



Ejo Heza Pension Scheme, an Example Worth Emulating

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Abstract

The study at hand sought to investigate the contribution of Rwanda's Ejo Heza Pension Scheme to the dignified retirement of Rwandans so as to see whether African countries can follow suit. The specific objectives were to examine the contribution of Ejo Heza Pension Scheme to bettering lives of Rwandan residents and those in the Rwandan diaspora; to find out whether other African countries can borrow a leaf from Ejo Heza initiative so as to render their citizens' lives better upon retirement; and to find the challenges facing Ejo Heza Pension Scheme while striving to shape a brighter future for Rwandan residents and those in the Rwandan diaspora. Two hypotheses were formulated to achieve those objectives: Ejo Heza Pension Scheme contributes significantly to bettering members' lives; and African countries should borrow a leaf from Ejo Heza initiative to render their citizens' lives better. The study was qualitative with documentation used for data collection. To get more information about Ejo Heza, the researcher consulted Law No 29/2017 of 29/06/2017 establishing the long-term savings scheme and determining its organization and the ministerial order No 001/18/10/tc of 05/12/2018 determining modalities of granting long-term savings scheme benefits. Findings revealed that when a member of Ejo Heza dies, the family gets support and burial allowances worth one million two hundred fifty Rwandan francs (Frw 1,250,000). Besides, if one saves Rwf10,000 for their child per month, the child will have Rwf261 million, and a pension of Rwf1.7 million per month, when he/she turns 55. The researcher affirmed that both hypotheses were approved after verification. The study recommended Ejo Heza to avail all reports on the website to enable researchers and other individuals wishing to learn from the initiative to have clear information electronically.

Keywords: *Long-Term Saving; Old-Age Retirement; Financial Stability; Economic Growth and Poverty Alleviation*

Introduction

African countries have continued to lag behind when it comes to bettering citizens' lives. Factors behind these weaknesses include unceasing political instabilities, corruption, poor education systems, poor infrastructure, poor industrialization, to mention but a few. If solutions to the aforementioned factors were found, the continent would register commendable progress in improving citizens' livelihood. But

still, anywhere on the surface of the earth, people tend to live better lives when they are still energetic. In other words, when one can easily fend for his family using their physical and mental efforts, that is when better lives for the family can be guaranteed. You will find that people in their old age tend to wait for some good Samaritans to feed their mouths or simply rely on their relatives' favour. The practice is predominantly on the African continent as governments do not have plans for senior citizens. In Europe and America such people are supported through existing funds.

Coming back to the African continent, elderly people have to depend on their relatives to be able to get a living. Rwanda as one of the countries on the African continent realized that the issue of senior citizens would be a serious and heavy burden if nothing is done in due course. As statistics have it, by 2070, the number of senior citizens in Rwanda would have outnumbered that of young people in the country. Aware of this, the government thought of initiating a long pension saving scheme open for every Rwandan, young and old, rich and poor, salaried and non-salaried, those working in the formal sector and those working in the informal sector with no one left aside just for the sake of avoiding harsh consequences when people grow old.

The initiative dubbed 'Ejo Heza Pension Scheme' seeks to mitigate possible problems that may result in lacking financial means to attend to one's problems at old age. As people start saving, they will reach the retirement age having saved a lot of money which together with the generated interest will make it possible for the beneficiary to earn monthly pension for survival, hence retiring and aging with dignity.

One may wonder whether this is not burdening Rwandans, but there is a principle that goes, "consume after you have saved". If one saves before they consume their money, all will go well and this will cause no harm. All that needs to be done is understanding the philosophy of saving and why the initiative is worth embracing. When one has understood that saving is something worth doing, then it becomes easier for them to do it whenever they have some money in their hands.

Rwanda is one of the few countries to have sensitized her population to save for their retirement pensions irrespective of what they do in life. Normally, pensions are quickly perceived as earnings meant for salaried people after having been employed for a specific period of time. Unlike this, Rwanda has opened savings for every Rwandan and those living in Rwanda or the Rwandan diaspora to save within their means so that when they grow older and weaker they would earn monthly pensions to help them make ends meet.

Everything whether good or bad starts with the political will. There is no doubt therefore this initiative will succeed since it was initiated by the government and it aims at citizens' wellbeing. This is not the first home grown initiative Rwanda has introduced to embellish people's lives and propel the country's economy. There are some other initiatives such as one cow per household, Umuganda (Community service), health insurance scheme for every Rwandan, name it.

To effectively carry out this study, elements such as problem statement, research objective with specific objectives, research questions, hypotheses, literature review, methodology, findings, conclusion and recommendations with references indicating all cited sources featured in the study.

Problem Statement

Members of the human family all over the world need to live happy lives. However not everyone has the luck of enjoying better lives until they breathe their last. Failure to enjoy better lives is triggered by a number of factors. Some people hail from poor families with limited financial means, others live in

countries whose GDP is too weak to cater for all nationals, poor education systems, corruption among leaders, to mention but a few. Aware of this, the government of Rwanda introduced an initiative dubbed, “Ejo Heza Pension Scheme” to enable every Rwandan resident and those in the Rwandan diaspora to save for their better future. The initiative as expounded will enable members to be earning monthly pensions upon retirement. This initiative comes in handy as Information from RSSB suggests that only about 8 per cent of Rwanda’s workforce – estimated at 5.4 million – has access to long-term savings through pension schemes, while the remaining – about 92 percent, including motorcycle taxi operators, farmers, and some masons, are excluded¹. Similarly, African nations are also grappling with this serious problem of having a big section of the population who are not covered by pension schemes in their respective countries. As stated, 85.8 per cent of employment in Africa is informal, it is remarkable that in 2021, 18 per cent of Africa’s population has effective access to at least one form of social protection. Old-age pensions are the most widespread benefit, covering 30 per cent of the older population². This situation is appalling as the 70% who are not covered by the pension scheme may be a serious burden to African states when they grow old. The study at hand therefore analyzed whether Ejo Heza Pension Scheme should be emulated to address this problem.

Study Main Objective

The study sought to find out whether African states should follow the example of Ejo Heza Pension Scheme to ascertain dignified retirements for their citizens.

Specific Objectives

The study was guided by three specific objectives:

- To examine the contribution of Ejo Heza Pension Scheme to bettering lives of Rwandan residents and those in the Rwandan diaspora;
- To find out whether other African countries can borrow a leaf from Ejo Heza initiative so as to render their citizens’ lives better upon retirement;
- To find the challenges facing Ejo Heza Pension Scheme while striving to shape a brighter future for Rwandan residents and those in the Rwandan diaspora.

Research Questions

In a bid to embrace the above objectives, the researcher asked the following three questions:

- To what extent does Ejo Heza Pension Scheme to bettering lives of Rwandan residents and those in the Rwandan diaspora?
- Should other African countries borrow a leaf from Ejo Heza initiative so as to render their citizens’ lives better?
- What are the challenges facing Ejo Heza Pension Scheme while striving to shape a brighter future for Rwandan residents and those in the Rwandan diaspora?

¹ Retrieved from <https://www.newtimes.co.rw/article/3787/news/rwanda/ejo-heza-savings-your-child-can-retire-as-a-millionaire-rssb> on 29 December, 2022.

² Retrieved from <https://ww1.issa.int/analysis/extending-and-maintaining-social-security-coverage-africa> on 11 January, 2023.

Hypotheses of the Study

As widely known, a hypothesis is an assumption, an idea that is proposed for the sake of argument so that it can be tested to see if it might be true. Aware of this, the researcher attempted to answer the above questions through the formulation of two hypotheses as highlighted below:

- Ejo Heza Pension Scheme contributes significantly to bettering members' lives;
- African countries should borrow a leaf from Ejo Heza initiative to render their citizens' lives better.

Literature Review

This section covers information that in one way or another is related to the topic under study. A lot of written materials have been visited to capture those deemed relevant and more related to the study.

Rwanda's Minister of Finance Clever Gatete argued that there has been a significant shift in how Rwandans perceive savings. According to FinScope 2016 survey findings 86% of adults in Rwanda save (This includes all forms of savings). Saving through formal institutions is at 49%. Uptake in formal savings is driven by Umurenge SACCO stands at 27% and by June 2017, term and saving deposit stood at Frw 542.3 Billion. And that all this indicates that Rwanda is moving in the right direction³.

Ejo Heza Creation

Long Term Saving Scheme (EJOHEZA) was established by the Government of Rwanda through the Ministry of Finance under the Law No 29/2017 of 29th June 2017. It is a defined contribution scheme, established on voluntary basis by opening a savings account with a scheme administrator, the Rwanda Social Security Board (RSSB), and covers both salaried and unsalaried people. These include: (1) self-employed individuals working in the informal sector who wish to save for the long-term (2) a salaried employed person regardless of their status as a member of any other social security scheme, who wants to save for the long term, (3) a member, who is no longer active, of a social security scheme to which he/she was affiliated but who receives benefits under the laws regulating that scheme, and who transfers them to a long-term savings account (4) a child below the age of sixteen (16) years benefiting from a long-term saving account opened by his/her parent or guardian and (5) any other person not included in the categories listed above⁴.

Ejo Heza Objectives

The Scheme Aims at Embracing Four Leading Objectives as Captured Below:

- To promote the culture of saving among the citizen/residents in Rwanda
- To facilitate the universal access to pension and social security inclusion
- To promote financial inclusion
- To contribute to economic growth, poverty alleviation to attain higher standards of living

³ Retrieved from <https://www.minecofin.gov.rw/news-detail/world-savings-day-why-saving-should-be-a-culture> on 29 January, 2023.

⁴ Retrieved from <https://www.rssb.rw/scheme/ejo-heza> on 27 October, 2022.

Eligibility to Open EJO HEZA Account

Any Rwandan citizen with a national ID issued by NIDA and any foreigner residing in Rwanda has the right to voluntarily open an Ejo Heza account. Members of the RSSB Pension Scheme or other voluntary schemes can also voluntarily open an Ejo Heza account to save additionally for their old age.

Ejo Heza Savings Procedure

Your EjoHeza account will be linked to your permanent national Identity Card (NID) number. Your national ID number will remain your unique link to your Ejo eza account for the rest of your life. Your EjoHeza account and your savings will always remain in your name even if you change your job or your home over time. If you are an adult and have a permanent national ID issued by NIDA, you can open your Ejo Heza account free of cost using your own mobile phone by simply dialing *506# for MTN Rwanda and Airtel-Tigo and by following the simple prompts for registration and payment of contributions. You can also open your own EjoHeza account free of cost using a web browser on a smart phone or a computer by visiting [EjoHeza](#), clicking the “Register Now” button and following the simple prompts.

Difference between Ejo Heza and RSSB Pension Scheme

Ejo Heza is a voluntary, government-sponsored scheme available to all the citizens of Rwanda. Anyone working in the formal or informal sector, either self-employed or working for someone else, can join the scheme. The RSSB pension Scheme on the other hand is compulsory and is only available to those who are employed in public or private sector enterprises.

Ejo Heza is a defined contribution scheme whereas the RSSB pension scheme is a defined benefit scheme. Members in Ejo Heza will start receiving their monthly pension at 55 years of age whereas members in RSSB start receiving their monthly pension at 65 years or at early retirement of 60. RSSB contributions are a pre-defined percentage of salary and are deducted and remitted on a monthly basis. Ejo Heza members can decide how much they want to contribute and are also permitted to make contributions anytime (daily, weekly, monthly, quarterly or annually) as per their choice.

Government Benefits for Ejo Heza Members

A member who is in the first or second category of Ubudehe and has saved at least fifteen thousand (15,000) Rwandan francs has the right to a Government co-contribution equal to one hundred percent (100%) of his or her savings;

- A member who is in the third category of Ubudehe and has saved at least eighteen thousand (18,000) Rwandan francs has right to a Government contribution equal to fifty percent (50%) of his or her savings;
- The Government's contribution to long term savings scheme mentioned cannot exceed eighteen thousand (18,000) Rwandan francs.
- Ubudehe category 4 members who save Rwf72,000 or more in Ejo Heza in a year shall also be eligible for the special insurance benefit during the following year. Therefore, if an Ubudehe category 4 member who had saved Rwf72,000 or more in a year, unfortunately passes away next year, the member's nominated beneficiary will be paid a one-time compensation of Rwf1,000,000 along with a one-time payment of Rwf250,000 towards the member's funeral expenses. The annual insurance premium will be paid by the Government on your behalf. Only Rwandan citizens with a permanent National ID (aged 16 years and above) issued by NIDA will be eligible for the life and funeral insurance benefits. N.B. The government co-contribution benefit will be paid into the Ejo

Heza accounts of eligible members on an annual basis for the first 36 months following the date of launch of the Scheme.

Note: The life and funeral insurance benefits will also be available to eligible members on an annual basis for a total period of 36 months. The insurance benefits will however become available 12 months after the launch of the Scheme.

Pension Scheme in India

Pension plans in India can be traced back to the time when the British ruled the country. The Royal Commission of Civil Establishments was set up in 1881 to give government workers their first pensions.

Additional provisions for government employee pensions were included in the Government of India Acts of 1919 and 1935. The government of India has several pension plans for people who work for the government or private companies⁵.

Historical Background of old Age Pensions

What is Bismarck's legacy? In 1889, he started plans to introduce a pension law giving Germans over the age of 70 a measure of financial security in their old age. Considered the birth of the world's first state pension, it influenced similar systems worldwide throughout the twentieth century⁶.

In many European countries such as Switzerland, pensions took shape after the First World War. The first pension funds were established in the second half of the 19th century. They initially insured police officers, teachers and civil servants, thus reinforcing the organization of public service. Between 1888 and 1914, most administrations of municipalities, major cities and several cantons set up pension funds for their staff. The largest pension fund at the time insured the workers and employees of the Swiss Federal Railways (SBB). However, federal employees had to wait until the end of the First World War before they could benefit from old age provision. Apart from a number of pioneer companies, particularly transport companies (following the example set by the Swiss Federal Railways), banks and insurance firms (which wanted to ensure staff loyalty) as well as large companies in the machinery industry, there were only a few pensionfunds in the private sector prior to 1914⁷.

Moreover, saving has a long history in German society. The first savings bank opened in 1778 in Hamburg. By 1836, there were more than 300 of these savings banks operating in the then German Confederation, allowing Germans to save their hard earned income for some interest⁸.

Importance of Savings

Saving money is one of the essential aspects of building wealth and having a secure financial future. Saving money gives you a way out of the uncertainties of life and provides you with an opportunity to enjoy a quality life. Putting aside a sum of money in a systematic manner can help you steer out of many hurdles and obstacles in life. It can support you in your hour of need and ensure that your

⁵ Retrieved from <https://www.insurancedekho.com/life-insurance/news/tracing-the-history-of-pension-schemes- in-india-9234> on 27 December, 2022.

⁶ Retrieved from <https://www.helpage.org/newsroom/press-room/press-releases/125-years-on-worlds-first-state- pension-still-shaping-lives-across-the-globe/> on 27 December, 2022.

⁷ Retrieved from <https://www.historyofsocialsecurity.ch/institutions/insurance-funds/pension-funds> on 27 December, 2022.

⁸ Retrieved from <https://theconversation.com/germanys-deep-rooted-obsession-with-saving-a-brief-history-95016> on 29 January, 2023.

family has something to fall back on in case of an unfortunate event. There are many reasons to save and several ways to save with ease⁹.

Here are some of the important aspects of savings that you should know.

Reasons Why Saving Money is Important

Savings is crucial for everyone, regardless of their earnings, spending and life stage. Here are some reasons why you need to start saving.

- It offers peace of mind: Knowing that you have a certain amount accumulated for times of your need, gives you peace of mind. You can lead a stress-free life with the knowledge that you will not have to struggle if things take an unexpected route.
- It gives you a better future: Your savings can be the answer to a number of your goals. You can buy a house, accumulate funds for your retirement, or purchase a vehicle. You can secure your future, indulge in the best of things that life has to offer and live a very fulfilling life.
- It provides for your children's education: With a considerable amount of savings, you can fuel your children's dreams and pay for the best schools and colleges across the world.
- You can plan your short-term goals: Savings are not just aimed at the long term. You can also benefit from savings in the short term. A lot of people save for a few months and then travel.
- It gives your family security in case of an unfortunate event: By saving in a disciplined manner, you can make sure that your family is well-provided for. In unfortunate times, your savings can act as a cushion for your loved ones and help them overcome any financial difficulty.

Tips to Enable Savings

If you are new to savings or find it difficult to stick to your objective of saving, then you can try the following steps.

- Limit your credit card usage: Credit cards may provide a temporary sense of relief, but the high rates of interest can deplete your savings in no time. It helps to limit your debt and restrict credit card purchases to ensure that your savings are intact and growing.
- Keep a track of your expenses: If you find it difficult to save regularly, try to record and keep a track of your monthly expenditure. This will offer you a clear picture of where you spend. You can then identify the things that are not important and aim at saving more by avoiding those purchases.
- Create a budget for savings: It helps to devise a budget for each month. You can create a plan at the beginning of the month to target savings and set limits for spending. This lets you focus on what is important, reduces the chances of over-spending, and lets you save as planned.
- Invest in long-term financial tools: When you save, it is also important to see your savings grow with time. Investing your money in a long-term investment plan can have many additional benefits. These plans offer a lucrative rate of interest that lets your money retain its value and beat inflation. One such instrument is the savings or endowment plan. The ICICI Pru Assured Savings Insurance Plan is a new age endowment plan that is designed to address your life insurance needs.

Savings Barriers

There are many reasons for Africa's low savings rates, including inadequate financial services. Physical distance from banking institutions and high minimum deposit and balance requirements mean

⁹ Retrieved from <https://www.iciciprulife.com/protection-saving-plans/importance-of-savings.html> on 27 December, 2022.

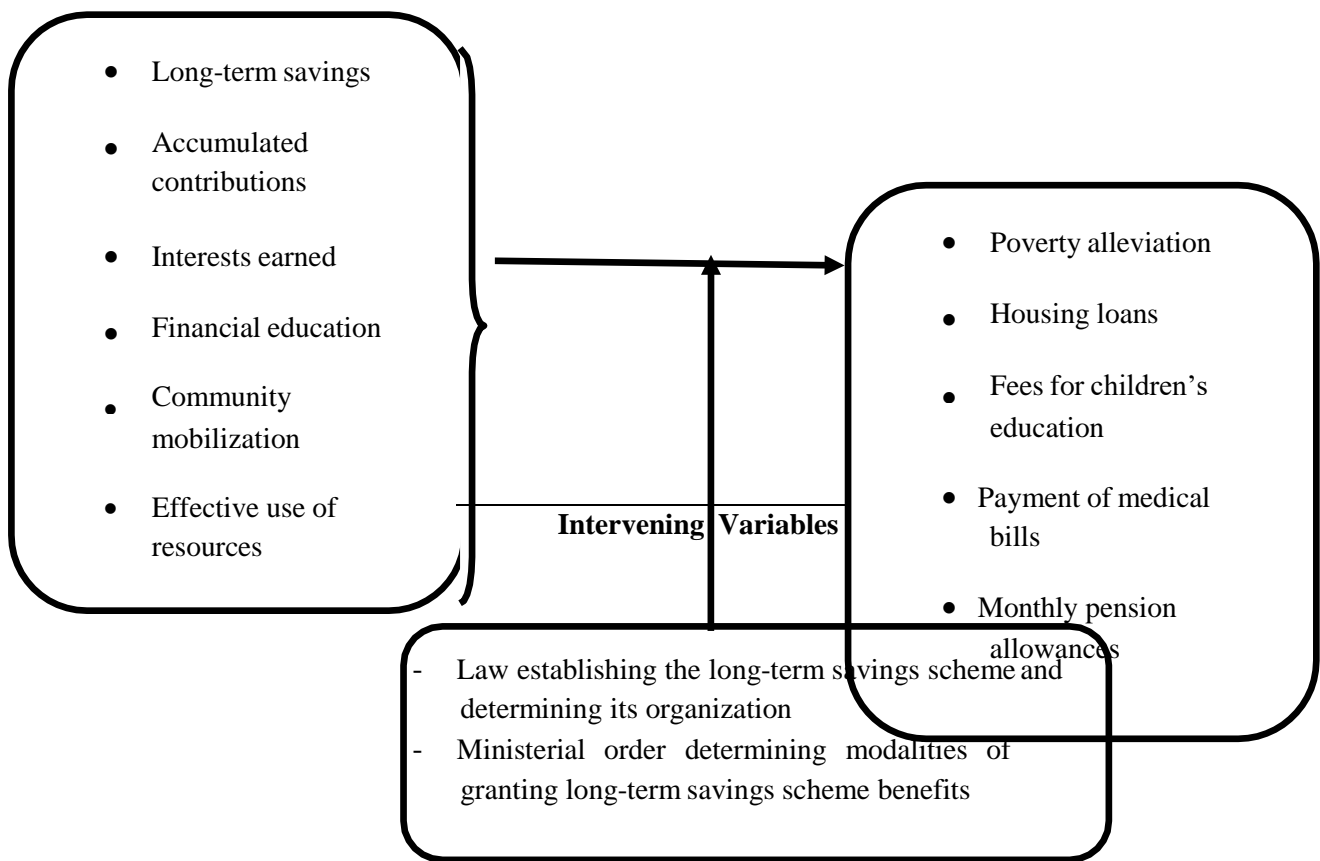
that the majority of the population does not get access to banking services. As a result, only 20 per cent of African families have bank accounts. In East Africa, Ethiopia, Uganda and Tanzania each have less than one bank branch per every 100,000 people. The ratio is better for some Southern African countries. Namibia has more than four, Zimbabwe more than three and Botswana nearly four¹⁰.

Figure 1: Conceptual framework

Under this subsection, the independent and dependent variables are to be highlighted to throw some light on the correlation between those variables.

**Ejo Heza Pension Scheme
Independent variable**

**Members’ dignified retirement
Dependent Variable**



Source: Researcher, 2022

Figure 1 demonstrates the relationship existing between key variables of the study. The intervening variables serve as the go-between to ascertain effective relationship between the independent variable and dependent variable.

¹⁰ Retrieved from <https://www.un.org/africarenewal/magazine/october-2008/boosting-domestic-savings-africa> on 29 January, 2023.

Methodology

The study was qualitative with documentation being the leading technique for data collection. This came after the researcher had difficulty accessing the total number of beneficiaries who have so far received Ejo Heza Pension Scheme's allowances. Neither could the researcher get to know the list of beneficiaries so far affiliated to the initiative. The challenges were due to the fact that when the researcher wrote a letter and submitted it the Chief Executive Officer of RSSB (Rwanda Social Security Board), an institution governing Ejo Heza Pension Scheme, requesting to have access on data, there was no feedback until the deadline to end the study drew near. Seeing that, the researcher decided to rely on documentation with information in newspapers and websites feeding the study in a significant manner. Through documentation, the researcher was able to find some testimonies by beneficiaries where they acknowledge to have been supported by Ejo Heza Pension initiative when they suffered a bereavement. Also, the researcher was able to find statistics demonstrating the strides made by the initiative since its inception. These include members' contributions, increment rate and the like. With such figures, the researcher was able to verify the first and second hypotheses in the study.

Results and Discussion

This section is to discuss the results of the study using testimonies and figures as collected from a number of documents. In order for the researcher to come up with the strides made by the pension scheme, a number of resources including reports on Ejo Heza were read. In the same perspective, the researcher interacted with beneficiaries of the pension scheme to find out what their take is. Some respondents chosen randomly were also interviewed to know what their views about Ejo Heza are. In this section, every respondent's views are anonymously presented in the section below just for the sake of ethical consideration. The respondents did not want their names or any other identity to be disclosed.

Savings and Related Benefits

Ejo Heza regulations allow subscribers to save as their income permits. Those in the first and second Ubudehe category are required to save at least Rwf 15,000 per year and receive an additional Rwf 18,000 from the government.

Those in the third Ubudehe category are required to save at least Rwf 18,000 per year and receive an additional Rwf 9,000. As for those in the fourth Ubudehe category are required to save Rwf 72,000 per year with no additional funds from the government.

In the event one of Ejo Heza subscribers dies, their family will be compensated with Rwf 1,250,000 including a million to support the family and Rwf 250,000 for burial¹¹. As indicated in Ejo Heza regulations, only registered members benefit from family support and burial allowances. Indeed, considering the Rwandan society where the per capita income is low, such an amount given to the family of the deceased helps a lot not only in the wellbeing of the deceased heirs but also in the deceased decent burial. This therefore is something everyone would wish to happen to them.

¹¹ Retrieved from <https://en.igihe.com/news/western-province-heads-of-cooperatives-receive> on 27/01/2023.

Other Membership Benefits

According to Law No 29/2017 of 29/06/2017 establishing the long-term savings scheme and determining its organization¹², benefits due to the member are provided under any of the following conditions: 1° at the age of at least fifty- five (55) years; 2° his/her death; 3° disability which leads to his/her loss of membership; 4° definitive departure from the territory of Rwanda for a non- national; 5° personal choice of a member to withdraw a percentage of his/her savings for acquiring a home or paying for education; 6° personal choice of a member to use a percentage of his/her savings as a loan security;

Modalities of Granting Benefits to a Member Aged at Least Fifty -Five (55) Years

According to the ministerial order No 001/18/10/tc of 05/12/2018 determining modalities of granting long-term savings scheme benefits¹³, where the amount saved by a member aged at least fifty-five (55) years and related interest amount to or have exceeded four million (4,000,000) Rwandan francs, the member is entitled to an allowance equal to twenty-five percent (25%) of the total amount. The remaining amount is paid monthly over a period of twenty (20) years. The monthly allowance is indexed to inflation.

Where the amount saved by a member aged at least fifty-five (55) years and related interest are less than four million (4,000,000) Rwandan francs, the member may opt for a lump-sum allowance equal to the full accumulated savings plus interest or installment payments of his or her choice.

Modalities of Granting Benefits to a Member with Disability or Illness

A member who becomes permanently disabled or suffers from a terminal illness before or at the age of fifty-five (55) years may opt for a lumpsum allowance of the full accumulated savings and related interest or installment payments of his or her choice. A member aged fifty-five (55) years and above who becomes permanently disabled or suffers from a terminal illness may choose to get a lump-sum allowance equal to the full accumulated savings and interest.

Modalities of Granting Benefits to a Non-National Member Who Permanently Leaves the Territory of Rwanda

A non-national member who permanently leaves Rwanda has a right to withdraw the accumulated balance from his or her long-term savings account as a lump-sum allowance.

Modalities of Granting Benefits to a Member for Housing or Education

A member is entitled to a lump-sum allowance equivalent to forty percent (40%) of his or her accumulated savings and related interest for housing or education, provided that the remaining amount is not less than four million (4,000,000) Rwandan Francs. The lump-sum allowance for housing or education mentioned in Paragraph One of this Article is allocated once in five (5) years.

¹²Retrieved from <https://ejoheza.gov.rw/ltss-registration-ui/resources/laws/Law%20establishing%20the%20long-term%20savings%20scheme%20and%20determining%20its%20organization.pdf> on 27/01/2023.

¹³ Retrieved from <https://ejoheza.gov.rw/ltss-registration-ui/resources/laws/M.O.%20Modalities%20of%20granting%20Ejo%20Heza%20benefits.pdf>;jsessionid=12A0A5FCE2BEC1E7672C91FAA14AD05A on 27 January, 2023.

Modalities of Granting Benefits as Loan Guarantee

A member is allowed to give forty percent (40%) of his or her savings and related interests as a loan security, provided that the remaining amount is not less than four million (4,000,000) Rwandan Francs.

Modalities of Granting Benefits to Heirs of a Member

The heirs of a member who died at least at the age of fifty- five (55) years have a right to choose to be given the savings and related interests of the deceased member as a lump-sum or in installments on a monthly basis. The heirs of a member who dies before the age of fifty-five (55) years are entitled to a lump-sum allowance equal to the accumulated saving of the deceased member.

Payment of Benefits for a Member

Benefits under the long-term savings scheme mentioned in this Order are paid directly to the beneficiary's bank account or digital account in accordance with information the applicant submitted to the administrator.

Ejo Heza figures as per 15 March, 2023

Total members	Cumulative savings without interests	Cumulative savings with interests	Members who benefitted from insurance and funeral allowances	Amount spent on insurance and funeral allowances
2,627,547	Rwfs 32,875,889,657	Rwfs 43,017,576,804	1,029	Rwfs1,286,250,000

Source: Ejo Heza officials (March, 2023)

Responding to some of the questions by the researcher, Mr. Bernard Kayumba, Western and Northern Provinces Coordinator at Ejo Heza Pension Scheme, revealed that by 15th March 2023, the scheme counted 2,627,547 members, Rwfs 32,875,889,657 cumulative savings, Rwfs 43, 017, 576, 804 cumulative savings with interests. In addition, the scheme had spent Rwfs 1,286,250,000 as allowances on members' insurance and funeral. As the table indicates, 1,029 members had benefitted from these allowances.

As clearly indicated by the statistics in the table, the advancements made by the scheme are commendable given the period through which the funds were accumulated. The scheme is moving at a faster speed, and this is something promising that more strides will be made as days go by.

Beneficiaries Speak Their Minds

The researcher browsed various websites to find out what members of Ejo Heza Pension Scheme have to say as far as their expectations vis-à-vis the scheme are. Members also talk about their benefits as far as different types of allowances are concerned. The section below has more on members' testimonies. The testimonies are highlighted in italic and followed by the researcher's interpretations.

One member said, *I thought that the pension scheme is a preserve for public employees with fixed salaries. Pension is important as it can ensure my better life when I get old and I am unable to do the work that was enabling me to earn my daily bread.*" The member here expresses his gratitude towards the scheme and he believes that the scheme serve as a breadwinner when his retirement time comes.

Another member said, *“Ejo Heza gives hope to provide the well-being of aging people by giving social security at that age instead of waiting for government aid.”* This statement justifies the trust members have in the scheme. They believe that when they grow old and become unable to fend for themselves, the scheme will be there for their wellbeing.

One of the officials of Ejo Heza Pension Scheme said, *“as a country that is responsible for the welfare of its people, having realized that the number of old people will increase, the situation required a strategy to take care of those people because they would be many, that are (physically) too weak to be able to work for their basic needs in life.”*

“When I lost my brother, who was a cobbler, our father knew that he had opened up an account with Ejo Heza and had been able to save Rwf.95,000 in a period of one year and four months, they gave us Rwf.1,225,000 that we didn’t expect because of our ignorance about the benefits of the scheme”, said one of the members. The statement indicates how fast and reliable the scheme is. Whenever a member dies, relatives are given a tangible amount of money for send-off and other necessities. This is therefore something to commend the scheme for.

This member said, *“I now opened my own account and even others who got to know of the benefits after the death of my brother, previously we didn’t take it serious as to why we should make savings in this scheme, am happy that I am able to save Rwf. 15,000 every after three months.”* This quotation indicates how committed Ejo Heza pension scheme are when it comes to saving. They understand the relevance of saving, and they are sure that their money is in good hands and that it is saved for their brighter future.

A local leader was quoted saying, *“residents in the informal sector like the initiative; they see great opportunities in it, which will help them have dignified old age. This scheme took into consideration people we call low-income earners. First, it is flexible in a way that you can save the little money you get, gradually.”*

The leader’s utterances are an expression of hope towards the scheme. The leader is confident that whoever saves in the scheme will enjoy dignified retirements when the due time comes. He also finds the savings affordable for everyone since one can save in line with their financial muscle.

“I am really sad that this program was initiated when I was old, in my time I couldn’t think of even saving in the bank for the future but you see now the government simplified it, even for those in the informal sector, why can’t I thank the government because now am saving and have already involved my family members to save too.” The member is appreciating the Government of Rwanda for having established the scheme as it enabled him to save for the very first time. As the member discloses, he never knew what working with banks means, but he can now save in a scheme which is, according to him, better than a bank. This shows how members like this one are ready to maintain their saving pace and dreams intact.

Another beneficiary said, *“I started saving in 2019 when I was 54 years after being enlightened about the benefits of Ejo Heza programme by our district coordinator during a community meeting”¹⁴.* This member seems to be advanced in age, but owing to the trust he has for the scheme, he decided to join as he believes that saving in the scheme is saving for better lives in the days lying ahead.

¹⁴ Retrieved from <https://scienceafrica.co.ke/2022/03/16/ejo-heza-saving-scheme-primed-to-secure-future-of-informal-workers%E2%80%9C%BF%BC/> on 29 December, 2022

An official at Ejo Heza said, “*we have savings and pension calculator that show that if you start saving Rwf2,000 per month for a 3-year old nursery school child, he/she will have Rwf51 million in accumulated savings when they turn 55 years, and a monthly pension of Rwf350,000. That amount increases to Rwf130 million, allowing them to get Rwf800,000 monthly pension, if one saves Rwf5,000 for their three-year child on a monthly basis, until the child is 55 years old. And, if one saves Rwf10,000 for their child per month, the child will have Rwf261 million, and a pension of Rwf1.7 million per month, when he/she turns 55.*” The illustrations by the official make it clear that the earlier one starts saving, the more retirement allowances he/she will be earning monthly when the due time comes. In other words, those who are wise enough can save for their children to enable them to live better lives even if they cannot get jobs when they grow older.

Conclusion

The study aimed at finding out the contribution of Ejo Heza Pension Scheme to better old age retirements among Rwandans and those living in Rwanda. Also, the study demonstrated how Rwandans and those living in Rwanda can benefit from EJO HEZA in terms of medical insurance, education for children, housing loans, and some other basic necessities. The specific objectives were to examine the contribution of Ejo Heza Pension Scheme to bettering lives of Rwandan residents and those in the Rwandan diaspora, to find out whether other African countries can borrow a leaf from Ejo Heza initiative so as to render their citizens’ lives better upon retirement and to find the challenges facing Ejo Heza Pension Scheme while striving to shape a brighter future for Rwandan residents and those in the Rwandan diaspora.

In a bid to achieve these objectives, the following three questions were asked by the researcher: To what extent does Ejo Heza Pension Scheme to bettering lives of Rwandan residents and those in the Rwandan diaspora? Should other African countries borrow a leaf from Ejo Heza initiative so as to render their citizens’ lives better? What are the challenges facing Ejo Heza Pension Scheme while striving to shape a brighter future for Rwandan residents and those in the Rwandan diaspora? Besides, two hypotheses were formulated as anticipative answers to the questions: Ejo Heza contributes significantly to bettering the lives of her members, African countries should borrow a leaf from Ejo Heza initiative to render their citizens’ lives better.

The findings of the study revealed that the scheme has more than 2.6 million members who have accumulated Rwf 43,017,576,804 both contributions and interests combined. On the other hand, 1,029 members had benefitted from funeral and insurance allowances by 15th March 2023 with an amount worth Rwf 1,286,250,000 spent on this.

As far as members’ benefits are concerned, where the amount saved by a member aged at least fifty-five (55) years and related interest amount to or have exceeded four million (4,000,000) Rwandan francs, the member is entitled to an allowance equal to twenty-five percent (25%) of the total amount. The remaining amount is paid monthly over a period of twenty (20) years. The monthly allowance is indexed to inflation. Where the amount saved by a member aged at least fifty-five (55) years and related interest are less than four million (4,000,000) Rwandan francs, the member may opt for a lump-sum allowance equal to the full accumulated savings plus interest or installment payments of his or her choice.

Similarly, it was revealed that a member who becomes permanently disabled or suffers from a terminal illness before or at the age of fifty-five (55) years may opt for a lump-sum allowance of the full accumulated savings and related interest or installment payments of his or her choice. A member aged fifty-five (55) years and above who becomes permanently disabled or suffers from a terminal illness may choose to get a lump-sum allowance equal to the full accumulated savings and interest. A non- national

member who permanently leaves Rwanda has a right to withdraw the accumulated balance from his or her long-term savings account as a lump-sum allowance.

Furthermore, a member is entitled to a lump-sum allowance equivalent to forty percent (40%) of his or her accumulated savings and related interest for housing or education, provided that the remaining amount is not less than four million (4,000,000) Rwandan Francs. The lump-sum allowance for housing or education mentioned in Paragraph One of this Article is allocated once in five (5) years. In the same vein, a member is allowed to give forty percent (40%) of his or her savings and related interests as a loan security, provided that the remaining amount is not less than four million (4,000,000) Rwandan Francs.

Additionally, it the study found out that the heirs of a member who died at least at the age of fifty- five (55) years have a right to choose to be given the savings and related interests of the deceased member as a lump-sum or in installments on a monthly basis. The heirs of a member who dies before the age of fifty-five (55) years are entitled to a lump-sum allowance equal to the accumulated saving of the deceased member.

In summation, Ejo Heza Pension Scheme proves to be an initiative that came in handy to enable Rwandan residents and those in the Rwandan diaspora to retire with dignity. Considering the registered gains, one can affirm beyond doubt that the initiative will entirely embrace the goals it was created for. Given this therefore, the rest of Africa should emulate Rwanda's example so as to enjoy the same benefits be it retirement or other basic needs such as burial expenses, housing loans, children's school fees, and the like.

Recommendations

Having failed to have access to reports on Ejo Heza Pension Scheme, the researcher recommends RSSB to be publishing on her website annual reports pertaining to Ejo Heza so as to ease the task of not only researchers but also whoever is interested in learning from the initiative.

Moreover, the researcher finds it worthwhile to recommend African leaders to learn from Rwanda's old-age retirement solution and practice the same in their respective countries to help all Africans retire with dignity other than disgrace.

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