

**State-Civil Society Relations in the Era of Neoliberal Reforms: An Assessment of the  
Struggle in Nigeria's Pension Reform, 2004 – 2014**

**By**

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### **Abstract**

One of the manifestations of neoliberal agenda is the implementation of contributory pension scheme (CPS) as part of the overarching neoliberal reforms pursued in some countries of the global 'South'. This study examined how implementation of the CPS as part of Nigeria's neoliberal reform agenda shaped the nature of demands pushed by civil society organizations (CSOs), and how such demands influenced state-CSOs relationship in Nigeria between 2004 and 2014. Case study research design was adopted, while secondary and primary data obtained via documentary method and key informant interview respectively, were analyzed using content analysis. With specific focus on the Academic Staff Union of Nigeria Universities (ASUU), the study borrowed largely from the Political Opportunity Structure theory to argue that pension reform implemented by the Nigerian government between 2004 and 2014, impacted on the nature of state-CSOs relationship in the country. I argued that the CPS, encapsulated in the Pension Reform Act 2004 (Now PRA, 2014) was modified to grant concession to ASUU in response to its overt demands for protection from the risks associated with the new scheme. The study concludes that most CSOs seek protection from policies emanating from neoliberal reforms instead resisting the reforms entirely, while government on its own tends to grant concession to the CSOs in order to douse resistance to implementation of such reforms. The study advocates that the state should continue to strike balance between meeting the demands of CSOs and pressures placed on it by international agencies to implement neoliberal reforms.

**Keywords:** civil society organizations; pension reform; neoliberalism; state-CSOs relationship; contributory pension scheme ; Academic Staff Union of Nigeria Universities (ASUU)

## **Introduction**

Civil society organizations (CSOs) have been described as the third sector after the state and the private (business) sectors because they neither seek to exercise state power nor make taxable profit from their activities (Clarke, 2016). Conceptually, civil society is the space outside the state, the market and the family which enables the citizens to pursue their common aspiration and participate in the overall development of the society (Clarke, 2016; Froissart, 2014). Thus, CSOs provide channels for participation of the citizens in the civil society and also seek to protect the citizens from abuse that may result from the excessive profit motive of the private sector and other rent-seeking economic agents. Theoretically, the CSOs operate for the overall wellbeing of the people, development and progress of the society by resisting implementation of policies that undermine the welfare of the masses and/or their exploitation by the private agents. Accordingly, (Essein, 2014:3) outlined the three fundamental roles of CSOs to include: participation in the designing of strategies for development; service providers through community based organizations and national NGOs; watchdogs to ensure government fulfill commitments. Using Malawi as a case study, Makuwira (2011) demonstrated how CSOs (particularly NGOs) through various mechanisms like conflict mediation, civic education and introduction of checks and balances in the political and socio-economic environment serve as watchdogs to ensure that government fulfill its commitments to the people.

In terms of their membership and structure, I classify CSOs into: faith-based CSOs; occupational/labour-based CSOs; communal/ethnic based CSOs; and Non-governmental Organizations (NGOs). Meanwhile, Falton cited in Ikelegbe (2014:7-8) has classified CSOs into three – predatory, quasi-bourgeoisie and popular CSOs. The predatory and the quasi-bourgeoisie CSOs are made of rent-seeking elites who seek to protect their interests, the popular CSOs are made of the masses resisting reforms and actions that undermine their welfare. However, using the Political Opportunity Structure theory, I posit that while CSOs are heterogeneous in structure and orientation, they all tend to converge at one point – pursuit of their sectional interests within the political milieu in which they exist. This dynamic political environment also shapes the emergence, claims, strategies, structure and orientation of the CSOs. The interrelationship between the political environment and the CSOs' interests, strategies and demands informs the oscillation in state-CSOs relationship. Thus, a CSO may be antagonistic and hostile to the state if

the state pursues policies that undermine its interests. It may also maintain a cordial relationship with the state if state policies advance its interests or to the extent that the state is able to co-opt such CSO or grant it policy concessions that advance its interests and protects its members from the adverse effect of such policy. In line with this, Froissart (2014) has shown that authoritarian regimes do not only repress CSOs, but also co-opt them by providing operating space for the CSOs within the authoritarian milieu in order to reduce political pluralism and remain in power.

Meanwhile, civil societies are not new in Africa and Nigeria in particular. CSOs in Nigeria have undergone mutation in structure and character over the years. To illustrate, CSOs existed as self-help organizations in pre-colonial Nigerian societies to pursue their needs and aspirations within the societies. The pre-colonial period saw more cordial relationship between the CSOs and the state (not the Westphalian state system). The advent of colonialism saw the emergence of CSOs aimed at resisting the oppression, exploitation and excesses of the colonial state and more fundamentally, to regain independence from colonial masters. Thus, state-CSOs relationship in the colonial era was more adversarial. The post-colonial era is divided into two major epochs – the military (1966-1999) and post transition era (1999-2014). The first epoch witnessed the emergence of CSOs which, resisted the military and sought for return of the country to democracy (Kew and Oshikoya, 2014; Igbokwe-Ibeto, Ewuim, Anazodo and Osawe, 2014; Esseim 2014). Again, state-CSOs relationship during the military era was antagonistic as the military sought to repress most of the CSOs opposing military rule. The return to civil rule in 1999 coalesced with the growth of neoliberalism globally to give impetus to the proliferation of CSOs. For instance, there was increase in activities of NGOs which participated in various spheres of governance – healthcare and disease control, education, welfare, promotion of gender equality, good governance etc. The democratic environment also enhanced space for CSOs especially labour organizations to make more demands on the state concerning welfare of their members.

In the light of the above, this study interrogates the nature of demands pushed by CSOs and how such demands shaped state-CSOs relationship in the era of neoliberal reforms in Nigeria. With specific focus on Academic Staff Union of Nigeria Universities (ASUU), I contend that the pursuit of neoliberal reforms by the post-transitional Nigerian state (1999-2014) shaped the emergence, demands and strategies employed by some CSOs in pursuit of their

interest within the period. Specifically, I argued that the implementation of contributory pension scheme, itself informed by the National Economic Empowerment and Development Strategy (NEEDS) which provides the overarching framework for the neoliberal reforms of the Nigerian state shaped ASUU's demands on the state, and the nature of government's response to ASUU. The paper is divided into seven sections, the next section describes the methodology adopted for the study. This is followed by a section that provides the theoretical perspective on which the study is anchored. The fourth section gave a historical overview of state-civil society relations in Nigeria in the three epochs – pre-colonial, colonial and post-colonial. The fifth section situates the states and the CSOs within the contemporary neoliberalism, thereafter I described the implementation of neoliberal pension reform in Nigeria and how it impacted on the relationship between ASUU and the state. The last section provided conclusion and recommendations of the study.

### **Methodology**

The study is a qualitative research which relied on secondary and primary data generated via documentary method and key informants interview respectively. Content analysis was employed for analysis of data collected. Documentary method refers to the analysis of documents that contain information about the phenomenon we wish to study. It is used for identification and analysis of physical sources, mainly written documents existing in both private and public domains (Mogalakwe, 2006). This type of analysis, also called document review is an approach that focuses on evaluating both printed and electronic material so as to elicit meaning and develop empirical knowledge (Vuyo, 2014). Thus, we obtained information bordering on implementation of the contributory pension scheme from documents of Pension Fund Administrators (PFAs), Nigerian Pension Board, official documents of the government, trade unions/professional groups, etc. This was complimented by primary data obtained from key informants purposively selected by the researcher from the PFA, Nigeria Pensions Board and ASUU.

In view of the fact that various CSOs existing in Nigeria, we adopted a case study design (see Yin, 2009) to select CSOs of interest at various stage of CSO development in Nigeria. Thus, we focused on the Academic Staff Union of Universities (ASUU) because they are the only trade

union that has successfully engaged the government and obtained result with regards to the pension reform.

### **Theoretical Framework – Political Opportunity Structure Theory**

In order to provide theoretical insight into the nature of state-civil society relation in Nigeria in the era of neoliberal reform, this study draws from the Political Opportunity Structure (POS) theory. As a theory, POS can be traced to the works of writers like Eisinger (1973), Tilly (1978) and more recently, Tarrow (1994) and Meyer & Minkoff (2004). Also known as Political Process theory, the central thrust of POS theory is to explain how external factors in the political system structure the opportunities for the emergence of social movements (including CSOs), strategies adopted by them in engaging the state, the content and orientation of demands pushed by social movements and outcomes of such engagement with the state. It argues that the decision regarding the goals and strategies to be adopted by movements is determined by external factors like political circumstances or structures instead of organizational dispositions (Abdullahi, Adekeye & Balogun, 2014).

Tarrow (1994:19), noted that Political Opportunity Structures refer to “consistent – but not necessarily formal; permanent or national – dimensions of the political environment which either encourage or discourage people from using collective action”. According to Tarrow, POS place emphasis on resources that are external to the social movements, like money or power which they can take advantage of however weak they (the movements) seem to be. Tarrow cited in Meyer (2003) further identified five interconnected clusters variables that represents the concept of political opportunity structure to include: the degree of openness in the political system; the stability of political alignments; the presence of allies and support groups; existence of divisions within the relevant elite and/or its tolerance for protest; and repression or facilitation of dissent by the state. Similarly, political opportunity structures has been described as the “specific configurations of resources, institutional arrangements and historical precedents for social mobilization, which facilitate the development of protest movements in some instances and constrain them in others” (Kitschelt 1986:58 cited in Arzheimer & Carter, 2006: 422) .

As a corollary, one major assumption of the POS is that “exogeneous factors enhance or inhibit prospects for mobilization, for particular sorts of claims to be advanced rather than others,

for particular strategies of influence to be exercised and for movements to affect mainstream institutional politics and policy” (Meyer & Minkoff, 2004: 1459). Meyer & Minkoff (2004) argued persuasively that while political opportunities could be stable or volatile, they serve as veritable means for predicting variation in the periodicity, style and content of claims by protest movements over time and across institutional contexts. Hence, shifts in POS stimulate response from movements which decides what issues to pursue and balance between conventional and non-conventional political participation (Meyer, 2003).

The Political Opportunity Structure theory provides a framework for analyzing state-CSOs relationship in Nigeria especially in the era of neoliberal reforms. Neoliberal reforms have not only stimulated reactions from CSOs but have continued to shape the nature of demands they place on the state, the strategy they adopt to pursue such demands and state’s response. Specifically, reform of the pension scheme resulting from the overarching neoliberal reform pursued by the post-transition Nigerian state impacted on the relationship between ASUU and the Nigerian state. To illustrate, ASUU reacted to the pension scheme reform by seeking exemption from the new contributory pension scheme so as to protect its members from the adverse effects of the new pension scheme. The federal government reacted to ASUU’s demand by granting concession to the union in form of waivers to its members (Professors only). This is considering the fact that the government itself is under pressure from international agencies to implement neoliberal reform, as such jettisoning the neoliberal agenda cannot be an alternative.

Furthermore, the exogenous factors shaping social movements are not restricted to the immediate political system in which the movements operate. Meyer (2003), introduced the international dimension of POS by arguing that the interrelatedness of international and domestic elements of political opportunity implies that changes in the international political economy can alter the domestic opportunities available for movements within a particular country and at same time shape the nature of demands movements place on the state. The international political economy can at same time determine whether or not the states can make concessions in response to the demands of the movements. Makuwira (2011) gave insight into how CSOs’ dependence on ‘Northern’ aid agencies and international NGOs enables the local NGOs to contribute to local development and also maintain cordial relationship with the government under multiparty democracy. I contribute by looking at how Nigerian government dependence on agencies and

states in the global 'North' influence government adoption of neoliberal reforms that undermine welfare of the masses and engender a kind of state-CSO relationship in which the government tries to protect or accommodate antagonistic CSOs by exempting them from adverse consequences of unpopular neoliberal reforms as a way of dousing resistance from the CSOs.

### **The Oscillating State-CSOs Relations in Nigeria: from Pre-colonial to Colonial Era**

As noted earlier, CSOs are not entirely new in the country. In the pre-colonial era, CSOs existed in form of self help organizations that provided space for the people to participate in governance and community development. As such, the goals of most civil society groups were not limited to the satisfaction of the immediate interest of members but for the overall wellbeing of the community. The groups funded their activities through internally generated revenue without depending on external sources for funding. Similarly, the goals pursued by the groups were informed by internal needs of the communities and were articulated by group members and/or from the members of the community as a whole. Thus, the CSOs provided space for the articulation, pursuit and actualization of the shared needs of the communities. In fact the pre-colonial CSOs played tremendous role in societal development and maintained cordial relationship with the government such that in most cases, the CSOs were regarded as institutions of government. For example, in the pre-colonial Igbo and Yoruba societies in today's South-East and South-West Nigeria respectively, the age grades stood out as formidable CSOs because of the role these age grades played in providing space for participation in governance, checkmating arbitrary use of power by those in authority, enforcing rules and embarking on development projects. In sum, the pre-colonial era saw more partnership and cordial relationship between the government and the CSOs.

In the colonial era, the alienation of the people from governance, the adoption of divide and rule system, enforcement of the Westphalian state system on the existing societies, and redefinition of the state as an instrument of brutality and exploitation, impacted negatively on state-CSOs relationship, making the relationship more adversarial. Hence, in addition to the existing CSOs, the political environment necessitated the emergence new CSOs, prominent among them were trade unions which engaged the colonial state to enhance workers' welfare. Hence, the introduction of civil service by the colonial masters saw the emergence of



occupational/labour-based CSOs like the labour/trade unions which demanded better working conditions and also supported nationalist movements to resist colonial rule. For instance, by 1912, the Civil Service British Workers Union (later Nigerian Civil Service Union) was formed to promote the interest of indigenous workers in the Nigerian Civil Service. By 1931, the Railway Workers Union and the Nigeria Union of Teachers were formed. The number of registered trade union increased to 91 by 1944 with over thirty thousand members as a result of official recognition of trade unions following the passage of the 1938 Nigerian Trade Union Ordinance (Olusoji, Oluwakemi & Onokala, 2012). The adversarial relation between the labor unions and the state led to the 1945 general strike by the African Civil Service Technical Workers Union (ACSTWU) with over 32,000 workers participating. The strike worsened the relationship between the labour unions and the state as the colonial state embarked on repression of the labour unions instead of meeting their demands (Akinwale, 2011). Hence, the emergence of labour unions as CSOs resisting exploitation of the colonial state worsened state-civil society relations as the colonial state made every effort to repress the CSOs. A good illustration of state repression of labour unions was the widely reported “Iva Valley Shooting” of 1949 when the police under the British government shot 21 striking miners and wounded 51 others.

As noted earlier, the post-colonial era is divided into the military rule era (1966-1999), and the post transition era (1999-2014). A general feature of the post-colonial era is the proliferation of NGOs. Under the military regime, some NGOs were formed by elites and supported externally to resist military rule and return the country to democratic rule. The number of occupational/labour based CSOs continued to grow but most were being repressed by the successive military regimes. However, just like in the colonial era, there was unity among most of the CSOs as they saw transition to democracy as a common objective they had to pursue. One of such CSOs that resisted authoritarian rule of the military regimes and called for adequate utilization of Nigeria’s oil wealth, including improvement of the education section is the Academic Staff Union of Universities (ASUU) formed in 1965 with university lecturers from various Nigerian universities as members (Akinwale, 2014). Similarly, the National Democratic Coalition (NADECO) emerged in 1994 and comprised of coalition of Nigerian democrats who pushed for return to democracy. Specifically, NADECO requested the military government of Sani Abacha to hand over to M.K.O. Abiola, who won the June 12, 1993 elections.

The return to democracy in 1999 saw further increase in the number of CSOs especially NGOs in the country, most CSOs aimed to support the consolidation of democracy, some others existed in various other sectors to support various government programmes like poverty reduction, fight against corruption, election monitoring, and women empowerment. Thus, unlike the situation in the military era when most of the CSOs fought a common course of ending military rule, under the civilian rule, various CSOs pursued various objectives. One common characteristic of the CSOs in the civilian regime is that, most them (especially the NGOs) tend to depend so much on external sources for their funding and programme direction. As soon as the state or external bodies are ready fund any project, the CSOs quickly emerged to key into such programmes and get funding from donors. Hence, while the relationship between the state and some CSOs (especially NGOs acting as development partners) may be cordial, the relationship between the state and some other CSOs like the labour unions continued to oscillate from a cordial to adversarial one depending on the claims and strategies of the group and the response of the state.

### **Neoliberalism, the State and CSOs in Nigeria**

Evidently, since the end of Cold War, neoliberalism has continued to penetrate most states in the global 'South', granting impetus to the expansionary character of capitalism across the globe. Apparently, in line with the ideas and economic principles of neoliberalism, efforts are being made in most states in the global 'South' to roll back the state from spheres hitherto seen as the exclusive preserve of the state, including provision of social security. However, one contradiction of neoliberalism that needs to be mentioned is that it also creates agents that resist its principles. That is, while it pursues its agenda of 'rolling back the state' economically, politically, it creates spaces for growth of agents (especially the CSOs) that resists such neoliberal economic principles perceived to be detrimental to the masses especially in the Third World countries. For instance, focusing on Non Governmental Organizations (NGOs), Love (2011:75), has shown that CSOs have increased in 'their numbers, sizes, budgets, ranges of activities, power, transnational networks and levels of international recognition.'

Again, another manifestation of neoliberalism across the world is the transition from a benign pension scheme based on defined benefit to a privately managed scheme which shifts the

risks associated with pension management to the individuals. For instance, way back in 1994, the World Bank had raised alarm on the impending doom that awaits humanity if reforms were not implemented to mitigate the old age crisis that would arise from the then dominant pension model practiced by most states, which was largely state-funded. As a panacea to the impending doom, the World Bank stressed the need for states to move from the defined benefit scheme to various other models mainly based on the neoliberal principles (World Bank, 1994). Evidently, some states have shifted from the defined benefit pension scheme to the contributory pension scheme which operates in line with the principles of neoliberalism by emphasizing less government involvement in management and funding of pensions, and also transfers the risks associated with pensions to the individuals. This roll back of the state from pension management and shift to a privately managed pension scheme has no doubt led to protests by various movements especially labour organizations. Nigeria provides a good example of states that followed the path of neoliberal pension reform with the abolition of the defined benefit (DB) pension scheme and the establishment of the contributory pension scheme encapsulated in the Pension Reform Acts (PRA) 2004 (now PRA, 2014). This shift has also shaped the nature of claims made by some CSOs on the state, and state's response to such claims.

### **Neoliberal Pension Reform in Nigeria**

The major policy direction of the civilian regime in Nigeria since return to civilian rule in 1999 has been initiation and implementation of neoliberal reforms. Accordingly, the National Economic Empowerment and Development Strategy (NEEDS) was formulated in 2004 by the Olusegun Obasanjo's administration to provide the overarching framework for government's neoliberal reforms. One major focus of the NEEDS was to adopt a private sector led development. For instance, the NEEDS document states:

The private sector will be the engine of economic growth growth...it will be the executor, investor, and manager of businesses...the number of government jobs will decline, and the cost of running the government will fall dramatically (NPC, 2004: xi).

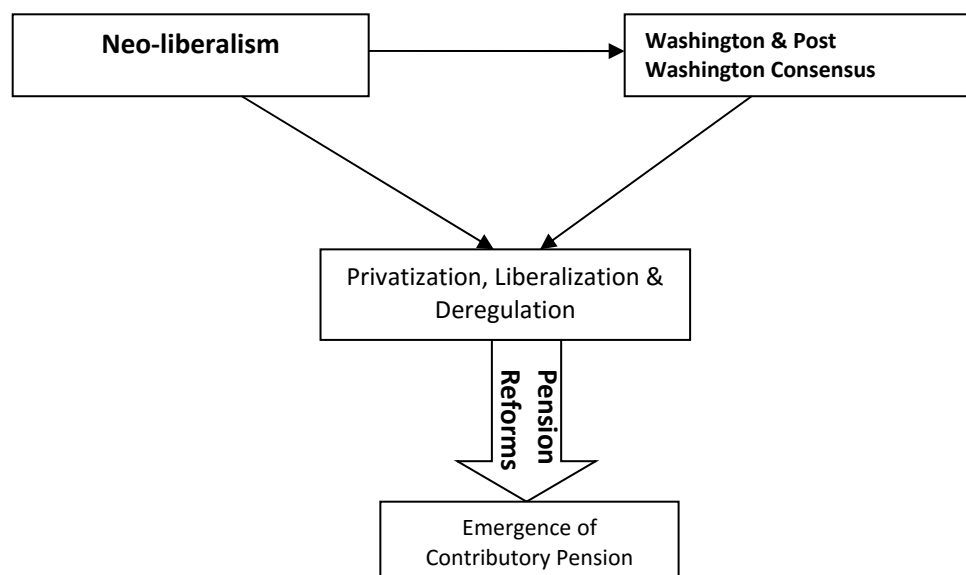
It is pertinent to note that the NEEDS was formulated in line with the World Bank Poverty Reduction Strategy Paper (PRSP) and was touted as a homegrown economic reform. In line with the NEEDS document, the Nigerian state embarked on privatization, deregulation and

decentralization in various sectors of the economy including the pension scheme. Thus, in June, 2004, the Pension Reform Act 2004 (now PRA, 2014) was signed into law. The PRA 2004 repealed the Pension Act 1990 and established a fully-funded contributory pension scheme for employees in the public and private sectors. The Act which took effect from 1<sup>st</sup> July, 2007 has its main objectives stated in section 2 as including to:

- (a) Ensure that every person who worked in either the Public Service of the Federation, Federal Capital Territory or Private Sector receives his retirement benefits as and when due;
- (b) Assist improvident individuals by ensuring that they save in order to cater for their livelihood during old age; and
- (c) Establish a uniform set of rules, regulations and standards for the administration and payments of retirement benefits for the Public Service of the Federation, Federal Capital Territory and the Private Sector. (PRA, 2004: A33)

The transition from the Defined Benefit scheme to the Contributory Pension Scheme explained above is further diagrammatically illustrated below to show how contributory pension scheme grew out of neo-liberalism and the Washington/Post Washington Consensus (see figure 1).

**Fig. 1: Emergence of Contributory Pension Scheme from Neo-liberalism**



**Source:** Researcher

Prior to the implementation of the contributory pension scheme, the Defined Benefit (DB) or Pay As You Go (PAYG) system which was operated by Nigeria provided for a retirement benefit which comprised of a lump sum benefit in the form of gratuity, depending on the number of years of service and the terminal compensation package, and a monthly pension payments guaranteed for life.

In terms of the welfare package, the new Contributory Pension Scheme (CPS) is a complete departure from the old DB. Some of the basic features of the new scheme include: abolition of the right to gratuity; abolition of pension for life; contributory nature of the scheme; deregulation and privatization of pension management (Aborisade, 2012). Beyond transferring the risks associated with pension's management to the individual workers, the new scheme translates to a gross reduction of pension allowances of retirees. For instance, under the old DB scheme, after 35 years of service, a retiree gets 80% of last annual emolument as annual pension for life (see table 1). Unfortunately, under the new contributory scheme, available data on pension of retirees under the new scheme indicates that the annual pensions are far below the 80% of last annual emolument obtainable under the old scheme (see table 2). In my interview with one of the managers of a PFA, the manager confirmed that one other disadvantage of the new scheme is that retirees cannot receive pensions for life as obtained under the old defined benefit scheme. This according to him is because, retirees monthly pensions depends on the amount in the retirees' retirement savings account (RSA). Again, the monthly pensions are calculated on the basis of life expectancy, and the maximum number of years a retiree is expected to receive pensions after retirement is eighteen (18) years.

**Table 1: Formula for Calculating Pension and Gratuity Under Defined Benefit Scheme**

Years of Qualifying Service	Gratuity as percentage of final total emolument	Pension as percentage of final total emolument
5	100	-
6	108	-
7	116	-
8	124	-
9	132	-
10	100	30
11	108	32
12	116	34
13	124	36
14	132	38
15	140	40
16	148	42
17	156	44
18	164	46
19	172	48
20	180	50
21	188	52
22	196	54
23	204	56
24	212	58
25	220	60
26	228	62
27	236	64
28	244	66
29	252	68
30	260	70
31	268	72
32	276	74
33	284	76
34	292	78
35	300	80

NB: Calculation is based on annual emolument i.e. basic salary plus annual transport allowance, annual rent subsidy, annual meal subsidy, annual entertainment allowance, annual utility allowance, and annual salary of domestic staff entitled officer (i.e. 2 domestic staff for GL. 17 officers and 4 for officers on consolidated salaries occupying pensionable posts).

**Source:** National Salaries, Income & Wages Commission (1999) Circular No. PEN. 63903/S.90/3

**Table 2: Pension Benefits of Selected Nigerian Public Service Retirees under the CPS**

S/N	Date of Retirement	Total Annual Emolument at Retirement Time*	Monthly Pension by PFA*	Estimated Total Annual Pension**	Total Annual Pension as a Percentage of Total Annual Emolument**	Remarks
1	2011	671,730	30,783.00	369,396.00	54.99%	Annual Pension <80% of Last Annual Emolument
2	2010	292,757.00	14,300.00	171,600.00	58.62 %	Annual Pension <80% of Last Annual Emolument
3	2011	860,345.00	35,847.00	430,164.00	50.00 %	Annual Pension <80% of Last Annual Emolument
4	2012	5,673,649.00	98,859.00	1,186,308.00	20.91 %	Annual Pension <80% of Last Annual Emolument
5	2008	341,669.00	14,616.00	175,392.00	51.33%	Annual Pension <80% of Last Annual Emolument
6	2011	944,760.00	32,590.00	391,080.00	41.39 %	Annual Pension <80% of Last Annual Emolument
7	2012	944,763.00	36,968.00	443,616.00	46.96 %	Annual Pension <80% of Last Annual Emolument
8	2012	3,252,048.00	120,473.00	1,445,676.00	44.45 %	Annual Pension <80% of Last Annual Emolument
9	2012	1,293,867.00	16,203.00	194,436.00	15.03 %	Annual Pension <80% of Last Annual Emolument
10	2012	310,731.00	13,031.00	156,372.00	50.32 %	Annual Pension <80% of Last Annual Emolument
11	2012	1,725,180.00	71,882.00	862,584.00	50.00 %	Annual Pension <80% of Last Annual Emolument
12	2012	1,840,521.00	76,688.00	920,256.00	50.00 %	Annual Pension <80% of Last Annual Emolument
13	2012	529,418.00	22,059.00	264,708.00	50.00 %	Annual Pension <80% of Last Annual Emolument
14	2012	529,418.00	22,059.00	264,708.00	50.00%	Annual Pension <80% of Last Annual Emolument
15	2011	811,646.00	33,818.00	405,816.00	50.00 %	Annual Pension <80% of Last Annual Emolument
16	2012	529,418.00	22,059.00	264,708.00	50.00%	Annual Pension <80% of Last Annual Emolument
17	2012	524,018.00	21,834.00	262,008.00	50.00 %	Annual Pension <80% of Last Annual Emolument
18	2012	876,369.00	36,515.00	438,180.00	50.00 %	Annual Pension <80% of Last Annual Emolument
19	2012	1,134,783.00	47,282.00	567,384.00	50.00 %	Annual Pension <80% of Last Annual Emolument
20	2012	1,021,021.00	42,542.00	510,504.00	50.00 %	Annual Pension <80% of Last Annual Emolument

\*\* Author's calculation

Source: Obtained from a Pension Fund Administrator

### **Did the Neoliberal Pension Reform Shape State-CSOs Relations in Nigeria? Evidence from ASUU-FGN Relationship, 2004 - 2014**

Nigeria's shift from defined benefit pension scheme to a contributory pension scheme (CPS) was opposed by various labour organizations. Despite the criticism of the CPS by the Nigerian Labour Congress (NLC) and the Trade Union Congress (TUC) for being detrimental to retirees' welfare (Aborisade, 2012), the NLC and TUC could not successfully engage the government to repeal the CPS or modify it to mitigate the negative consequences on welfare of the retirees. Resulting from the failure of these umbrella labour unions to obtain any meaningful result favourable to their members, various labour associations under the NLC and TUC decided to take their future in their hands by engaging the government as separate groups. However, these groups only sought ways to benefit from the reform by either requesting to be exempted from the CPS which was considered disadvantageous to their members or seeking a new pension package exclusive for their members only. The Academic Staff Union of University (ASUU) blazed the trail in this move.

For example, although the ASUU described the new contributory pension scheme as retrogressive piece of legislation (Aborisade, 2012), the 2009 agreement between the Union and the Federal Government of Nigeria (FGN) revealed that the Union sought for concession for its members in the new pension scheme. The agreement reached between the Union and FGN was for the amendment of the 2004 Pension Act to allow Professors retire with full benefits and to create a National University Pension Management Company (NUPENCO) (see FGN-ASUU Agreement, 2009). Specifically, the Agreement reads:

- It was agreed that Decree 11 of 1993 and the Pension Reform Act (2004) should be amended to:
- (a) Increase the retirement age of academics from 65 years to 70 years for those in the Professorial cadre.
  - (b) Remove certain ambiguities from the provisions that allowed Professors to retire with full benefits, by reformulating these provisions (Pension Reform Act, 2004), as follows:  
An academic staff who retires as a Professor in a recognized University shall be entitled to pension at a rate equivalent to his annual salary... (see FGN-ASUU Agreement, 2009: 20-21)

Consequently, in line with the demand of ASUU and pressures it was able to mount on the Federal Government, the amended Pension Reform Act 2014 tactically granted concession to



ASUU members of the rank of Professors by providing that they retire with their full salaries and that any shortfall from their pension accounts be funded by the employer (see Section 6 of Pension Reform Act, 2014). I discussed with some ASUU members on why ASUU chose to request to be granted concession within the new pension scheme instead opposing it entirely and calling for its repeal. They responded, that ASUU did not seek concession from the new pension scheme but that Professors were only granted waivers because of their length of service in the Nigerian universities. Nevertheless, available documents (FGN-ASUU Agreement, 2009; Amended Pension Reform Act, 2014) shows that ASUU's demand was mainly to seek concession from government in the implementation of the reform. Government on its own, granted waivers to ASUU by exempting its members of the rank of Professor from the most detrimental aspect of CPS so as to douse tension and maintain cordial relationship with the union.

### **Conclusion**

The study contributes to the debate on state-civil society relation in the era of neo-liberalism. It analyzed the dynamic nature of state-CSOs relationship in Nigeria from the pre-colonial to the post-colonial era with emphasis on the post-transition period (1999-2014) during which the state implemented various neoliberal reforms. The study demonstrated how factors external to the CSOs like political environment (reforms embarked upon by the government) shaped the demands made by CSOs and government's response to those demands. As noted by Meyer & Minkoff, (2004), changes in the political environment may provoke mobilization for one movement but may depress mobilization of the other and be completely irrelevant to a third. In line with this, the study notes that the implementation of neoliberal reform in Nigeria which included the shift from defined benefit pension scheme to a contributory pension scheme stimulated various forms of demands by some CSOs especially the labour organizations. With specific focus on the relationship between ASUU and the federal government, I advanced argument to demonstrate that following the adoption of the CPS, ASUU immediately demanded that its members be granted concession in the implementation of the new scheme. The government responded by granting certain waivers to some of its members. The implication of this is that, though the government could not grant the full request of ASUU with regards to implementation of the new pension scheme, it was able to reduce ASUU's opposition to the new

scheme by granting waivers to some of its members (the Professors). By this, the government was able maintain cordial relationship with the union in that regard.

Generally, implementation of neoliberal reforms which undermines welfare of the masses usually stimulates protests from movements which seek to alter such reforms to protect the interests of their members. The capacity of the state to accommodate such movements within the reforms by granting them waivers or concession determines whether the state would maintain cordial or adversarial relationship with such movement. States in the global 'South' implementing neoliberal reforms usually are under pressures by international agencies like the World Bank to do so. Hence, the most viable strategy adopted by the states to douse protest from movements and to maintain cordial relationship with such movements is to grant concession or waivers to them while implementation of the reform continues. This is because, abandoning the reforms may be more costly to the state in view of the possible 'sanctions' from the international agencies pushing for implementation of such neoliberal reforms.

### **Recommendations**

The following recommendations are put forward:

In view of the precarious position in which Nigeria finds itself as a dependent state in the global political economy, it should continue to strike balance between meeting the demands of CSOs resisting neoliberal reforms, and pressures from international agencies instigating such reforms through providing waivers for members of movements resisting neoliberal reforms. This would ensure maintenance of cordial relationship with CSOs which is needed to successfully implement reforms in the state.

There is need to enhance provision of other basic social amenities like healthcare, housing and water to ensure that masses whose unions are unable to secure waivers from government would have access to basic social amenities to mitigate the adverse effects of neoliberal reforms.

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