

EFFECT OF CONDITIONAL CASH TRANSFER ON THE WELFARE OF THE VULNERABLES IN NIGERIA: COVID-19 EXPERIENCE

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Abstract

This study examines how Conditional Cash Transfer programme of Federal Government affects the lives of vulnerable citizens in the country. The main objective of the study is to examine the effect of Conditional Cash Transfer on the welfare of the vulnerable in Nigeria. Structured questionnaire were distributed to the respondents in Anambra and Abia states. Three research hypotheses were tested using chi-square. However, a total of 140 questionnaire were administered to the respondents in the aforementioned two states, the result were analyzed and presented with the use of percentage and chi-square method.. Therefore, the study found that the welfare of the vulnerable in Nigeria has not been positively improved by the introduction of conditional cash transfer programme of the federal government; also, unavailability of adequate fund (cash) to be assessed by the vulnerable in Nigeria posed a lot of problem for indigents citizens, again, the conditional cash transfer fund provided by federal government are not equitably distributed to the majority of vulnerable people in Nigeria. The

research therefore recommended that for conditional cash transfer scheme of federal government to be sustained, there have to be collective effort between, federal government, agency concerned and stakeholders. Also the government should financially empower the ministry /agency concerned.

Keywords: Conditional Cash, Transfer, Vulnerable, Covid-19, Welfare

Introduction

National Social Investment programme of Nigeria is a social welfare scheme initiated by the Nigerian federal government in the year 2015 under the aegis of the National Social Investment office. The sole aim is to ensure for the equitable distribution of resources to less privileged persons including youths, children, women, handicapped etc. (Ndubuisi and Ujene 2017). The presidency created four programmes under NSIP to help cushion the effect of poverty and to uplift economic development. The programmes are: N-power, Conditional Cash Transfer (CCT),

Government Enterprise and Empowerment (GEEP) and Home Grown School Feeding (HGFS).

N-power programme availed the youth of Nigeria with training and mini employment opportunity with monthly stipends of #30,000. N-power scheme was initiated by federal government on 8th June, 2016 to address the issues concerning youth unemployment (Sanni, 2017). Only unemployed youths of Nigeria under the age bracket of 18-35 years are eligible for the programme.

The Conditional cash transfer scheme provide the no-strings-attached cash assistance to the lowest income group of people as to bring poverty to the barest minimum. And also, to improve self-sustainability and nutrition as well as support development through enhanced consumption. (Onah, 2020). The CCT aimed at empowering the less privileged household with skill acquisition training and with monthly stipend of #5000 as well to start their own business upon completion of their training. CCT offer assistance to widows, poor and vulnerable citizens through target cash transfer, capacity building, mentoring and livelihood support (Hill and Peter, 2002).

Adeola,(2018) Government Enterprise and Empowerment (GEEP) is an unconditional financial assistance scheme through micro-lending investment program for women and young entrepreneurs. The programme provides soft-loan to its beneficiaries, in order to reduce start-up costs of business enterprise in Nigeria. The programme is designated to give free interest loan to micro, SMEs, farmer, entrepreneurs and traders. It is aimed to assist and boost the Nigerian economy. The assessable GEEP schemes available are: MarketMoni, TradeMoni, FarmerMoni and N-power, these financial empowerment schemes are organized and handled by the Bank of Industry (BOI) (Ibbih, 2010).

Olowu and Ochi (2019) National Home Grown School Feeding (NHGSF) is federal government #70 per day feeding initiative that aimed at improving the health and nutritional value of pupils in public primary schools. The programme

sources its cooking ingredients and tools locally from smallholder farmers.

Home Grown School Feeding (HGFS) is a process federal government tried to reduce the incessant low enrollment in Nigeria primary schools by providing meals to school children, more especially for those in rural or education disadvantage areas. The programme works in synergy with local farmers and empowers women as cooks, in this vein; they tend to sustain economic growth by building the community welfare (Olowu and Ochi, 2019).

Objectives of the study

The main objective of this study is to investigate the effect of conditional cash transfer on the welfare of the vulnerable in Nigeria: covid-19 Experience. The specific objectives were to:

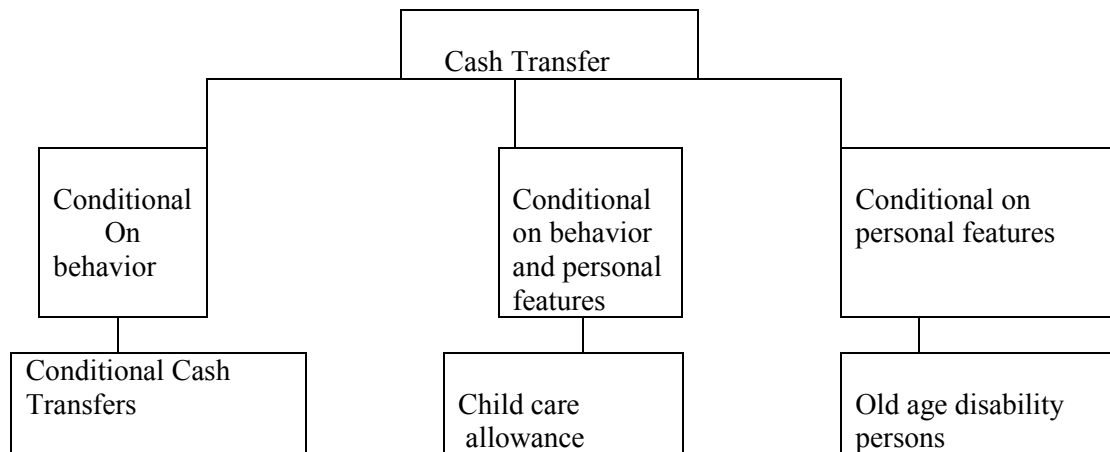
- (i) Investigate the effect of adequate cash availability on vulnerable people in Nigeria Covid-19 era.
- (ii) Evaluate the effect of CCT recipient satisfaction by vulnerable in Nigeria Covid-19 era.
- (iii) Examine the effect of equitable distribution of CCT on vulnerable people in Nigeria Covid-19 era.

Review of Related Literature

Conditional Cash Transfer

Recently there has been an outcry on the understanding of Conditional Cash Transfer programme in Nigeria. The Conditional Cash Transfer made available conditional monetary grants to the vulnerable, on fulfillment of certain obligations, ie taking care of their children, offsetting their hospital bills (Ferreira & Robalino, 2011). The Conditional Cash Transfer programme has major objective of alleviating poverty and also to foresee to the regular payment of recipient benefits. The Conditional Cash Transfer programme is seen as a model of social safety meant for developing countries.(Schmidt, 2010). In pursuance to the objective of Conditional Cash Transfer programme, the beneficiaries stand to achieve the motive to promote their pattern of consumption, good health condition of their family members, investment in physical and human capital etc.

Ferreira and Robalino, 2010 model of Conditional Cash Transfer variations:



Sources: Adapted from Ferreira and Robalino (2021).

Ferreira and Robalino (2010) draw a distinction between two forms of Conditional Cash Transfer

Welfare of the Vulnerables in Nigeria

In a bid to cushion the effect of Covid-19 on vulnerable people, government made consented effort to ensure that good food in large quantity are made accessible to people during Covid-19 pandemic era. Nigeria government combines public health measures with providence of food stuff to poorest society and vulnerable people (Ibbih 2010). Despite, these measures taken by government, still millions of Nigerian citizens adhering to lockdown order, lack food and income that their families need to survive during the Covid-19.

- (i) Those conditions that based on their unique behavior/features eg. old age, disability, unable to work, poverty level of beneficiaries. These types of cash transfer are targeted to poor and indigent people in the society.
- (ii) Those conditions that based on behaviour or personal features eg. Child allowance, which arise as a result of both behaviour and ability to have children. The benefits are targeted to household with children. The Conditional Cash Transfers are analyzed to serve two functions of show term poverty alleviation and long-term breaking of inter-generational shackle of poverty. They are terms and conditions applied to beneficiaries before they can assess the funds. Franzomi and Voorend (2011).

Ewang and Shady (2019) affirmed that Nigerian government made good effort by ensuring that lockdown order is not applicable to those providing essential services, those selling food

items, those selling drugs. etc. Again, the lockdown has its devastating effect on informal workers with lower incomes (i.e. daily income workers) who do not have savings. As a measure to this, President led government promised that most vulnerable in our society, would receive Conditional Cash Transfer of #5,000 (Five thousand Naira) each every month for the period of four months, grand total of #20,000 (Twenty thousand Naira), this measure is only applicable to vulnerable persons that has registered in the National Social Register of poor and vulnerable households (Faroug & Useni, 2019).

Nigerians are still waiting for government to come up with clear economic relief plan to the people and clarify those eligible to assess it, as well as its timeliness and procedures. As a welfare scheme to vulnerable people during Covid-19, the CBN has announced a plan of #50 billion Covid-19 intervention loans for SMEs and to those that have been seriously affected by the pandemic.

Also, federal government set-up a #500 billion Covid-19 crisis intervention fund to upgrade healthcare facilities and funding of special public work programme as to generate employment. Nigerian Federal government in his magnanimity to cushion the effect of Covid-19 to its citizenry has signed finance Act bill of 2019, aimed at giving tax holidays to SMEs with less than #25 billion capital based, as well as reduction of tax burden of SMEs from initial 30% to 20% (Onah, (2020).

President Mohamadu Buhari led administration in his act of goodwill, expanded value added tax (VAT) exemptions to accommodate basic food items as well as medical and pharmaceutical products.

Conditional Cash Transfer in other Climes as Argentina

The Argentina government in a bid to provide conditional Cash Transfer to their citizenry, come up with some measures termed social transfer programmes to alleviate the effect of Covid-19 on its people, some of the measures taken according to Daseking, (2018) were:

(i) Training and Employment Insurance Programme:

These were targeted to the unemployed workers, seeking to enter into labour market. This programme provide with them with needed support and assistance to get employed with initial benefit amount. Most of the participants are women. These selected beneficiaries have been on self-employment status. This programme help beneficiaries in getting lucrative or more promising government paid jobs.

(ii) Temporary Employment Actions.

By introduction of community support programme, Argentina government provides temporary employment to unemployed individuals. This measure helped to better the quality of life of people in the community they belong. This also, empower the beneficiaries with 150 pesos (Argentina currency) per month, the targeted age limit for this programme is between the age of 18-45 years, with the majority being women.

(iii) Maintenance of Private Employment, through Productive Recovery Initiative Programme:

This programme aimed at sustaining employees in gray areas/sectors, especially those in a crisis driven areas. The beneficiary receives 600 pesos used to argument the meager salary paid to them by their employers, this programme is for the employees under the age limit of 26-35 years.

(iv) Family Plan for Social Inclusion:

This programme is meant to give financial assistance to families in poverty with children under the age 19, disabled persons, pregnant women etc.

(v) Income Programme Social Work "Argentina Works":

This programme started way back in 2009, for those that don't have any household income.

Even the beneficiary of family plan income is eligible to apply for this. The government engaged beneficiaries in community work as to improve the quality of life in less advantaged areas.

(vi) Programme for More and Better Youth Employment:

The beneficiaries of this programme are youths between the age of 18-24 years, unemployed and incomplete formal education individuals. The programme provides the youths with orientation to labour market as well as support to complete their formal education, majority of the participants are undergraduate youths.

Empirical Review

Levy (2006) assert that Conditional Cash transfer targeted to the poor and principal components of this programme include regular (every month or two) cash transfer to vulnerable people, including conditional unscheduled visits to healthcare providers for young children and in school enrollment and regular school attendance for school-age children and social marketing to encourage investment in nutrition, health and education.

Fiszbien and Schady (2009) seek to know whether these short-term conditional cash transfer assistance eventually translate into sustained larger-term benefits.eg. Does exposure to conditional cash transfer in early childhood lead to improvement in school age outcomes?

Munane and Ganimiriam (2014) founds that most conditional cash transfer programmes incorporating both health and education have undergone a rigorous evaluation and have been shown to have positive short-term absolute impacts on vulnerable people (school children inclusive).

Useni (2011) examined whether differential exposure to conditional cash transfer programme on vulnerable people affect labour market outcomes, migration and marriage.

Seyram and Evans (2015) examined to know how much conditional cash transfer performs and its impact on vulnerable people in Nigeria, the study employed a congitudinal correlation design and finds that conditional cash transfer has little or no effect on poverty alleviation of vulnerable people in Nigeria.

Kwasie and Adio (2012) sought to know the relationship between conditional cash transfer and

poverty alleviation on the life of vulnerable people in Ghana. The study found that no life of any vulnerable person or persons has been touched positively by actions or inactions of conditional cash transfer in Ghana.

Barham, (2011) affirmed that effects of conditional cash transfer on children’s health outcomes related to social health determinants were mostly positive for immunization rates or vaccination coverage and for improvements in child morbidity.

Parker and Vogl (2018) used panel regression analysis to examine the relationship between poverty alleviation and welfare of vulnerable people in United States of America and they found that there is significant relation between poverty alleviation and welfare of vulnerable people in U.S.A

Gracia and Attanasio (2017) shows evidence to prove conditional cash transfer alone may not be able to mitigate poverty and health inequalities in the presence of poor health services.

Methodology

Research Design

This study used a descriptive survey design. The purpose of this design is to collect detailed and factual information that describes an existing phenomenon. Data was collected based on the concepts defined in the research model (survey model) and the response gotten on likert-type questionnaire which was distributed amongst the selected sample for the study.

Area of the Study

Area of the study covers indigent citizens of Anambra and Abia state. The research considered these two areas because they mostly populated by vulnerable people

Population of the Study

A population is made up of all conceivable elements or observations relating to a particular phenomenon of the researcher. The population of this study is drawn from indigent citizens of Anambra and Abia State in the eastern part of the country.

Table 1. Population Size of the indigent persons in Anambra State and Abia State

Anambra State	Male	Female	Children	Total
Number	30	30	30	90

Abia State	Male	Female	Children	Total
Number	30	30	30	90

The total population figure/size is 180 consisting of 90 indigent citizens of Anambra state origin and 90 indigent citizens of Abia extraction.

Sample size and Sampling Technique

The study settled for a sample size technique, since it was not able to study the whole population. The sample size for this study was determined using Taro Yamani formula. Moreover, the sample size for the research work is 140 comprising of 70 indigents from Anambra State and 70 indigent citizens of Abia state extraction. This is determined thus:

$$n = N/1 + N(e)^2$$

Where:

- N = population of the study (180)
- n = sample size
- E = level of significance (0.05)
- 1 = constant

Therefore;

$$n = \frac{180}{1+180(0.05)^2}$$

$$n = \frac{180}{1+180(0.0025)}$$

$$n = \frac{180}{1+1.290}$$

$$n = 139.534 \text{ (Approximately 140)}$$

Method of Data Collection

The information gather from the research work was collected from primary and secondary sources. The primary sources was mainly through questionnaire distributed to some selected indigent citizens of Anambra and Abia state, while the secondary data was from the available related literature, textbooks, journals, magazines newspapers etc which very informative. Likert – type of questionnaire was used. A likert scale

measures the extent to which a person agrees or disagrees with the question. The scale ranges from Strongly Agree (SA), Agree (A), Disagree (D) Strongly Disagree (SD). Also, interviews and personal observations were conducted in order to help gather information

Summary of Findings

From the analysis of the study, the following findings were made:

1. The welfare of the vulnerable people in Nigeria has not been positively improved by the introduction of conditional cash transfer programme of federal government.
2. There is evidence of unavailability of adequate fund (cash) to be assessed by the vulnerable people in Nigeria, under the conditional cash transfer of federal government.
3. There is evidence that conditional cash transfer recipient (vulnerable people) in Nigeria are not satisfied with the programme.
4. The conditional cash transfer fund provided by federal government is not equitably distributed to the majority of vulnerable people in Nigeria.

Conclusion and Recommendations

The work examined the effect of conditional cash on the welfare of vulnerable people in Nigeria, using Anambra and Abia state as a case study. The data generated were analyzed using simple percentage analysis and hypothesis formulated were tested using chi-square statistical technique at 5% level of significance. The study revealed among others that vulnerable people in Nigeria encounter problems in assessing CCT from federal government agencies in charge of the programme. Also, the study revealed that unavailability of funds posed a lot of problem for CCT programme. The study also revealed that funds provided by federal government for CCT programme were not equitably distributed to the concern citizens of Nigeria.

For the conditional cash transfer programme of federal government to survive, Nigerian government and agency in charge of the programme will have to improve upon the factors highlighted above.

Having highlighted the problems and shortcomings of the conditional cash transfer programme in Nigeria, the following recommendations aimed at correcting and eliminating those constraints are put forward for consideration:

- (i) The federal government of Nigeria should make enough funds available for conditional cash transfer programme.
- (ii) The federal should gear effort towards making sure that the recipients of conditional cash transfer are satisfied and happy. They should make sure the funds for conditional cash transfer are equitably distributed to vulnerable people.
- (iii) In order to ensure justice and fair play, conditional cash transfer offices should be open in every states of the federation and state coordinator of the programme should also be assigned to each state.
- (iv) Government should make provision for necessary infrastructural facilities and the enabling environment for CCT operations.

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