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An Empirical Analysis of the Conditional Cash Transfer (CCT) Programme and the Welfare of Uruan Local Government Area of Akwa Ibom State

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Abstract

The Conditional Cash Transfer (CCT) program is one of the social investment programme introduced to alleviate the level of poverty in Nigeria. By delivering social services in form of income to the vulnerable and those in extreme poverty. This study sought to examine the effect of the Conditional Cash Transfer programme on the welfare of beneficiaries in Uruan L.G.A of Akwa Ibom State, using descriptive survey design. The population of the study comprises all the twenty- nine thousand one hundred and seventeen (29,117) beneficiaries from the nine pilot Local Government Area of the programme Akwa Ibom State. Three hundred and fifty-four respondents (354) constituted the sample size for the study drawn from the study area, determined using Yaro Yamme formula. The data for the study was collected primarily with the aid of a structured questionnaire, together with observation and interviews scheduled. The findings of the study are that the advent of conditional cash transfer programme in Uruan L.G.A of Akwa Ibom State. Has led to the; Increased in the number of savings groups, Increased in the amount of income saved in the bank by indigenes, Increased the number of cooperative societies, Increased in the number of businesses established as well as Increased in number of individuals acquiring asset in Uruan L.G.A, the study thus concludes that the advent of the conditional cash transfer programmes (CCT) has helped improve the welfare of the indigenes of Uruan L.G.A. and recommends that New beneficiaries should be enrolled into the programme by the federal government, so that the benefits of the CCT programme be enjoyed by all and that the State cash transfer unit should ensure that the beneficiaries be adequately supervised to ensure that the transferred funds be used as prescribed.

Keywords: Conditional Cash Transfer, Level of poverty, Social investment programme, Welfare, Uruan Local Government Area, Akwa Ibom State

INTRODUCTION

Conditional cash transfer (CCT) program is a new type of social assistance program that represents an innovative approach to the delivery of social services especially to the vulnerable and those in extreme poverty (Rawlings, 2004). The programme was introduced in Nigeria in 2016, by President Buhari's administration as one of the social investment programme, and also as part of the federal Government of Nigeria's larger growth and social inclusion strategies aimed at addressing key social concerns in the country.

The basic idea of CCT is that incentives given to households are to keep their children in school and diligently check their health (Ravallion, 2016). However, this strict requirement is seen by critics as a form of paternalism because it ignores poor people's ability to identify the real needs of their families. On the other hand, CCT proponents believe that households remain poor because parents do not give children the right to obtain an adequate education. Instead, they prioritize helping their families meet life's necessities (Ravallion, 2016). Studies on the effectiveness of CCT show a weakness in targeting or directed marketing. Initially, targeting suppressed program leakage due to incorrectly focused target groups (Ravallion, 2016). However, targeting has weaknesses, such as biases in determining target groups which is more profitable by local elites, and in determining poverty lines to choose the target groups. Mirrlees (1971) highlighted these weaknesses regarding trade-offs between equity and efficiency of administrative capacity (Ravallion, 2016). Equity refers to the right of all poor people to fulfill their needs. In contrast, efficiency refers to the government strategy that prioritizes target groups due to limited resources.

An Overview of Conditional Cash Transfer (CCT) Programme in Nigeria

The programme was introduced in Nigeria in 2016, by President Buhari's administration as one of the social investment programme, and also as part of the federal Government of Nigeria's larger growth and social inclusion strategies aimed at addressing key social concerns in the country

The programme which is also known as Household Uplifting Programme (HUP), which is under the National Social Safety Nets Project (NASSP) in Nigeria is coordinated by the National Social Safety Nets Coordinating Office (NASSCO) and designed to be implemented by National Cash Transfer Office, has partnered with the World Bank.

The Project objectives is to provide access to targeted transfers for Poor and Vulnerable Households (PVHHs) under an expanded national social safety nets system. The programme is termed cash plus because in addition to the cash benefit, the capacity of the members of Poor and Vulnerable Households (PVHHs) are strengthened to enabled them break generational poverty cycle and aim to:

- (i) Improve Household (HH) consumption

- (ii) Increased in utilization of health and nutrition services
- (iii) Improve school enrolment and attendance
- (iv) Improve environmental sanitation and management
- (v) Enhanced household asset acquisition
- (vi) Encourage beneficiaries to engage in sustainable livelihoods.

The programme is called conditional cash transfer because there are some criteria which the Poor and Vulnerable Households (PVHHs) have to meet before cash transferred is made, they include;

Enrolment of children into public schools, getting regular check-ups at the doctor's office and receiving vaccinations. The programme has three components which includes; Based Cash Transfer, Top-up based on state selected condition and Livelihood Support.

The programme has key officers which are;

Cash Transfer Facilitators (CTFs) -These are mostly local government workers, recruited by the programme national officials, and assigned local government Area, whose main task are to mobilize the community, with the support of its leadership, sensitize beneficiaries and capture data of caregivers and alternate caregiver.

Desk Officers(Dos) - These are also local government workers that are recruited by the programme national officials and sent to different Local Government Area to organize data collected in their assigned local government area, they also supervise in the field, all CTFs in that LGA. They Dos also communicate to the SCTU/MIS officers on logistics and to obtain location list for data collection.

Management Information System Specialist (MISS) Officers -These are recruited state workers that are saddled with the responsibilities of data organization in their state, monitor field activities throughout the state, training of CTFs on enrolment process, and Household information update, proper documentation of allocation of mobile devices and work tools to LGAs, Collation and analysis of comprehensive report on enrolment, Programme identity card production, Programme identity card distribution etc.

Unlike every state in Nigeria, the programme was introduced in Akwa Ibom State in 2018, with its commencement in nine (9) local government as pilot Local government Areas, of which Uruan Local Government Area was inclusive.

It is observed that the welfare of the people of Uruan has improved over the past five (5) years, many seems to attribute it to the advent of the conditional Cash Transfer Programme. It is on this basis that this study seeks to investigate the effect of Conditional Cash Transfer programme on the welfare of beneficiaries in Uruan LGA of Akwa Ibom State in Nigeria.

It specifically seeks to;

Examine how the advent of CCT Programme has led to;

- (i) Registration of members into multipurpose cooperative societies in Uruan LGA
- (ii) Facilitate proper account keeping /savings of the transferred funds by beneficiaries in Uruan LGA
- (iii) Engagement in trade by beneficiaries in Uruan LGA
- (iv) Creation of source of business financing for beneficiaries in Uruan LGA.

This research is anchored on the “Big Push” theoretical framework which provides the theoretical basis and philosophy of grants as a means to push families out of extreme poverty and achieve development.

Similar researches have been carried out by various authors in various locations to ascertain the effect of the Conditional Cash Transfer on the poor and vulnerable. Such researches include that of;

Useni (2011) who sought to know if differential exposure to conditional cash transfer programme on vulnerable people affects labour market outcome. The result reveals that it does affect labour market outcome.

In another study carried out by Seyram and Evans (2015) to examine how much conditional cash transfer performs and its impact on vulnerable households in Nigeria, of which the study employed a longitudinal correlation design. The result of the findings was that conditional cash transfer has a little or no effect on poverty alleviation of vulnerable people in Nigeria.

Parker and Vogt (2018) also employed panel regression analysis in the examination of the relationship between poverty alleviation and welfare of vulnerable people in United States of America, of which they found out that there exists a significant relationship between poverty alleviation and welfare of vulnerable people in USA.

Saucedo Delgado et al. (2018) used a longitudinal data on their evaluation of the impact of CCT on the use of public services of households in Mexico by employing Propensity Score Matching (PSM) in estimating ATT for their analysis. They found out that the program has a short-term impact on households' demand for health and educational services, however the effect varies in the long-term.

Similarly, a study conducted in 2012 by Meng and Pfau concluded that targeting the poor children as the beneficiaries of CCT would have the largest impact. The study suggested that even with limited budget, targeting all poor children in ten poorest provinces will lead to a significant reduction of poverty

Han et al. (2016) investigated the effect of Dibao, which is China's largest social assistance program, on its beneficiaries' spending in rural using PSM method and their study

revealed that the program has a positive impact on the health spending, but no effect on their food and education expenditure. A prioritized health spending over education was attributed to a wide gap of real returns to schooling between rural and urban areas in China.

An impact evaluation of CCT in Philippines during its early stage of implementation was conducted by Chaudhury et al. (2013). They revealed that CCT program is significant in changing the spending pattern of the households as more spending on education and health were observed, however no impact on aggregate consumption of households. An increased also in savings among beneficiary households was found in their paper, in which they suggested that it can be attributed to the less consumption of households to some adult goods like alcohol. Moreover, they concluded a noticeable difference of the impact of CCT by province

A study by Tutor (2014) on the short-term impact of CCT in the Philippines on consumption showed a significant positive impact in terms of expenditure shares on spending on education and clothing by 0.1 and 0.5 percentage points respectively. Furthermore, Tutor (2014) asserted that the effect of CCT on consumption is most evident among the poorest households due to the income-reducing effect. These households are more likely to comply with the conditions set by the program.

From the review of some related works to this study, none was seen to examined the effect of conditional cash transfer programme and the welfare of Uruan people of Akwa Ibom State in Nigeria. Thus this study intends to fill the gap, and also add to existing literature in the study area.

RESEARCH METHODOLOGY

Research Design: This study used descriptive survey design

Area of the Study: The area of the study was Uruan Local Government Area of Akwa Ibom State, one of the pilot Local Government Areas, chosen for the programme. The Local Government Area has eleven (11) wards and (fifty) 50 villages. However, the programme was carried out in eight (8) wards of the Local Government Area, which were; Central Uruan 1 with the total beneficiaries of three hundred and seventy-three (373), Central Uruan 2 with five hundred and thirty-two (532), Central Uruan 3 with one thousand one hundred and fifty-three (1153), Northern Uruan 1 with one thousand two hundred and forty (1240), Northern Uruan 2 with twenty-seven (27), Southern Uruan 1 with seventy-five (75), Southern Uruan 2 with one hundred and twelve (112) and Southern Uruan 111 with thirty-two (32) beneficiaries summing the total beneficiaries to three thousand five hundred and thirty five (3535) beneficiaries of the programme.

Population of the Study: The population of the study comprises all the twenty-nine thousand one hundred and seventeen (29117) beneficiaries from the nine pilot Local Government Area of the programme in Akwa Ibom State.

Sample and Sampling Technique: The sample size for this study was Three hundred and fifty-four respondents (354) drawn from the study area, which was determined using Yaro Yamme formula.

The data for the study was collected primarily with the aid of a structured questionnaire, observation and interviews.

Activities Carried Out By Conditional Cash Transfer (CCT) Programme

The activities undertaken by the programme commences from mining of the beneficiaries names from the National Social Register (NSR) comprising State Social Registers of poor and vulnerable households. The eligibility cut-off criteria for Cash Transfer Programme which is the absolute poverty line corresponds to the 1st to 6th decile of the National Social Register (NSR). The poor and vulnerable Households that falls within the 1st to 6th decile of the NSR distribution are considered eligible for conditional cash transfer.

The list contains the following information;

- (i) Location Details: Geo-political zone, State, LGA, Ward, Community Type (Rural/Urban)
- (ii) Household Detail; Household number, Head of Household Name, Household Address, Proximity to Health care.
- (iii) Household Members Details: NSR Ref. Number, Names, Gender, Age, Marital Status, work Types, Education, Disability. Etc
- (iv) Household Labour Markets Characteristics
- (v) Household Members's Education, health and Disability information
- (vi) Household Assets
- (vii) Household living /dwelling characteristics.
- (viii) Enrolment process; afterwards the beneficiaries are considered eligible according to the stated conditions, they are then enrolled into the programme. The enrolment process includes;

1. Poor and vulnerable households list disaggregated by States, LGAs, Wards and Communities

2. Production of two copies of PVHHs list on A2 paper per community for disclosure at the communities during community sensitization on CCT Programme and one copy per household caregiver/alternate forms to guide CTFs during enrolment.
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3. Training of CTFs on beneficiaries' enrolment process including use of mobile application for identification of Caregivers/alternates and capturing of their additional information for 2 days.

4. Configuration of mobile application and loading of data of beneficiaries' household per Ward 2 days

5. Community mobilization visit by CTFs with the support of community leadership for average of 3 days per wards

6. Community Stakeholders sensitization on CCT Programme and beneficiaries' households list disclosure in the communities for community validation for average of 3 days per ward

7. Beneficiary households' orientation on programme objectives and their responsibilities, caregiver and alternate caregiver selection and data capture in the community for average of 6 day per ward

8. Upload of data from mobile devices to NCTO server

9. Production of programme identity cards with QR code and digital passport photographs of caregivers and Alternates

10. Distribution of programme identity cards to beneficiaries by CTFs for 2 days

After the distribution of identity cards to the beneficiaries, payment is then done to the beneficiaries on announced date and venue and identity cards are shown to the payment officers

before payment is made. The cash transfer of five thousand naira #5,000 is to be made to beneficiaries monthly.

Subsequently, when these funds are received by the beneficiaries, they are encouraged by the Cash Transfer Facilitators (CTFs) to belong to multipurpose cooperative societies. Their registration into these cooperative groups enables them to;

- Save part of the transferred funds for future use as a group.
- Engage in cooperative trade, such as buying of food items like crayfish, fish in bulk and sharing to members for sale.
- Engaging in cooperative animal farming such as pig, poultry, snail etc.

An Analysis of Conditional Cash Transfer Programme and Welfare of Uruan Local Government Area

There are indicators to how the welfare of the people of Uruan were before now, the indicators are;

The formation groups/registration of Multipurpose Cooperative Society. How was this beneficial to member vis a vis the beneficiary in Uruan in terms of economic activities in the groups. Such activities include loans given to members to boost their individual businesses, how many collected and how many refunded such loan

- (i) What type of business/economic activities were these Cooperative societies engaged in?
- (ii) Were there benefits accrued to them. What did they make of these benefits, if any
- (iii) Were they (i.e. MPCS and beneficiaries) financially included. That is, able to keep proper account recording including having bank account. How many were able/not able to contribute to group savings
- (iv) Were they also able to acquire Assets? What were these assets and how effective and beneficial were these assets to their business.
- (v) Overall contribution of above to the CCT in Uruan L.G.A

Total Number of Beneficiaries

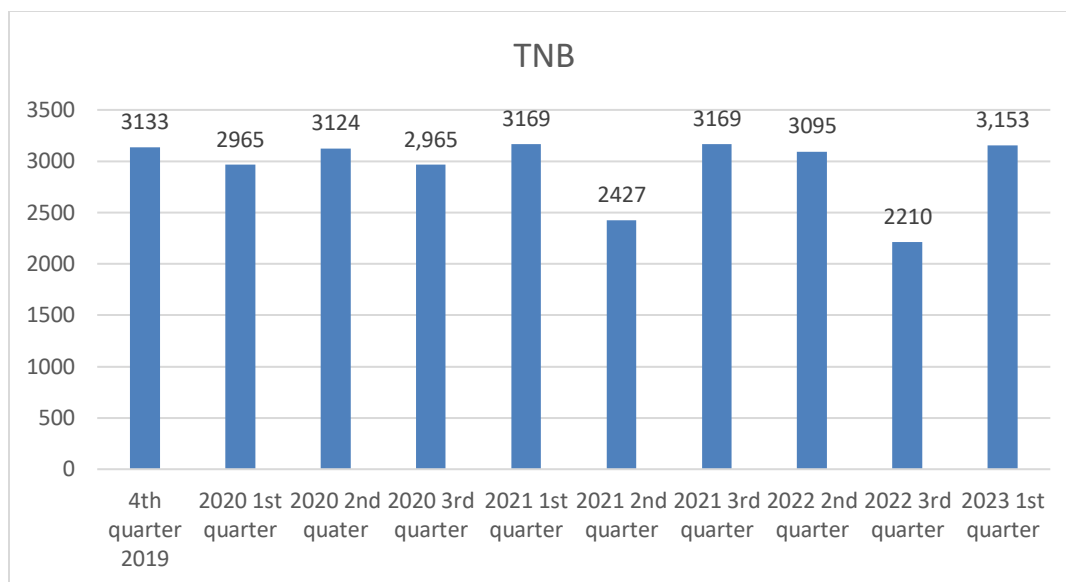


Figure 1: shows that the total number of beneficiaries in the conditional cash transfer programme in Uraun L.G.A increased between the 1ST quarter of 2021,3rd quarter of 2021,1st quarter of 2023 as well as 1st quarter of 2020.

Total Number of Savings groups mobilized

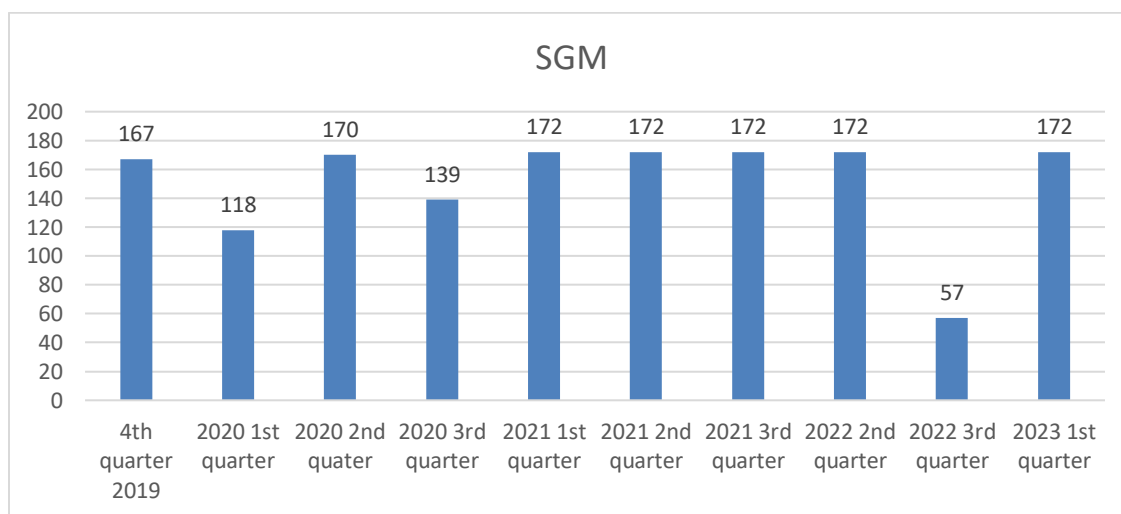


Figure 2: shows that the total number of savings groups mobilized through the conditional cash transfer programme in Uraun L.G.A increased between the 1ST quarter of 2021,3rd quarter of 2021,1st quarter of 2023, 1st quarter of 2020 as well as 4th quarter of 2019.

Total Number of Cooperatives Societies

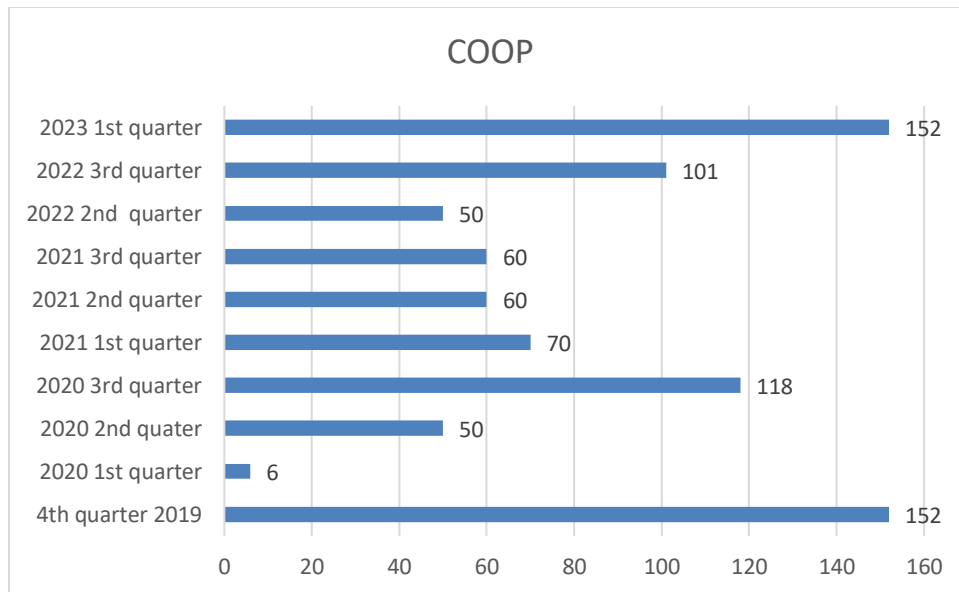


Figure 3: shows that the total number of cooperatives societies formed through the conditional cash transfer programme in Uraun L.G.A increased in the 1ST quarter of 2023, 3rd quarter of 2022, 3rd quarter of 2020, as well as 4th quarter of 2019.

Number of Savings at Hand

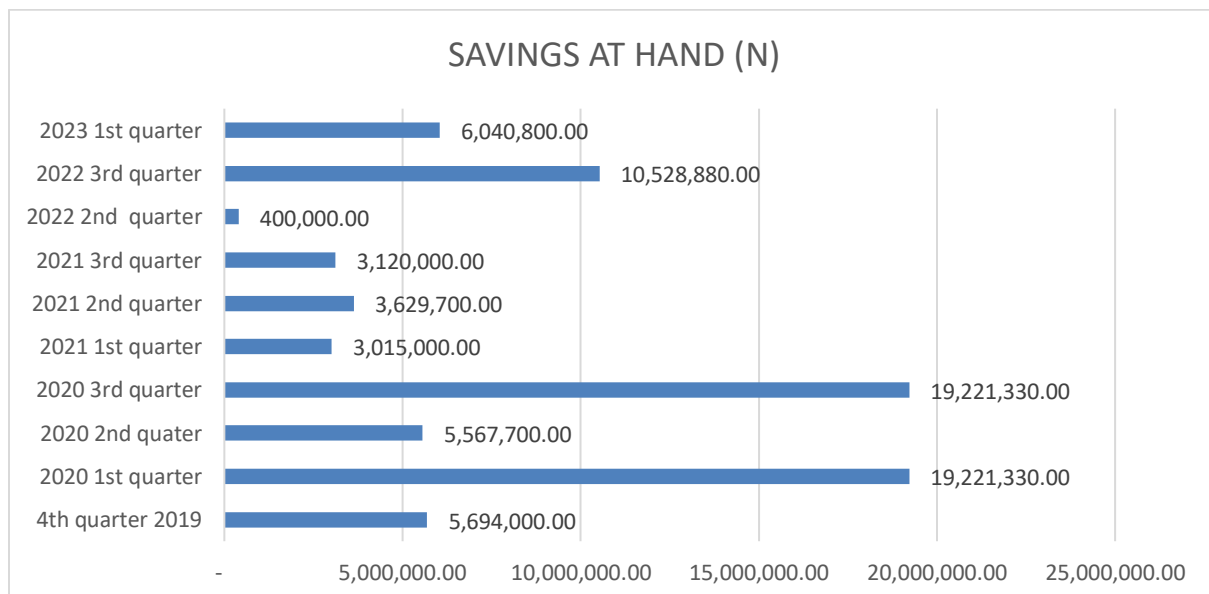


Figure 4: shows that the number of savings at hand through the conditional cash transfer programme in Uraun L.G.A increased significantly in the 3rd and 1st quarter of 2020 respectively, 3rd quarter of 2022 and in the 3rd quarter of 2022 as well.

Number of Savings at bank

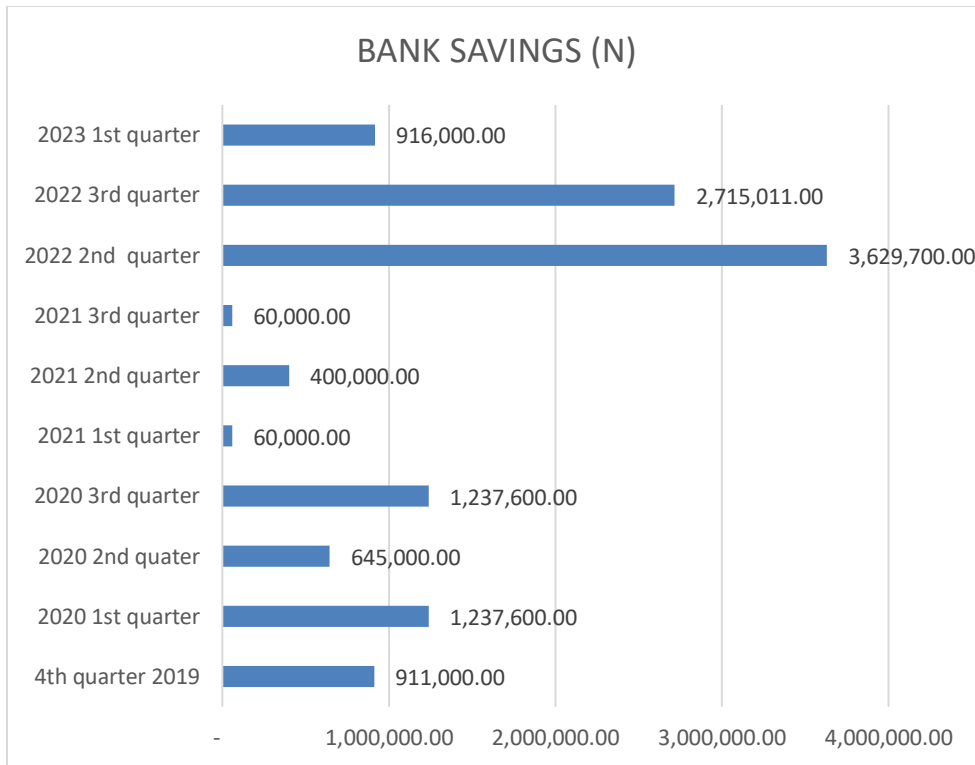


Figure 5: shows that the number of savings at hand through the conditional cash transfer programme in Uraun L.G.A increased significantly in the 2nd and 3rd quarter of 2022 respectively, and as well as 3rd quarter of 2020.

Number of Businesses Established

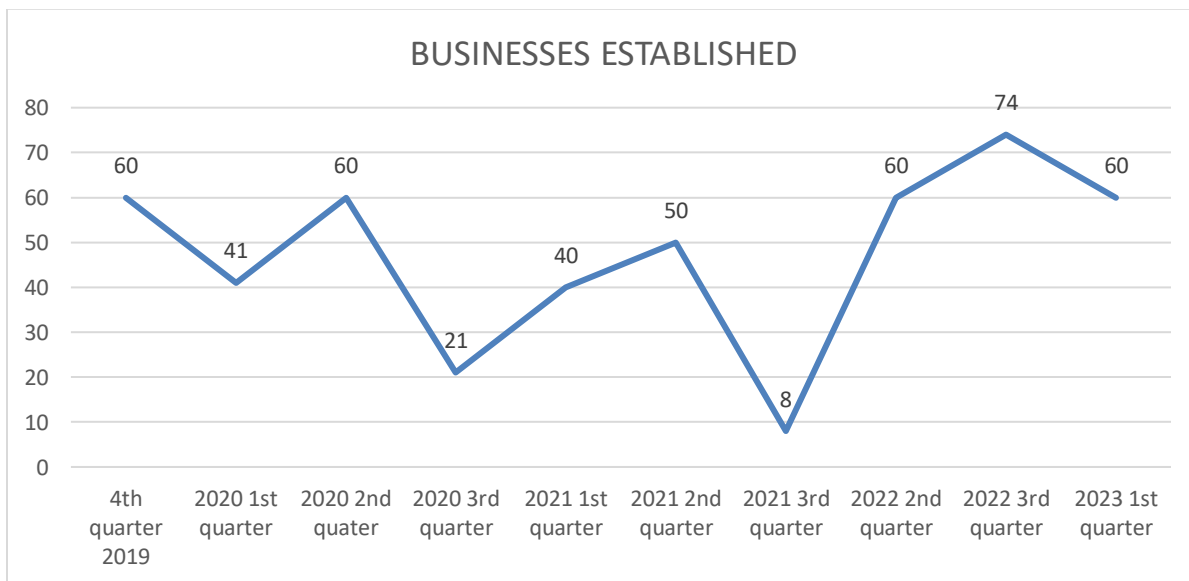


Figure 6: shows that the number of businesses established through the conditional cash transfer programme in Uraun L.G.A increased significantly in the 3rd quarter of 2022 and 1st quarter of 2023 respectively.

Analysis of Asset acquired.

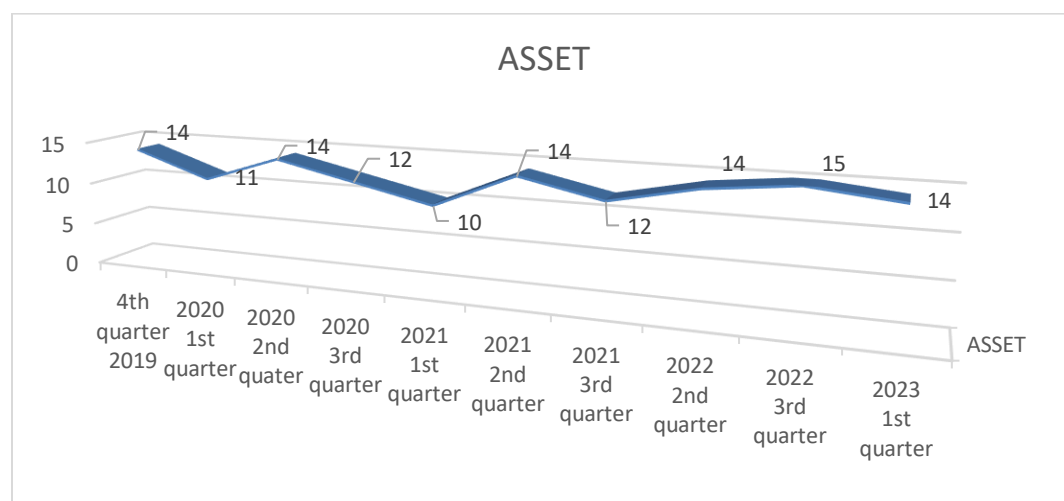


Figure 7: shows that the number of assets acquired through the conditional cash transfer programme in Uraun L.G.A increased significantly in the 4th quarter of 2019, 2nd quarter of 2020, 2nd quarter of 2021 as well as 3rd quarter of 2022.

Summary

The findings of the study are that the advent of conditional cash transfer programme in Uraun L.G.A of Akwa Ibom State. Has led to the;

- (i) Increased in the number of savings groups in Uraun L.G.A
- (ii) Increased in the amount of income saved in the bank by indigenes of Uraun L.G.A
- (iii) Increased the number of cooperative societies in uruan L.G.A
- (iv) Increased in the number of businesses established in Uraun L.G.A
- (v) Increased in number of individual acquiring asset in Uraun L.G.A

Based on the findings, the study thus concludes that the advent of the conditional cash transfer programmes (CCT) has helped improve the welfare of the indigenes of Uraun L.G.A

Recommendations

Based on the findings of the study, it is recommended that;

- (i) New beneficiaries should be enrolled into the programme by the federal government, so that the benefits of the CCT programme be enjoyed by all.

- (ii) The State cash transfer unit should ensure that the beneficiaries be adequately supervised to ensure that the transferred funds be used as prescribed.

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