

Achieving Shared Prosperity Through Functional Social Programmes In Nigeria⁹

NESG Research



⁹ For an expanded discussion on this subject matter, refer to the NESG mini-report series, retrievable via: [https://nesgroup.org/download_resource_documents/Social%20Protection%20&%20Shared%20Prosperity%20in%20Nigeria%20\(2\)%20\(2\)_1686067535.pdf](https://nesgroup.org/download_resource_documents/Social%20Protection%20&%20Shared%20Prosperity%20in%20Nigeria%20(2)%20(2)_1686067535.pdf)

Abstract

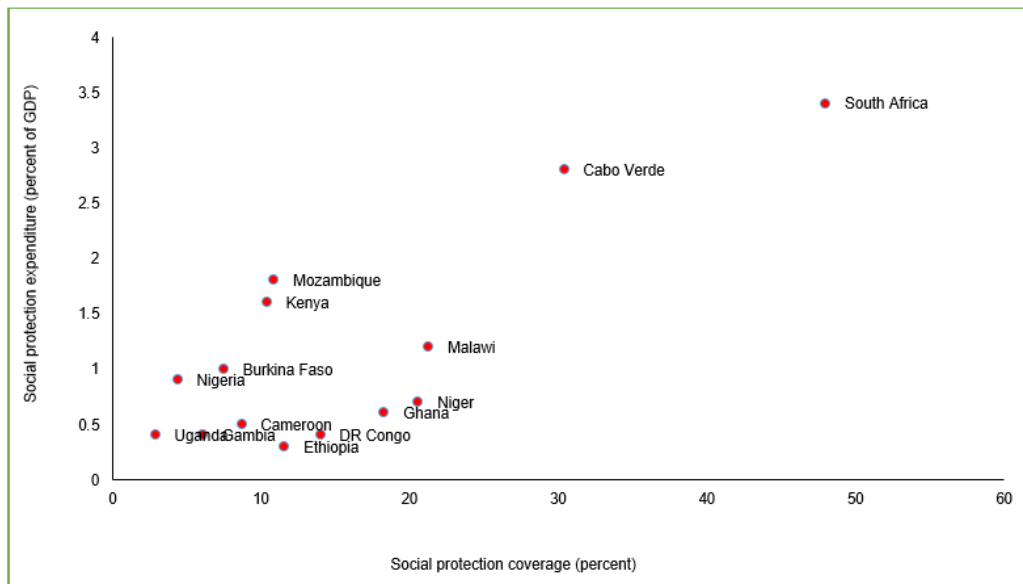
The Shared Prosperity Agenda for Nigeria, according to NESG, entails achieving broad-based economic growth, creating jobs, reducing poverty and inequality, and ensuring socioeconomic prosperity for all Nigerians. Meanwhile, a cursory look at the current state suggests that Nigeria needs to achieve shared prosperity as it has one of the worst socioeconomic indicators globally. Thus, achieving shared prosperity will remain a mirage unless social programmes are robust and functional. A functional and robust social protection system is one that is consistently run on a large-scale basis by successive administrations at all levels of government, accessible to many beneficiaries, and adequate in terms of public goods provision. Therefore, this paper proposes how functional social protection programmes could contribute towards achieving shared prosperity in Nigeria.

Introduction

Social protection or **social security**, as defined by the International Labour Organisation (ILO, 2019), refers to *“public measures that provide benefits to guarantee income security and access to essential health care, such as unemployment insurance, disability benefits, old-age pensions, cash and in-kind transfers, and other contributory and tax-financed schemes”*. Nigeria has implemented various social protection programs, including social insurance, social assistance, and labour market policies. However, these programs have faced challenges that have limited their success. These challenges include a need for updated beneficiary databases, high financial exclusion rates, the short-term nature of programs, low receptiveness at the sub-national level, and a large informal sector with vulnerable employment.

Before the outbreak of COVID-19, less than 5 percent of Nigerians were covered by various social protection programmes as of 2015, which is significantly below the coverage rates of 48 percent and 45.2 percent in South Africa and the world, respectively (see Figure 1). The country has also not fared well in covering specific segments of the population, including persons living with disabilities (0.1 percent), retirees (7.8 percent), and vulnerable groups (0.2 percent), significantly underperforming South Africa, the global and African averages as of 2015 (see ILO, 2017). This is not unexpected as Nigeria has an inadequate national social register and lower spending on social protection programmes relative to African peers, such as South Africa, with higher coverage rates (see Figure 1). According to the Federal Ministry of Finance, Budget and National Planning, as of April 2023, the national social register had about 50 million beneficiaries, representing 38 percent of the 133 million Nigerians that are multidimensionally poor as of 2022.

Figure 1: Social protection coverage and expenditure (excluding health spending) in some African countries



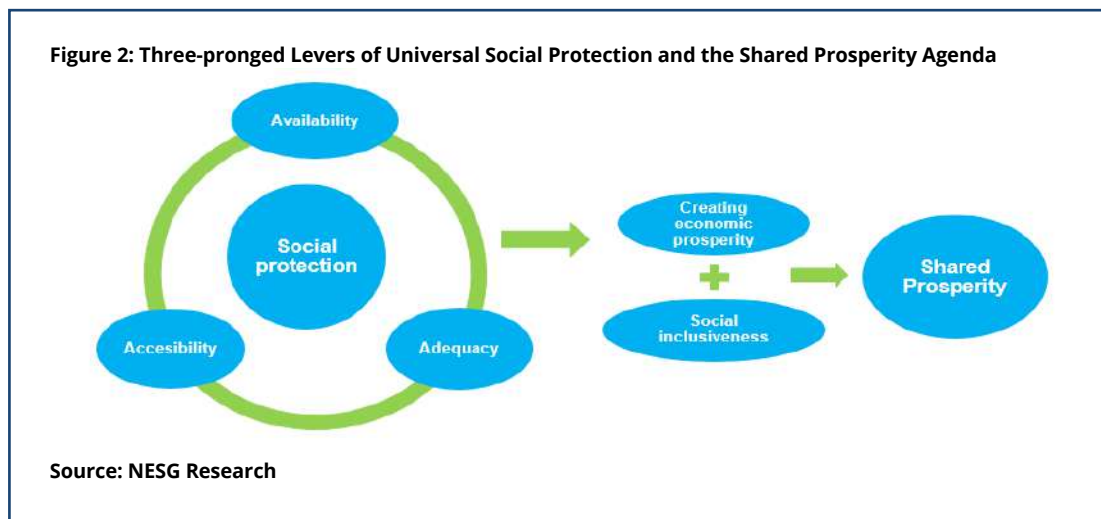
Data: International Labour Organisation (2017); Chart: NESG Research

Moreover, during the COVID-19 pandemic, the weak pre-existing social protection system limited the scale-up of coverage for poor and vulnerable households. Only a small percentage of households received social safety net support through cash transfers. For instance, between March 2020 and March 2021, out of 43 million households, only 1.7 million households (representing 3.9 percent coverage rate) received social safety net support through cash transfers from either federal, state, or local government (World Bank, 2022; NBS, 2020). This overall coverage rate is not significantly higher than in pre-COVID-19, where only about 1.6 percent of households were enrolled under the National Social Safety Net Project (NASSP).

In addition, for shared prosperity to be achieved in Nigeria, there is a need for a robust social protection programme consistent across successive administrations, accessible to many beneficiaries and adequate in terms of public goods provision. Therefore, this paper proposes how functional, robust and resilient social protection could contribute towards achieving shared prosperity in Nigeria.

CONNECTING SOCIAL PROTECTION TO SHARED PROSPERITY

It is important to realise that adequate social protection is essential for providing a sense of belonging to poor and vulnerable groups, including children, persons with disabilities, and older adults. In Nigeria, inadequate protection for the poor and vulnerable groups has led to a loss of trust in the governments and public institutions. Generally, achieving shared prosperity relies on substantial progress in the vital critical levers of universal social protection, known as the "Triple A": Availability, Accessibility, and Adequacy (see Figure 2). For shared prosperity to be realised, social protection programs must be widely available through increased social investments, easily accessible through public orientation and awareness, and sufficiently adequate to cover basic needs such as housing, clothing, food, healthcare, and education.



Access to these basic necessities empowers citizens to achieve individual prosperity and contributes to overall economic prosperity. This aligns with the first aspect of the proposed Shared Prosperity Agenda (SPA) by the NESG. Additionally, social protection should be deployed to alleviate economic vulnerabilities associated with child labour, disabilities, and old-age ailments, promoting social inclusiveness.

CONCLUSION AND POLICY RECOMMENDATIONS

Nigeria is one of the Comity of Nations expected to realise almost all the Sustainable Development Goals (SDGs) and targets by 2030. The country cannot afford to be left behind in achieving the shared prosperity priorities within the SDGs Agenda. This will require continuous integration of the poor and vulnerable groups into the system through functional and resilient social protection initiatives. Nigeria needs a social protection system that can adapt to current and future challenges. Building resilient social protection schemes would require critical measures that would boost the availability, accessibility and adequacy of social protection, and they include:

- Increasing funding for social protection programs through higher public spending and external donor assistance
- Expanding social protection schemes to cover various vulnerabilities throughout individuals' lifetimes
- Ensuring that social protection benefits are delivered to the target beneficiaries at little or no cost.
- Sustaining existing social protection programs, enhancing coverage through regular updates of the national social register
- Promoting transparency and accountability in program management, conducting public sensitisation campaigns
- Recognising social protection as a constitutional duty at all levels of government is recommended.

References

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