lump sum scheme on social welfare of members in Ngoma district

Effects of old age lump sum scheme on social welfare of members in Ngoma district	Response									
	Strongly Agree		Agree		Not sure		Disagree		Total	
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%
Old Age Lump Sum pension scheme has promoted the welfare of beneficiaries	91	42.3	115	53.5	7	3.3	2	1.0	215	100
Old Age Lump Sum pension scheme has promoted educational standards of my family	104	48.4	94	43.7	17	7.9	-	-	215	100
Old Age Lump Sum pension scheme has promoted nutritional status of my family	74	34.4	106	49.3	34	15.8	1	0.5	215	100
Old Age Lump Sum pension scheme has improved accommodation status of my family	56	26	117	54.4	29	13.5	13	6.1	215	100
Old Age Lump Sum pension scheme has improved dressing for my family	66	30.7	112	52.1	36	16.7	1	0.5	215	100
Old Age Lump Sum pension scheme has improved on transport means for my family	65	30.2	117	54.5	33	15.3	-	-	215	100

Analysis in table 4.4 shows that, 53.5% of the respondents agreed that Old Age Lump Sum pension scheme has promoted the welfare of beneficiaries, 42.3% strongly agreed, 3.3% were not sure and 1% disagreed, this means that Old Age Lump Sum pension scheme has promoted the welfare of beneficiaries as seen by majority response of 95.8%. In ascertaining whether Old Age Lump Sum pension scheme has promoted educational standards of beneficiaries, 48.4% strongly agreed that Old Age Lump Sum pension scheme has promoted educational standards of beneficiaries family, 43.7% agreed and 7.9% not sure, which means that 92.1% of the respondents agreed that Old Age Lump Sum pension scheme has promoted educational standards of beneficiaries families.

This was also based on the fact that educational investment is taken serious parents in Rwanda in order to promote human intellectual capital based 2020 Rwandan vision. On whether Old Age Lump Sum pension scheme has promoted nutritional status of beneficiary’s family, 49.3% agreed, 34.4% strongly agreed, 15.8% not sure and 0.5% not sure, which means that Old Age Lump Sum pension scheme has promoted nutritional status of beneficiary’s family as seen by 83.7% response. As far as Old Age Lump Sum pension scheme and improvement of beneficiaries accommodation is concerned, 54.4% agreed, 26% strongly agreed, 13.5% not sure and 6.15 agreed, which means that to a large extent Old Age Lump Sum pension scheme has improved accommodation status of my family as witnessed by 84.4% response. In ascertaining whether Old Age Lump Sum pension scheme has improved dressing for my family, 52.1% of the respondents agreed, 30.7% strongly agreed, 16.7% not sure and 0.5% disagreed, which means that Old Age Lump Sum pension scheme has improved dressing for beneficiaries family. Lastly in establishing whether Old Age Lump Sum pension scheme has improved on transport means for the beneficiary’s family, 54.5% agreed, 30.2% strongly agreed and 15.35 were not sure, which means 84.7 of the respondents have agreed that Old Age Lump Sum pension scheme has improved on transport means for the beneficiaries family.

TABLE 4.6 Relationship between Old Age Lump Sum Scheme and Social Welfare of members

		Old Age Lump sum scheme	Social Welfare of members
Old Age Lump sum scheme	Pearson Correlation	1	.938**
	Sig. (2-tailed)		.000
	N	215	215
Social Welfare of members	Pearson Correlation	.938**	1
	Sig. (2-tailed)	.000	
	N	215	215

** . Correlation is significant at the 0.01 level (2-tailed).

The analysis shows the relationship between Old Age Lump Sum Scheme and Social Welfare of members in Ngoma district, out of 215 and the significant level is 0.01, the results indicate that independent variable has Positive strong correlation to dependent variable equal to .938** and the p-value is .000 which is less than 0.01. When p-value is less than significant level, therefore researchers conclude that variables are correlated. This means that there is a significant relationship between old age pension scheme and social welfare of members in Ngoma district by 92.7%

4.2.3 Effect of survivor’s benefits on social welfare of members in Ngoma district:

The analysis shows the survivor’s benefits in RSSB, its effects on social welfare of members in Ngoma district and relationship between the two variables.

TABLE 4.7 Survivor’s benefits in Ngoma district

Effects of survivor’s pension on social welfare of members in Ngoma district	Response									
	Strongly Agree		Agree		Not sure		Disagree		Total	
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%
Am paid survivors benefits	97	45.1	118	54.9	-	-	-	-	215	100
Am paid the right amount of survivors	103	47.9	95	44.2	17	7.9	-	-	215	100
Am paid timely	206	95.8	9	4.2	-	-	-	-	215	100
The survivors benefits is enough to cater for my basic needs	131	60.9	49	22.8	33	15.3	2	1.0	215	100

Analysis in table 4.6 shows that, 54.9% of the respondents agreed that they are paid survivors benefits and 45.1% strongly agreed, which means that survivor’s benefits are paid to the beneficiaries since all the respondents agreed 100%. On whether they are paid the right amount, 47.9% of the respondents strongly agreed that they are paid the right amount of survivors, 44.2% agreed and 7.9% not sure, which means that to a large extent the right amount of survivors benefit are paid to the beneficiaries as agreed by 92.1% response. In ascertaining whether the benefits are paid timely 95.8% strongly agreed that they are paid timely and 4.2% agreed, which means all the respondents agreed that survivors benefit are paid to the beneficiaries timely. Lastly, in establishing whether the survivors benefits is enough to cater for my basic needs, 60.9% strongly agreed, 22.8% agreed, 15.35 not sure and 1% disagreed, which means that to a large extent survivors benefits is enough to cater for the basic needs of beneficiaries families.

TABLE 4.8 Effect of survivor’s pension on social welfare of members in Ngoma district

Effects of old age lump sum scheme on social welfare of members in Ngoma district	Response									
	Strongly Agree		Agree		Not sure		Disagree		Total	
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%
Survivors pension scheme has promoted my family basic needs	90	41.9	119	55.3	4	1.9	2	1.0	215	100
Survivors pension scheme has promoted educational standards of my family	105	48.5	102	47.4	5	2.3	3	1.4	215	100
Survivors pension scheme has promoted nutritional status of my family	73	34	131	60.9	9	4.2	2	1.0	215	100
Survivors pension scheme has improved accommodation status of my family	90	41.9	114	53	7	3.3	4	1.8	215	100
Survivors pension scheme has improved dressing for my family	88	40.9	104	47.9	17	7.9	7	3.2	215	100
Survivors pension scheme has improved on transport means for my family	91	42.3	101	47	19	8.8	4	1.8	215	100

Analysis in table 4.6 shows that, 55.3% of the respondents strongly agreed that Survivors pension scheme has catered for survivors basic needs, 41.9% agreed, 1.9% not sure and 1% disagreed, which means that Survivors pension scheme has catered for survivors basic needs as seen by 97.2%. In ascertaining whether Survivors pension scheme has promoted educational standards of my family, 48.5% strongly agreed, 47.4% agreed, 2.3% not sure and 1.45 disagreed, which means that to a large extent Survivors pension scheme has promoted educational standards of my family since they invested the benefits in education of the family. On whether Survivors pension scheme has promoted nutritional status of my family, 60.9% agreed, 34% strongly agreed, 4.2% not sure and 1% disagreed, which means survivors invested the benefits to cater for their daily survival inform of acquiring food stuffs.

As far as accommodation is concerned, 53% of the respondents agreed that Survivors pension scheme has improved accommodation status of their families, 41.9% strongly agreed, 3.3% not sure and 1.8% disagreed, which means that they invested part of the benefits in improving their accommodation as seen by 94.9% response. On whether Survivors pension scheme has improved dressing for my family, 47.9% agreed that Survivors pension scheme has improved dressing for my family, 42.3% strongly agreed, 8.8% were not sure and 1.8% disagreed, which means that the survivors invest part of the benefits in dressing of their families. Lastly in establishing whether Survivors pension scheme has improved on transport means for my family, 47% agreed that Survivors pension scheme has improved on transport means for my family, 42.3% strongly agreed, 8.8% not sure and 1.8% disagreed, which means that to large extent Survivors pension scheme has improved on transport means for my family since they used the fund to acquire transport means like cars, motorcycle and bicycle for their facilities.

TABLE 4.9 Relationship between Survivor’s Pension and Social Welfare of Members

		Survivor’s Pension	Social Welfare of Members
Survivor’s Pension	Pearson Correlation	1	.918**
	Sig. (2-tailed)		.000
	N	215	215
Social Welfare of Members	Pearson Correlation	.918**	1
	Sig. (2-tailed)	.000	
	N	215	215

** . Correlation is significant at the 0.01 level (2-tailed).

The analysis shows the relationship between Old Survivor’s Pension and Social Welfare of Members in Ngoma district, out of 215 and the significant level is 0.01, the results indicate that independent variable has Positive strong correlation to dependent variable equal to .918** and the p-value is .000 which is less than 0.01. When p-value is less than significant level, therefore researchers conclude that variables are correlated. This means that there is a significant relationship between Survivor’s Pension and Social Welfare of Members

5. SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction:

The objective of this study was to establish the effect of Social Security Pension Scheme on Social Welfare of Members in Ngoma district. The study had four specific objectives of the which include; effect of old age pension scheme on social welfare of members in Ngoma district, the effect old age lump sum pension scheme on social welfare of members in Ngoma district; and to assess the effect of survivor's pension on social welfare of members in Ngoma district.

5.2 Summary of findings:

The study adopted a descriptive research design which assisted to examine the effect of old age pension scheme on social welfare of members in Ngoma district. Analysis in table 4.1 shows that that RSSB provides old age pension monthly to the beneficiaries, they receive right amount of pension at the right timely. The respondents further stated that the old age pension is enough to cater for my basic needs, and there is proper accountability for the pension fund. In ascertaining whether the pension have effects on their social welfare, the respondents stated that Old age pension scheme has promoted of beneficiaries family welfare inform of educational standards of beneficiaries family, nutritional status of beneficiaries family, accommodation status of beneficiaries families, dressing for of beneficiaries' family and transport means beneficiaries. In summary the analysis shows the relationship between old age pension scheme and social welfare of members in Ngoma district, out of 215 and the significant level is 0.01, the results indicate that independent variable has Positive strong correlation to dependent variable equal to .927** and the p-value is .000 which is less than 0.01. When p-value is less than significant level, therefore researchers conclude that variables are correlated. This means that there is a significant relationship between old age pension scheme and social welfare of members in Ngoma district by 92.7%

In analyzing the effect old age lump sum pension scheme on social welfare of members in Ngoma district the finding shows that the respondents agreed that RSSB provides lump sum benefits after retirement age, the right amount, lump sum payment is made and it is paid at the timely and they further stated that the lump sum payment is enough to cater for my basic needs. As far as effect old age lump sum pension scheme on social welfare of members in Ngoma district is concerned the respondents stated that Old Age Lump Sum pension scheme has promoted the welfare of beneficiaries inform of inform of educational standards of beneficiaries family, nutritional status of beneficiaries family, accommodation status of beneficiaries families, dressing for of beneficiaries' family and transport means beneficiaries. The summary shows that the relationship between Old Age Lump Sum Scheme and Social Welfare of members in Ngoma district, out of 215 and the significant level is 0.01, the results indicate that independent variable has Positive strong correlation to dependent variable equal to .938** and the p-value is .000 which is less than 0.01. When p-value is less than significant level, therefore researchers conclude that variables are correlated. This means that there is a significant relationship between old age pension scheme and social welfare of members in Ngoma district by 92.7%

In analysing the effect of survivor's benefit on social welfare of members in Ngoma district the respondents sated that the right amount of survivors benefits paid to the beneficiaries and it is done timely and that the survivors benefits has managed to cater for their basic needs. As far as the effect of survivor's pension on social welfare of members is concerned, the respondents stated that survivor's pension has promoted the welfare of beneficiaries inform of educational standards of beneficiaries family, nutritional status of beneficiaries family, accommodation status of beneficiaries families, dressing for of beneficiaries' family and transport means beneficiaries. In summary the analysis shows the relationship between Old Survivor's Pension and Social Welfare of Members in Ngoma district, out of 215 and the significant level is 0.01, the results indicate that independent variable has Positive strong correlation to dependent variable equal to .918** and the p-value is .000 which is less than 0.01. When p-value is less than significant level, therefore researchers conclude that variables are correlated. This means that there is a significant relationship between Survivor's Pension and Social Welfare of Members

5.3 Conclusion:

Rwanda Social Security Board has Social Security Pension Scheme like Old Age Lump Sum Pension Scheme, Old Age Pension Scheme and survivor's benefit which is provided to beneficiaries, at the right amount, and right time. The Social Security Pension Scheme has promoted the welfare of beneficiaries inform of educational standards of beneficiaries family, nutritional status of beneficiaries family, accommodation status of beneficiaries families, dressing for of beneficiaries' family and transport means beneficiaries. In summary it was established that there is a relationship between Social Security Pension Scheme and Social Welfare of Members in Ngoma district, out of 215 and the significant level is

0.01, the results indicate that independent variable has Positive strong correlation to dependent variable equal to .927** and the p-value is .000 which is less than 0.01. When p-value is less than significant level, therefore researchers conclude that variables are correlated. This means that there is a significant relationship between Social Security Pension Scheme and Social Welfare of Members

5.4 Recommendation:

The researcher suggests the following recommendations; Rwanda Social security Board should ensure that there is proper accountability of the pension funds in order to benefit the beneficiaries effectively and promote their social welfare. The board should ensure that the fund is well invested and well redistributed to the beneficiaries so that their social welfare is promoted. The board should also ensure that the fund is timely distribution of the fund in order to the beneficiaries to put it in to proper use.

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