



## ASSESSMENT OF INFORMAL SOCIAL PROTECTION MECHANISMS AMONG FARMING COMMUNITIES IN SOUTH EAST NIGERIA

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### ABSTRACT

The study analysed informal social protection mechanisms among farming communities in South East of Nigeria. Primary data was collected by the use of a multi-stage random sampling technique with the aid of a questionnaire and interview schedule from 360 household heads. Results revealed that 63.3% of the respondents were males with age range between 41 to 50 years (45%) while 67.5% were married and 42.5% completed primary education. About 52.2% were involved in farming while 38.3% were involved in farming and trading. Results also show many (28.5%) farmers had annual income ranging between ₦50,000 to ₦100,000. The size of farm of majority (60%) ranged between 1 to 5 hectares. The respondents subscribed to some family and community support structures such as Isusu (30%) while the least (10%) is job reciprocal group. Reasons the respondents belong to a social welfare group were identified. Percentage distribution showed that majority (30%) of the respondents depends on remittances from their children, relations and friends. While the least form of social protection were apprenticeship and postponement of dowry payment. Major factors influencing the informal social protection mechanisms such as income level, educational status, household size, number of occupation, age, flood, sex, marital status, religion, and inexperience were identified using factor analysis. Results show that informal means of social protection is necessary for reducing vulnerability. the results therefore call for policies aimed at access to free and affordable education for the low-income earners to enhance their standard of living. There is need for government and other organizations like NGOs, Civil Society Organizations (CSOs), to assist the informal sector by providing financial assistance and/or inputs that will enhance the ability of the sector to sustain the farming households.

**Keywords:** *Informal sector, social protection, and farming communities*

### Introduction

Growing economic shocks, political instability, and severe global environmental and climatic changes have resulted to greater risk and economic vulnerability among farming populations, especially in fragile, less developed economies. Climatic changes resulting to depletion of edaphic resources pose great threat to food production and agriculture in general. Population explosion, including increasing number of the aged, has increased pressure on arable land while endemic poverty generally continues to stripe the greater proportion of the society of “the economic, social and cultural rights indispensable for their dignity and the free development of their personalities” (UN, 1948). Social protection has been

defined as interventions that assist poor individuals, households and communities to reduce their vulnerability by managing risks better (Devereux and Sabates-Wheeler, 2004). It has also been seen as the traditional family and community support structures and interventions by state and non-state actors that support individuals, households and communities to prevent, manage and overcome the risks threatening their present and future security and well-being, and to embrace opportunities for their development and for social and economic progress (United Republic of Tanzania, 2008).

Social protection exists in two types: formal and informal. Formal social protection mechanisms refer

to the measures adopted by the government in order to address the vulnerability of people's lives through social insurance; offering protection against risk and adversity throughout life through social assistance; offering payments and in-kind transfers to support and enable the poor; and through inclusion efforts that enhance the capability of the marginalized to access social insurance and assistance (European Communities, 2010).

Formal social protection mechanism is the type of social protection offered to the vulnerable by the government or other non-state actors like NGOs, Churches and Mosques (Ratuva, 2006). Informal social protection mechanisms refers to individual and community actions, such as drawing down savings, selling of physical assets, reciprocal exchange of gifts and loans, diversifying crops and expanding income-generating activities (Prasad 2008). Social protection plays crucial roles in any society which include alleviation of poverty and socio-economic development of a community. Social protection contributes to economic growth by not only raising productivity but also enhancing social stability. The ultimate purpose of social protection is to increase capabilities and opportunities and thereby, promote human development. Therefore, social protection should not simply be seen as a residual policy function of assuring the welfare of the poorest, but as a foundation at a societal level of promoting social justice and social cohesion, developing human capabilities and promoting economic dynamism and creativity (Ratuva, 2006). Most informal social protection mechanisms are typically weak and often provide only inadequate protection to poor households. Most times, households are exposed to considerable risk from adverse shock-even idiosyncratic shocks that do not simultaneously affect their neighbours (Rokoduru 2008). Informal social protection mechanisms are equally constrained by poor funding, government policies and environmental factors such as weather and climate (World Bank 1999). Nevertheless, social protection has so many prospects in ameliorating the challenges faced by individuals, households and families of any society (World Bank 1999; Rokoduru 2008). If well managed, social protection has the ability to create employment; reduce the rate of death due to inadequate healthcare facilities. It could also bring about economic growth and development through the economic empowerment of individuals. The role of the informal sector is especially crucial in alleviating poverty and providing livelihoods and social protection to vulnerable groups. A coherent social policy framework is thus needed to achieve the objective of economic growth and development.

The study was designed with the objective of analyzing informal social protection mechanisms among farming communities in South East Nigeria in

order to provide answers to the following questions: what are the socio-economic characteristics of members of farming communities in the area? What are the family- and community-support structures available among the study communities? What forms of social support/protection are practiced by families and groups among the communities? What factors are important for social support/protection among families and communities in the study area?

### **Methodology: Area of Study**

The study was conducted in South East geo-political zone of Nigeria comprising of five states namely: Abia, Anambra, Ebonyi, Enugu and Imo. It has a total land area of approximately 58, 214.7km<sup>2</sup> and lies between latitude 05°55' and longitude 06°50' and 08°30' East (Egwu, 2014). It has a total population of 16.4 million people (NPC, 2006). The area is bounded in the South by Rivers and Akwa Ibom States; in the North by Kogi and Benue States; in the West by Delta and East by Cross River States. The predominant ethnic group in the area is the Ibo. The major economic activities are farming and trading.

### **Sampling Procedure**

A multi stage random sampling procedure was adopted in selecting respondents. The first stage was the random selection of three (3) States from the five States that make up the study area. The second stage was the random selection of five (5) Local Government Areas from each of the three selected States. Two (2) communities were also randomly selected from each of the three Local Government Areas, making a subtotal of ten (10) communities per selected State. The last stage was the random selection of twelve (12) households from each of the selected ten (10) communities, thus a subtotal of one hundred and twenty (120) households was selected per State giving a total of three hundred and thirty six (360) households selected for the entire study area.

### **Data Collection**

Data for the study was collected from primary sources only, using structured questionnaires which were administered to heads of selected households.

### **Data Analysis**

Data generated from the field survey were analyzed using descriptive and inferential statistics including frequency tables, percentages and explanatory factor analysis.

### **Factor Analysis**

Factor analysis was used to determine important factors that constraining informal social protection among the respondents. Kaiser (1958) developed a simple rule of thumb that variables with coefficients of 0.30 or more with high loading may be considered as important in naming a factor. The rule has been generally applied (Child, 1978; Ogunfidimi, 1979).

## Results and Discussion

Table 1 presents percentage distribution of socioeconomic and personal characteristics of the respondents.

**Table 1: Percentage Distribution of Respondents Socioeconomic characteristics**

<b>Socio-economic characteristics</b>	<b>Frequency</b>	<b>Percentage</b>
<b>Age</b>		
21-30	45	12.5
31-40	78	21.7
41-50	162	45.0
51-60	66	18.3
Above 60	9	2.5
<b>Total</b>	<b>360</b>	<b>100</b>
<b>Gender</b>		
Male	228	63.3
Female	132	36.7
<b>Marital status</b>		
Single	33	9.2
Married	243	67.5
Divorced	15	4.2
Separated	21	5.8
Widowed	21	13.3
<b>Educational status</b>		
No formal education	45	12.5
Primary education incomplete	48	13.3
Primary education completed	153	42.5
Secondary education incomplete	63	17.5
Secondary education completed	30	8.5
Tertiary education	21	5.8
<b>Income</b>		
50,000-100,000	93	25.8
101,00-150,000	63	17.5
151,000-200,000	48	13.3
201,000-250,000	30	8.3
251,000-300,000	39	10.8
301,000-350,000	36	10.0
351,000-400,000	27	7.5
401-000-450,000	15	4.2
451-000-500,000	9	2.5
<b>Occupation</b>		
Farming only	189	52.5
Trading and farming	138	38.3
Civil servant and faming	33	9.2
<b>Farm size (Ha)</b>		
Less then 5	216	60.0
> 5 but < 10	93	25.8
> 10	51	14.2
<b>Religion</b>		
Christianity	246	68.3
Traditionalist	114	31.7
<b>House hold size</b>		
Less than 5	54	15.0
Between 5 and 7	455	125.0
Greater than 7 but <10	153	42.5
Greater than 10	108	30.0
Greater than 7 but <10	153	42.5
Greater than 10	108	30.0

**Source: Field survey, 2014**

### Age

Table 1 show that the age of most of the respondents ranged between 41-50 years (45%) while only 2.5% were 60 years and above. This implies that most of the household heads in the study area were middle-aged men and women who are still within the active and productive age.

### Gender

About 63.3% of the household heads were males while 36.7% were females, implying that the area is dominated by more male household heads in the study area than women. This conforms to the culture of male dominance in the whole South East Nigeria as reported by Agrawal and Gupta, (2005) who noted that men are readily accessible in sociocultural issues than women.

### Marital status

The result on the marital status of the respondents indicated that a greater percentage (67.5 percent) were married while only 5.8% were separated. This indicated that most of the respondents in the study area were married men and women with responsibilities. These responsibilities would likely make them willing to seek means of supporting their households.

### Educational status

Further analysis revealed that many (42.5%) of the respondents completed their primary education while only 5.8% attained tertiary education. This indicates that most of the respondents studied were literate but for 12.5% who had no formal education. The finding agrees with Ranjan (2006) who noted that level of education increases participation rate in occupation. Educated rural people are likely to possess skills which facilitate involvement in non-farm activities.

### Annual income

Annual income of greater percentage of the respondents showed that many of the households (25.8%) earned between N50,000 to N100,000 per annum; while few (2.5%) earned between N451,000 to N500,000 per annum. This shows that the annual income of majority of the farming households was low. The result agrees with the findings of Ajaero and Onokala (2013), who reported and associated rural dwellers with low monthly income in South Eastern Nigeria.

### Occupation

Majority of the respondents (52.5%) were involved solely in farming; 38.3% were into farming and trading business; while, only 9.2% were civil servants and farmers. This showed that there is diversification of income sources in the study area. These households diversified their income sources in order to earn additional income from other sources and probably also to deal with inherent risks and uncertainties associated with agricultural production.

### Farm size

The result obtained on the size of farm revealed that greater percentage of the respondents (60%) had farm size less than 5 hectares; while 14.2% had farm size greater than 10 hectares. This showed that most of the respondents were small-holder farmers. The implication is that the farmers in the study area argument their income through social protection groups they form in other to improve their standard of living.

### Religion

Majority of the respondents (68.3%) were of Christian religion, while 31.7% were traditionalists. This showed that most households in the study area were Christians. They also form various informal social protection group in their various churches where they pull their resources together to assist themselves and also for the development of their communities.

### Household size

Majority of the households (73%) have more than 7 members, while 30% of the households have more than ten members. On the average, households in the study area have 7 members. This implies that many rural communities usually have community development organization who also contributes immensely in the development of rural communities. These groups help in shaping opinions in the community.

### Description of Community Support structures

The result obtained showed that there is the existence of social welfare groups such as the Isusu group (thrift societies), age grade group, umu-ada group, trade market associations, job reciprocal groups, and social clubs. The results in Table 2 show the percentage distribution of community support structures in the study area.

**Table 2: Percentage Distribution of Community Support Structures in the Study Area.**

Family and community support structures	*frequency	percentages
Isusu groups	108	30.0
Age Grades	57	15.8
Market Associations	72	20.0
Self help groups	48	13.3
Religious Groups	54	18.0
Job reciprocal groups	36	5.0
Umu-ada group	75	20.8

Source: Field Survey, 2014. \*Indicates multiple responses

The result obtained in Table 2 indicated that many of the respondents (30.0%) subscribed to Isusu group in the community for support. Isusu is a group contributory organization. The modus operandi of isusu is that individual members contribute money weekly, monthly or annually as the case may be. Loans are advanced to members from the money contributed to establish business or for farming purpose. The isusu has gained much acceptance in the study area probably due to the absence of banks and other financial institutions. Hence, individuals who do not want to hold cash for the risk of losing or spending it, deposit the money to their isusu where he or she belongs for the purpose of savings. The Isusu group has been found to be very helpful in the area.

Age grade is a group of people who were born within the same age range. About 15.8% of the respondents belong to age grade group while 13.3% belong to farmers' cooperatives. According to Hermida (2008) cooperatives provide functional education to members in the area of production, processing and marketing of agricultural produce. The education of cooperative members could be formal where members are trained in courses like accounting and farm management. About 20% belong to trade unions, while few (5%) are members of job reciprocal groups.

The result in Table 4 showed that remittance (30%) was the highest form of social support/protection mechanism found in the study area.

**Table 4: Percentage Distribution of Forms of Informal Social Support/protection Mechanism Adopted by Families and Groups in the Study Area**

Forms	Frequency	Percentage
Remittances	108	30.0
Loans	9	2.5
Selling of assets	48	13.3
Contributions from Isusu group	54	15.0
Work groups	30	8.3
Mortgaging of items	3	0.8
Trading	45	12.5
Giving out of children to relatives/friends	9	2.5
loaning of seed stock	18	5.0
Postponed dowry payment arrangement	6	1.7
Squatting	15	4.2
open/shared resources	9	2.5
Apprenticeship	18	1.7
<b>Total</b>	<b>360</b>	<b>100</b>

Source: Field survey 2014

Table 5 showed the sources of remittances and period of remittances as was described by the respondents.

**Table 5: Percentage Distribution of Sources of Remittances Received by Respondents**

Sources of remittance	Frequency	Percentage
Children	26	21.7
Brothers	17	14.2
Sisters	13	10.8
Uncles	21	17.5
Aunts	11	9.1
In-Laws	7	5.8
Friends	5	4.2
All of the above	20	16.7

Source: Field survey 2014

In Table 5, the remittances received by the respondents come from many sources. These include; remittance from their children (21.7%), from their brothers (14.2%), sisters (10.8%), uncles (17.5%), Aunts (9.1%), In-laws (5.8%), and friends (4.2%). While 16.7% of the respondents noted that the remittances come from all of the above identified sources. The result is same in Fiji (Pacific Island country) where Rokoduru (2002) confirmed that remittances have helped family members to pay for general family subsistence, for the welfare of their

children and for bills, fees and other traditional obligations. Similarly in Tonga, for example, remittances have both reduced the poverty headcount from 57% to 32% (World Bank, 2006). Prasad (2008) also found that in 2008, the volume of remittances was \$175 million in Fiji. The study also found that these remittances come in cash or in kind from relations or friends within the community and from urban areas. This is same in Vanuata, where remittances from urban migrants are the largest source of income for several villages (AUSAID, 2010). In

addition to cash, remittances in terms of food and household consumable goods are also exchanged between urban and rural areas. The study also revealed that this remittances gotten by the

respondents come to different people in different times of the year. Table 6 showed the percentage distribution of the remittance schedule during the year in the study area.

**Table 6: Percentage Distribution of Remittance Schedule among Respondents**

Remittance schedule	Frequency	Percentage
Weekly	6	5.0
Monthly	19	15.8
Quarterly	21	17.5
Annually	56	46.7
When need arises	18	15.0

**Source: Field Survey, 2014**

The results show that 5% of the respondents received remittances on weekly bases, 15.8% received on monthly basis, 17.5% on quarterly basis, and 46.7% on annual basis. This could be due to the Christmas celebrations which bring people abroad home once a year by the month of December. And at this period, there are always some transfers- cash or in kind from children and other relations to their people back home. Only 15% received remittance when the need arose. Such needs may include planting season, ceremony time and period of similar events. Another important form of social support was the contributions from Isusu group which accounted for 15% of the forms of social protection mechanism found in the study area. The farming households diversified their income by engaging in several forms of social support mechanisms. Table 4 showed that some families (2.5%) obtained loans from the bank. This implies that only 2.5% of the farming households in the study area depend on bank loans to survive economic shock. This could probably be true because banks do not advance loans without collateral. Also, there is the absence of banks or any financial institution in the study area. About 13.3% of the respondents sold their

assets as a form of informal means of social protection. Apprenticeship involves serving those people in business or other jobs like building, brick laying, etc. however, the study showed that 15% engaged in apprenticeship to cope with economic hardship. Only 3% give out their children to relatives and/or friends in order to reduce pressures of having so many people to cater for. Loaning seed stock is the act of borrowing seeds for planting. About 6% loan seed stock during planting period. Trading/petty business accounted for 12.5% of the forms of social support in the study area. Some households (2%) postpone the payment of dowry of their spouses due to hardship. Work group which measured 8.3%, is another significant form of social support in the study area, while 5% of the households in the study area adopted squatting option as a form of social support measure.

**Important Factors Constraining Social Support /protection Mechanism in the Study Area**

Factor analysis was used to identify those factors that might influence the social support/protection mechanisms in the study area.

**Table 7: Varimax Rotated Component Matrix on Factors Influencing Informal Social Support in the Study Area**

Variable symbols	Variable name	Factor I socio-economic	Factor II socioeconomic factor	Factor III Natural disaster
V <sub>1</sub>	Income level	0.572	0.050	0.077
V <sub>2</sub>	Educational status	0.854	-0.154	0.112
V <sub>3</sub>	Household size	0.423	-0.254	0.375
V <sub>4</sub>	Number of occupation	0.539	0.254	0.064
V <sub>5</sub>	Age	0.875	0.268	0.488
V <sub>6</sub>	Flood	0.245	0.232	0.432
V <sub>7</sub>	Sex	0.508	0.033	0.132
V <sub>8</sub>	Marital status	0.420	0.322	0.065
V <sub>9</sub>	Religion	-0.195	0.526	0.005
V <sub>9</sub>	Inexperience	-0.225	0.017	-0.040

**Source: Field data, 2014**

Table 7 shows identified factors influencing informal social support/protection in the study area. After careful examination of these factors, factor I was named socio-economic factor because the following

variables loaded high in it: level of income (0.572), educational status (0.854), and household size (0.423). Others were number of occupation (0.539), sex (0.508), age (0.875), and marital status (0.420). Factor

It was also named socio-economic factors because the factors that loaded high in it were related to socio-economic factors. These were religion (0.526) and marital status (0.322). Factor (III), was named natural disasters factors because the variable flood (0.488) loaded high in it. In summary, socio-economic factors such as income level, marital status, household size, religion, number of occupation, age, sex and educational status; and natural disasters such as flood were the basic factors identified to be constraining or influencing informal social support/protection mechanisms in the study area.

### Conclusion

The study has revealed that informal means of social protection especially the family and community support structures have been helpful in reducing risks and vulnerability in the study area. However, these mechanisms are constrained by such factors as socio-economic related and natural disasters. It was therefore recommended that education should be made affordable and accessible to every citizen, so that children of the lower income citizens can afford to acquire formal education. This is in lieu of the fact that educated individuals have greater access to means of livelihood; as such will have enough for themselves and for the support of their people back home. Community support structures should be registered under government's ministry, to enable their activities regulated and monitored to avoid any act of mischief and embezzlement of public funds. Government and other organizations like NGOs, Civil Society Organizations (CSOs), should assist the informal sector by providing financial assistance and/or inputs to enhance the ability of the informal sector to sustain the farming households. There should also be made available information on weather and climatic changes in order to avert dangers of natural disaster.

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