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Background

As in many other countries, due to declining fertility and rising longevity, the proportion of the elderly population is now growing in Nigeria. As most of have worked in the informal sector (mainly in subsistence agriculture), this population has no access to formal pensions or retirement benefits.

In 2011, in the absence of effective interventions from federal government, the authorities of Ekiti State (southwest Nigeria) implemented a state-level social security scheme, to provide unconditional and non-contributory cash transfers to the local elderly.

Research question and objectives

However, while similar schemes have been implemented in many other developing countries, evidence of the impacts on the elderly in Sub-Saharan Africa is scarce. This project thus aims to conduct an experimental evaluation of the Ekiti intervention, to examine the extent to which such a program contributes to improving the wellbeing of beneficiaries and their households.

The project was conducted in collaboration with the implementing institution: the (Ekiti) State’s Ministry of Labour, Productivity and Human Development.

Data and methodology

Data: collection of primary data from 6,326 eligible beneficiaries and 18,954 household members across 112 electoral wards in Ekiti State - including baseline and two follow-up surveys.

Method: randomized control trial (RCT)

- Randomization of beneficiaries was done at the ward level
- 3,230 beneficiaries were eligible to receive cash transfers (treatment group) and 3,096 beneficiaries were kept as controls.

Key findings

Impact on beneficiaries:

Treated beneficiaries self-reported better quality of life, mainly in terms of:
- more stable mental health
- higher perceptions of happiness and capabilities
- improvement in household decision-making and family relationships
- better health status

The results also suggest positive impact of the program in terms of:
- lower household vulnerability
- greater financial inclusion of beneficiaries

However, the cash transfers had no impact on the beneficiaries’ labour participation, health behaviour (drinking and smoking), or medical expenditure.

Impact on other household members:

The program also had significant positive impact on family members of treated beneficiaries, as indicated by increased:
- labour market participation
- income
- physical activity

Moreover:
- 67% of beneficiaries reported that the cash benefit was either saved or spent on other household members.
- 35% reported that it enabled them to help their children with childcare and household chores, to allow the latter to undertake other productive work.

All these results combined with additional qualitative evidence suggest that cash transfers provide substantial benefits for direct beneficiaries and household members.

Policy implications

This project’s findings confirm:

- the growing recognition of the role of the elderly in the care of younger generations, as well as on the relationship between care and development
- that a well-designed and implemented cash transfer scheme can help strengthen household productivity and capacity for income generation

Based on these findings and the researchers’ recommendations, the federal government of Nigeria is now preparing to scale-up the cash transfer program at the national level.