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POVERTY ALLEVIATION AND CASH TRANSFER PROGRAMS IN NIGERIA: A REVIEW OF 2016-2022

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Abstract:
This paper is aimed at providing an overview and analysis of poverty alleviation efforts and cash transfer programs in Nigeria from 2016 to 2022 by examining the effectiveness and impact of these programs in improving the standard of living for poor Nigerians. It explores the key initiatives implemented during this period, their objectives, and the strategies employed. Again, the paper evaluates the outcomes and challenges faced in the implementation of cash transfer programs, highlighting the socio-economic factors that influence poverty rates in Nigeria. The findings of this study contribute to the understanding of the role of cash transfer programs in poverty reduction, guide implementation and inform policy recommendations for future intervention programs.

Keywords: *Poverty alleviation, cash transfer programs, Standard of living, Socio-economic factors.*

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1.0 Introduction

Poverty remains a major challenge in Nigeria and cash transfer programs have gained attention as a potential tool for poverty alleviation. Money transfers are direct payments of money to the recipient. Cash transfer programs can be conditional or unconditional. Unconditional Cash Transfers (UCT) provide cash to all eligible and registered beneficiaries. Conditional Cash Transfers (CCT) provide benefits only to beneficiaries who meet certain conditions or are required to do something. Between 2016 and 2022, various cash transfer programs aimed at reducing poverty, improving social welfare and helping vulnerable populations were implemented in Nigeria. These programs, including the National Social Investment Program (NSIP) and other initiatives, sought to improve the living standards of poor Nigerians. These programs have a positive effect, but their effectiveness can vary depending on various factors. Cash transfer programs have been able to improve the standard of living of Nigerians based on their objectives which include:

Poverty Reduction: Cash transfers provide direct financial assistance to poor households, helping them meet basic needs such as food, housing and health. By alleviating immediate economic hardship, these programs can help reduce poverty. ii). Better access to education: Conditional Cash Transfer (CCT) programs require beneficiaries to enroll their children in school and ensure regular school attendance. This provision helps to increase school enrollments and reduce the dropout of vulnerable children, leading to better educational outcomes in the long term. iii). Economic stimulation: Remittances are used to invest funds in the local economy, especially in rural areas where they are more vulnerable to poverty, to stimulate local businesses, create jobs and promote overall economic growth. For example, the Trader Moni program.

Better health and nutrition: Cash transfers can enable poor households to afford better health services, medicine and nutritious food. This can improve health outcomes, reduce malnutrition rates and improve access to health services. v). Empowerment of women: Some cash transfer programs have women as the main beneficiaries. This approach aims to empower women by giving them financial and decision-making power in the household. This increases the overall well-being of their families and the community. The objectives of this paper are:

i) To review the effectiveness of cash transfer programs in poverty alleviation in Nigeria
ii) To identify pitfalls in the implementation of cash transfer programs

2.0 Literature Review

Poverty remains a major challenge in Nigeria and cash transfer programs have been identified as a potential tool for poverty alleviation. The purpose of this literature review is to examine existing research on the relationship between cash transfer programs and poverty alleviation in Nigeria. It explores key findings, methods and knowledge gaps. The purpose of this literature review is to examine existing research on the relationship between cash transfer programs and poverty alleviation in Nigeria. It explores key findings, methods and knowledge gaps.

Cash transfer (CT) programs are increasingly used worldwide as a way to fight poverty and are now used in Africa, Asia, Central Europe and Latin America. The rise of CT coincides with the silent revolution used to describe the rapid growth of social protection programs for development purposes worldwide (Barrientos and Hulme, 2008b). The Cash Dividend Barrientos and Hulme, 2008) estimate that as of 150 million households in developing countries benefited from a cash transfer. The spread of CT is a phenomenon that has emerged in the Global South, where countries have created programs that meet their own unique needs

(Hanlon, Barrientos, and Hulme 2010). According to Marito Garcia and Charity M. T. Moore (2012), such programs provide selected beneficiaries with non-contributory financial assistance to meet minimum consumption needs. Considering the impact of cash transfer programs on poverty reduction, Haushofer and Shapiro (2016) found that cash transfer in Kenya significantly reduced poverty and improved welfare indicators. Cash transfers have proven to be particularly effective in reducing extreme poverty and improving the living conditions of the poorest households (Fiszbein et al., 2009). Considering the economic and social effects, it was found that remittances stimulate the local economy by increasing domestic consumption and create a multiplier effect (Handa et al., 2018). In addition, studies have shown that cash transfers can have positive effects on the development of human capital, including better educational outcomes, better health outcomes and better access to health services (Baird et al., 2013; Barham et al., 2011). However, the effectiveness of cash transfer programs has been found to be affected by design and targeting mechanisms. Research has highlighted the importance of precise targeting, using poverty indicators and vulnerabilities, to ensure that support reaches those most in need (Adato et al., 2015; Devereux et al., 2019). Conditional cash transfer programs, which link cash transfers to a specific behavior or outcome, have had mixed results in poverty alleviation (Bastagli et al., 2016). Conversely, unconditional cash transfers have been found to be more effective in fighting poverty (Handa et al., 2018). However, reflecting the potential effectiveness of cash transfers in poverty alleviation, it is important to recognize that they are not without challenges and limitations. Some studies have highlighted challenges in the implementation of programs, including administrative capacity, inconsistencies and leakages (Owusu-Addo et al., 2018). The sustainability and long-term impact of cash transfer programs is still a matter of debate. Some studies suggest that the impact of cash transfers may decrease over time, highlighting the need for additional interventions and a comprehensive poverty reduction strategy (Daidone et al., 2015). In the case of Nigeria, there have been previous works in this area of research on the impact of cash transfers, several studies have shown that cash transfer programs in Nigeria have a positive impact on poverty reduction. For example, Ojukwu et al. (2019) found that cash transfers significantly reduced poverty and improved household welfare indicators. Cash transfer programs have proven effective in targeting the most vulnerable populations and reducing extreme poverty in Nigeria (Ogundari et al., 2017). Remittances in Nigeria have been found to stimulate the local economy by increasing household consumption and creating a multiplier effect (Adepoju et al., 2018). Studies have shown that cash transfers can have a positive impact on educational outcomes, health outcomes and access to health services in Nigeria (Okeke et al., 2019; Uthman et al., 2019). The effectiveness of cash transfer programs in Nigeria is equally influenced by targeting mechanisms and program design. Research has highlighted the importance of precise targeting, using poverty indicators and vulnerabilities, so that support reaches those most in need (Adepoju et al., 2018; Okeke et al., 2019). Conditional cash transfer programs such as the Nigerian government's National Social Investment Program (NSIP) have shown promise for alleviating poverty and improving human capital outcomes (Ogundari et al., 2017). On the challenges of cash transfer programs in Nigeria, some studies have identified challenges to the implementation of cash transfer programs in Nigeria, including administrative capacity, miscegenation and corruption (Oluwatayo et al., 2018). The sustainability and long-term impact of cash transfer programs in Nigeria require further research. Research suggests that additional interventions such as skills training and job creation are needed to improve the effectiveness of cash transfer programs in the long term (Ibem and Aduwo, 2019).

2.1 Overview of Cash Transfer Programs in Nigeria

Various programs have been implemented in Nigeria before 2015. Here is some cash transfer initiatives implemented during the period 2016-2022.

i) *National Social Investment Program (NSIP):*

The NSIP was launched in 2016 and consists of several components, including the Conditional Cash Transfer (CCT) program.

The CCT program provides cash transfers to poor and vulnerable households on the condition that they meet certain criteria, such as enrolling their children in school and participating in health programs.

The program aims to alleviate poverty, improve health and education outcomes, and empower women.

ii) N-Power Program:

The N-Power program, also part of the National Social Investment Program (NSIP), was launched by President Muhammadu Buhari on 8th June 2016 and designed to provide job opportunities and skills development for unemployed Nigerian youths. It includes several training and employment options in sectors such as agriculture, education, health, and technology.

Participants receive monthly stipends as part of the program. The Program is designed to target Nigerians between the ages of 18 and 35 "to acquire and develop life-long skills for becoming change makers in their communities."

iii) Youth Employment and Social Support Operation (YESSO):

YESSO is a World Bank-supported program implemented in Nigeria that provides social support and employment opportunities to disadvantaged youth. It includes a cash transfer component targeting poor households, including those affected by conflict and displacement. The program aims to improve social security systems and promote youth empowerment. The development objective of the Nigerian Youth Employment and Social Support Operation (YESSO) is to improve access for the poor and vulnerable through better social safety net systems, youth employment opportunities in all participating countries and pro-poor cash transfers. Vulnerable and Internally Displaced People (IDPS) in the North Eastern States and ensure that all the states of the country, especially the North East, can participate in the project.

iv) State-Level Cash Transfer Programs:

Some Nigerian states have also implemented their own cash transfer programs to complement the national initiatives. The objectives of these state-level programs are essentially the same as the ones mentioned above which is provide financial support to the poorest households within the respective states, although they may have different names and eligibility criteria.

2.2 Poverty Alleviation

The United Nations (1998) defined poverty as follows: “Poverty is essentially the denial of choices and opportunities, the violation of human dignity. It means a lack of basic ability to effectively participate in social life. That means there is not enough to feed and clothe the family, no school or clinic, no land to grow food or work or credit to earn a living. This means insecurity, powerlessness and marginalization of individuals, households and communities. This means vulnerability to violence, and it often means living in marginal or fragile environments without access to clean water or sanitation.

According to the World Bank, poverty is "a significant lack of well-being". The poor are those who do not have enough income or consumption to raise them above some adequate minimum threshold. Poverty can also be related to certain consumption; people may be poor at home, poor in food or poor in health, for example. The Multidimensional Poverty Measure (MPM) seeks to understand poverty due to lack of money (which is at the core of the World Bank's Global Poverty Monitor), including access to education and basic infrastructure, and the money-to-person ratio in international poverty $2.15. Chris Goulden and Conor D'Arcy (2014) have argued that the inability to meet any needs is not necessarily a sign of poverty; not all human needs require access to material resources (eg, many needs such as social participation and leisure require such access). The inability to satisfy various needs is therefore a characteristic of poverty in any society. When people have access to resources and choose not to use them to meet their participation needs that are not poverty— it is the enforced absence of need. Poverty refers to the inability to meet the minimum needs that are considered acceptable by the standards of that society (Ravallion, 1992). Our definition of poverty means that basic goods and services are needed in addition to social participation. The price of a minimum standard of living in any society depends on a) the extent to which the government or the market provides goods and services; b) social norms; and (c) prices of food and other goods. All of this can change over time, meaning that poverty also changes along with the wider economic context. Participation therefore implies meeting minimum requirements, such as buying birthday presents for relatives or participating in children's social activities. Resources are what people can use to satisfy their needs. The bottom line is that the availability of resources is determined by power relations in families, households and society. Such resources have many dimensions (psychological, social, cultural, etc.); they are important in relation to experiencing poverty, but material resources are important in relation to defining poverty. They can be divided into (a) tangible assets and funds that a person controls, and (b) non-monetary goods, goods or services. Both can come from official or unofficial sources. They also interact with each other: for example, people can rely on informal resources when they do not have sufficient income or other material assets. Poverty alleviation, also called poverty reduction or poverty alleviation is a set of economic and humanitarian initiatives designed to lift people out of poverty on a permanent basis. Developing information and communication technologies helps fight poverty. The Nigerian government has developed cash transfer programs designed to reduce poverty by reducing unemployment and household vulnerability to hunger and other economic deprivation.

3.0 Methodology

Search was systematically conducted using academic databases, including academia.edu, JSTOR, and Google Scholar. Keywords such as "poverty alleviation," "cash transfer," "conditional cash transfer," "unconditional cash transfer," and "Nigeria" were used to identify relevant studies. The review considered quantitative and qualitative studies and analysis of data obtained from relevant sources like National Bureau of Statistics, worldbank.org and statista.com among others.

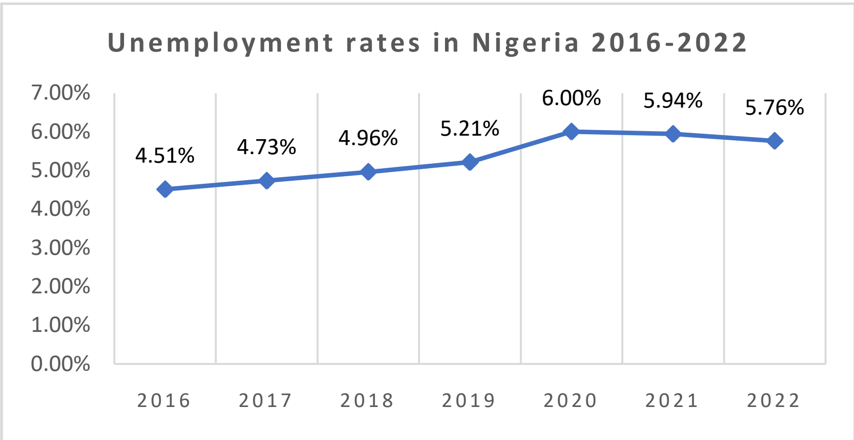
4.0 Results and Discussions

According to an online news by The Sun published on February 15, 2023, the then Minister of Humanitarian Affairs, Disaster Management and Social Development, Hajiya Sadiya Umar Farouk, informed Nigerians that her ministry had invested over N1.358 trillion in various programmes under its National Social Investment Program (NSIP) for six years (2016-2022), noting that while N890,717,910,000.00 was spent on the N-power initiative, N-200,999,500,000.00 was spent on the National Home Education Program (NHGS66), the balance of N282,590 was spent on provided, Cash Transfer (CCT) recipients, Tradermon, Marketmon and Farmermon. It can be seen in the table below:

S/No.		Amount (₦)	Amount (₦)
	Total spending (2016-2022)		**1,358,000,000,000.00**
	Breakdown		
1	N-power Initiative	890,717,910,000.00	
2	NHGSFP	200,999,500,000.00	
3	Other CCT programs	266,282,590,000.00	**1,358,000,000,000.00**

Table 1. Total spending on National Social Investment Prorammes (NSIP) from 2016-2022
Source: The Sun at https://sunnewsonline.com/fgs-sixyear-investment-in-nsip/

It is expected that investment of such magnitude over a period of six years should yield results towards achievement of programme objectives i.e., poverty alleviation. For the sake of this paper, the extent to which government spending meet poverty alleviation objectives is measured using the trend in Poverty rates and Unemployment rates (ages 15-64) over the relevant period (2016-2022).



Source: World Bank *Published June 2023*
Fig. 1

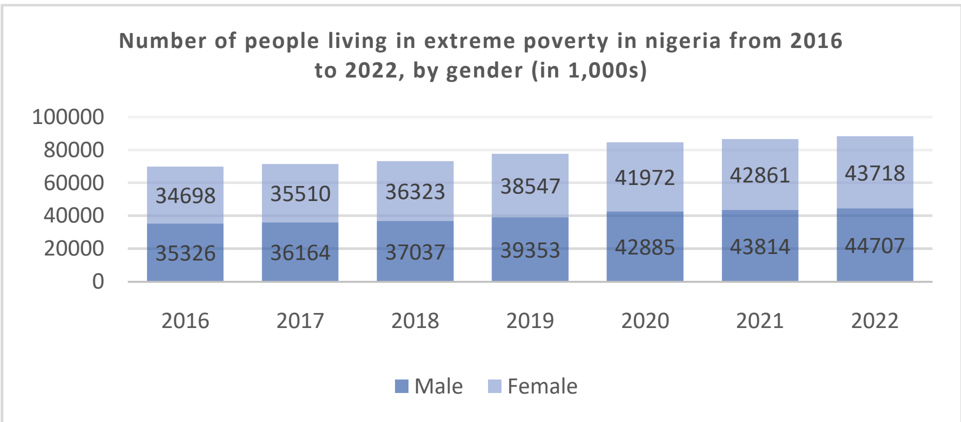


Chart Source: www. statista.com/statistics *published -feb. 2023*
(*Original data source: National Bureau of Statistics*)
Fig. 2

The above trend in Figure 1 showed that the unemployment rate rose steadily between 2016 and 2019. Then there was a sharp increase to 6% in 2020 from 5.29% in 2019. Some experts attributed this increase to the COVID-19 pandemic and the resulting restriction in 2020. Then in 2021 and 2022, a decrease to 5.94% and 5.76% was observed. On the other hand, Figure 2 showed a constant increase in the poverty rate between 2016 and 2022, despite the government investing heavily in cash transfers to the poor and vulnerable, from about 70 million people in 2016 to about 88 million people in 2022. , when looks at whether cash transfer programs have had a positive impact on poverty reduction, it is important to note that multidimensional poverty like the case of Nigeria is complex and cannot be fully addressed by a single indicator. A number of other socio-economic factors contribute to poverty, which can dampen or mask the effects of real mitigation efforts such as cash transfers.

It is important to consider these socio-economic factors when designing and implementing poverty reduction strategies and policies. Addressing these factors through appropriate targeting of cash transfer programs can help reduce poverty and promote inclusion and sustainable development.

5.0 Conclusion

The results of this study showed some improvement in job creation and women empowerment through various programs. This was an economic stimulus for local communities. However, the observed progress is not one that will significantly alleviate poverty in Nigeria despite the huge sums spent on various programs between 2016 and 2022. Several challenges and constraints have been blamed for low impact and poor implementation: Sami Tunji (The Punch, 17 July 2023) revealed that 42.69 million poor Nigerians were excluded from the Federal Government's monthly N5,000.00 cash transfer since its inception in 2016. In June 2023, the Nigerian development magazine Update, the World Bank showed that only 19.4 percent of Nigerians benefited from the program. With an estimated population of 207.25 million (based on World Bank estimates), this meant that only about 40.21 million Nigerians benefited from the cash transfer program, confirming that about 40 percent of Nigerians (82.9 million people) lived below the national poverty line. This despite the 1358 trillion allegedly invested in various cash transfer schemes.

Recommendations

Improving cash transfer programs in Nigeria requires a comprehensive approach that addresses various aspects of program design, implementation, and monitoring. Here are some suggestions for enhancing the effectiveness and impact of cash transfer programs:

1. Regular and accurate household surveys should be conducted to identify and target the most vulnerable individuals and households. Objective and transparent criteria should be used to assess eligibility and vulnerability. A register of beneficiaries should be kept and publicly accessible. The register must be regularly updated and approved. This is to ensure that money transfers reach those for whom they are intended.
2. Inflation and the increase in the cost of living should be taken into account when deciding the rates of benefits, so that the amount of the money transfer is sufficient to cover the basic needs of the beneficiaries and reach the set goal. Therefore, the level of profits should be reviewed regularly in accordance with the prevailing economic situation.
3. To promote financial inclusion, beneficiaries should be encouraged to open bank accounts or mobile money accounts for cash transfers. There should be collaboration with financial institutions to provide accessible and affordable financial services to beneficiaries.

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