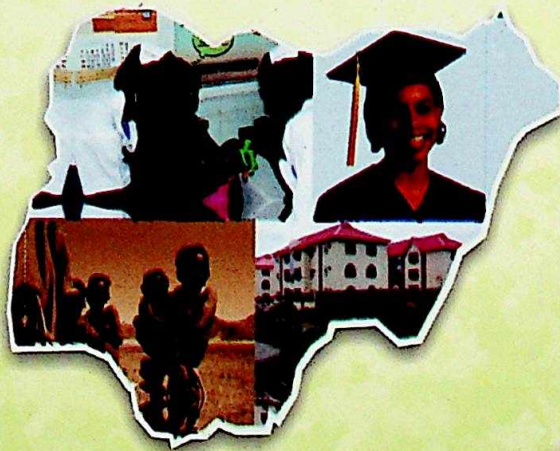




NIGERIA SOCIAL INSURANCE TRUST FUND

A COMMUNIQUÉ ON SOCIAL SECURITY AND POVERTY ALLEVIATION IN NIGERIA



The New NSITF

“...Building a Caring and Inclusive Society, Together.”

**"THE POOR CANNOT
SLEEP BECAUSE
THEY ARE HUNGRY...
THE RICH CANNOT SLEEP
BECAUSE THE
POOR ARE AWAKE."**



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COMMUNIQUÉ ISSUED AT THE END OF A 3-DAY NATIONAL CONFERENCE ON "THE IMPERATIVES OF SOCIAL SECURITY FOR ECONOMIC DEVELOPMENT AND POVERTY ALLEVIATION IN NIGERIA"

The Conference which held from the 22nd to 24th October 2007 at the International Conference Centre, Abuja was organized by the **Nigeria Social Insurance Trust Fund (NSITF)** in collaboration with the **International Labour Organization (ILO)**, and **International Social Security Association (ISSA)**.

The main theme of the Conference: **The Imperatives of Social Security for Economic Development and Poverty Alleviation in Nigeria** was guided by the following technical presentations:

- i. The Minimum Standards of Social Security Programmes;
- ii. The Constitutional Imperatives for Social Security Scheme in Nigeria;
- iii. The Role of Social Security in Economic Development of a Nation;
- iv. The Imperatives for a Multipillar Social Security Scheme in Nigeria;
- v. Financing Social Security In Nigeria;
- vi. Economic Reforms and Social Security in Nigeria: Lessons from More Mature Market Economies;
- vii. Social Security as a Strategy for Poverty Alleviation in Nigeria.

The Conference was declared open by the Senate President of the Federal Republic of Nigeria, Distinguished Senator David Mark, and drew participants from the Academia, Civil Society Organisations, Governments, International Organisations, Donor Agencies, Youth, Trade and Labour Unions, Employers Organizations, Mass Media, the Private Sector, etc.

RESOLUTIONS

1. **Participants** recalled that a similar conference jointly organized by NSITF and the House of Representatives' Committee on Labour, took place in November 2005, which deliberated on the need for an integrated social security scheme in Nigeria and agreed that recommendations made at that conference should be revisited.

2.

The Conference agreed on the need to establish an Integrated National Social Security Scheme, not only as a way of cushioning the effects of poverty on the citizenry and reducing crime, but also as a way of demonstrating that the well-being of ordinary citizens is important to the government and society at large, building a society which guarantees decency of human life and protection of the vulnerable citizens against income insecurity arising from major economic reforms and the vagaries of today's market-driven economy;

3.

The Conference agreed that the establishment of a social security scheme in Nigeria can help to maintain harmonious and stable employer-employee relationships and promote worker productivity. It will be a vital instrument for bridging income inequality, promoting social cohesion, national integration and patriotic zeal. The social assistance and protection programmes embedded in an umbrella social security system can impact positively on living standards, promote a decent, caring and humane society, prevent adverse and extreme income inequalities, crime, minimize corruption and other social vices.

4.

The Conference noted that Nigeria had ratified International Labour Organisation (ILO) Social Security (Minimum Standards) Convention No. 102 of 1952. It further noted that ILO's concept of social security represents the most comprehensive scope that a national social security scheme should have. This is also in consonance with Chapter 3 of the Federal Ministry of Labour Vision 20:2020, and urged that necessary legislation be introduced without delay, to move Nigeria forward in fulfilling these international standards.

5.

The Conference resolved that the social security scheme to be established in Nigeria must have the following features:

- a) It should not be restricted to the formal sector alone; rather it should be universal. In other words, it should cover both the formal and informal sector employees, and all categories of self-employed persons in both urban and rural areas; the aged, the sick and the physically challenged.
- b) The scheme should be domesticated and localised, i.e. reflect Nigeria's peculiar social, economic, cultural and political circumstances;

c) That the following contingencies, ideally, should be covered by a National Social Security System but further prioritization may be necessary, including Pilot Schemes, where necessary:

- i. **UNEMPLOYMENT:** insurance and related policies, unemployment allowance, employment generation projects;
- ii. **OLDAGE:** income related pension for all;
- iii. **DISABILITY AND INVALIDITY:** reductions in earnings capacity either permanent or of long duration resulting from damage to physical or mental health;
- iv. **EMPLOYEE COMPENSATION:** occupational diseases leading to temporary or permanent incapacity; any disease due exclusively or mainly to harmful substance or certain types of works while engaged in employment;
- v. **SURVIVORS:** Survivors' benefits for children whose father or mother were deceased, and widows and widowers on the death of their spouses;
- vi. **MEDICARE:** appropriate medical treatment and other incidental costs for the self employed and their families, for the elderly (65 years old and over);
- vii. **MATERNITY & FAMILY ASSISTANCE:** Child allowance; maternity leave allowance (pregnancy, delivery and period of convalescence); ageing parents and infirm family members.
- viii. **SICKNESS BENEFIT:** any impairment to physical or mental health which is not due to an accident in the work place and requires medical treatment and results in inability to work.

6.

The Conference recommended that adequate budgetary provisions should be made for social security financing and bench-marked against a reasonable percentage of the GDP. This should be reflected in the fiscal policy of Federal, State and Local governments. It further recommends that other sources of financing should include, but not limited to, the following:

- a) Contribution by members under the contributory components of the scheme;
- b) A percentage deduction from the Consolidated Revenue Fund;

- c) A percentage deduction from Value Added Tax (VAT);
- d) A percentage of Excess Crude Oil proceeds;
- e) Excess profit (above the average cost of capital and an allowance for a reasonable rate of return on investment; to be reviewed annually);
- f) Unclaimed dividends after stipulated number of years;
- g) Millennium Development Goals (MDGs) funds and similar intervention funds;
- h) Percentage of Excise Duty;
- i) Contributions from the statutory allocations to the State and Local Governments.

7.

The Conference noted the existence of several legislations/schemes and agencies currently dealing with social security matters and recommends as follows:

- a) The integration of various schemes for efficiency and cost effectiveness;
- b) The empowerment of NSITF to establish and operate the scheme in view of its experience and expertise, coupled with the provisions of the Pension Reform Acts 2004, which mandates the Nigeria Social Insurance Trust Fund to provide social security services to all eligible citizens of Nigeria.

8.

The Conference noted that in order to ensure the effective and successful implementation of the scheme, as well as its sustainability, there is need for effective public enlightenment programme that would ensure the necessary mass support and participation.

9.

The Conference recommends the establishment of Senate and House of Representatives Committees on Social Security.

10.

The Conference resolved that a National Advisory Council on Social Security be established without delay to collaborate with NSITF Board and Management towards the timely establishment of the scheme.

11.

The Conference noted the need for urgent establishment of a reliable database of all citizens and the different categories of beneficiaries under the types of social security schemes that may be applicable to them.

12.

The Conference noted the urgent need for the establishment of a credible national ID Scheme which will be used in identifying social security benefit claimants.

13.

The Conference agreed that NSITF should collaborate with other agencies of government in actualizing the social security system in order to improve the buy-in of the scheme. In particular, It should work with the National Planning Commission to make a presentation of the proposed scheme to the National Economic Council, Joint Planning Board and the National Council for Development Planning.

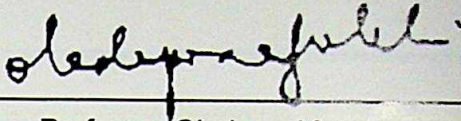
14.

The Conference called on the Federal Government to demonstrate the needed Political Will on the establishment of an Integrated Social Security Scheme in accordance with its 7 -point Agenda and 20:2020 Vision.

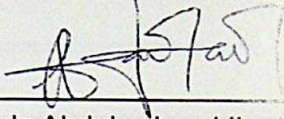
15.

The Conference endorsed the pronouncement of President Umaru Musa Yar'adua's administration on poverty alleviation and called for Progress Report annually.

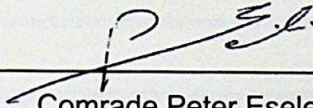
Signed by Representatives of Stakeholder Organizations



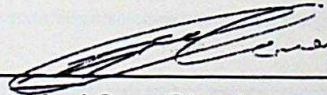
Professor Oladapo Afolabi
Permanent Secretary
Federal Ministry of Labour & Productivity



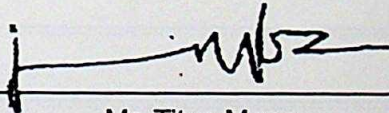
Comrade Abdulwaheed Ibrahim Umar
President
Nigeria Labour Congress (NLC)



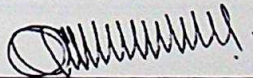
Comrade Peter Esele
President
Trade Union Congress of Nigeria (TUCN)



Mazi Sam Oluwabunwa
President
Nigeria Employers Consultative Association (NECA)



Mr. Titus Mann
President
Civil Liberties Organization (CLO)



Dr. Eukora Joe Okoli
Managing Director/CE
Nigeria Social Insurance Trust Fund (NSITF)

Dated this 24th day of October, 2007

Let us think!

**"No Social Security... No
National Security."**

For further enquiries, please contact:

Nigeria Social Insurance Trust Fund
Plot 794, Muhammadu Buhari Way
Central Business District
P. M. B. 446, Garki Abuja

Website: www.nsitf.net Email: info@nsitf.net

Cellphone Numbers:

08054240775
08036152495
08035910243
08033497651
08059744800