

# PEP impact brief

## Nigeria

From evaluation of a state cash transfer program to creation of a new national social security scheme

2013-2016

### Project milestones

Fall 2012	Preliminary consultations with the Ekiti State Ministry of Labor, Productivity and Human Development
May 2013	Project selected for PEP support and team members benefit from intensive technical training during the PEP Annual Conference
2013-2014	Ongoing consultations with the Ekiti State Ministry of Labor throughout implementation of the intervention
December 2015	Consultation with the National Committee on the National Social Security Scheme
Spring 2016	Consultation with the National Planning Commission
June 2016	Team's findings to inform development of the National Priority Agenda for the Vulnerable
October 2016	Team holds national policy conference attended by state and federal-level stakeholders
January 2017	New social security scheme implemented based on the Ekiti State model and the team's recommendations.

### Context



Nigeria's elderly population increased by 5.4 million between 1970 and 2010. It is projected to reach 11 million by 2025. An aging population is problematic because, in a country with a large informal sector like Nigeria, most have no formal employment-related pensions and must rely on family members for their livelihood. This is particularly problematic in rural communities where unemployment levels are high, especially among the youth, leaving households poorer and less able to take care of aging family members.

In Ekiti State, Nigeria – a largely rural state with most of the population undertaking informal sector activities – the first locally-funded social security scheme for the elderly was implemented between 2012 and 2014. An unconditional, non-contributory pension scheme was targeted at elderly citizens of the State living in poor households.

This brief tells the story of how a locally-led PEP project to assess the impact of this new scheme has led to social security being redefined in Nigeria.

#### Local research team

**Damilola Olajide**, project leader - IDInsight  
**Adaku Ezeide** - University of Nigeria, Nsukka  
**Florence Adebayo** - Director of Social Development, Ekiti State Government  
**Kafilah Gold** - Kwara State College of Education  
**Olufunke Olufemi** - Ikere College of Education

#### PEP mentors

**Ana Dammert**  
**Maria Laura Alzua**

#### PEP publications

Working paper 2016-21  
 Policy brief 171

# Producing a reliable evidence base to inform key policy debates

*Cash transfers to elderly found to significantly improve well-being of beneficiary households in Nigeria*



The Nigerian Ekiti State pension scheme for the elderly was the first of its kind to be implemented in sub-Saharan Africa.

In collaboration with the implementing agency - the State Ministry of Labor, Productivity, and Human Development - a team of local PEP researchers set out to examine the impact of the scheme on the well-being of the beneficiaries, and their households.

## Key findings...

Based on the first follow-up survey, the team's analysis indicates that the non-contributory cash transfer scheme improved the wellbeing of the elderly beneficiaries in Ekiti State.

Cash transfer recipients reported being less depressed, being happier, feeling more capable, and having fewer difficulties undertaking daily tasks than the eligible beneficiaries who did not receive the transfer.

Additionally, households of cash transfer recipients were found to benefit from a reduced vulnerability to shocks. Children were less often used for street hawking, and the number of times any household member had no food to eat was reduced.

While both male and female beneficiaries reported similar improvements to their quality of life, women were generally more vulnerable to shocks than men prior to the intervention. As such, the cash transfer had a greater impact on reducing women's vulnerability and helped to reduce the gender gap in this aspect.



In collaboration with the implementation agency, the team designed and carried out a randomized evaluation of the unconditional cash transfer scheme for the elderly of Ekiti State. Eligible beneficiaries in 56 randomly selected wards (the treatment group) received the monthly cash payment while eligible beneficiaries in the other 56 randomly selected wards acted as the control group, receiving their payments after the intervention ended. The study measured two broad outcomes - quality of life and household vulnerability – to assess well-being.

## ...and conclusions

The findings from this study provide evidence that a well-designed and implemented unconditional cash transfer scheme targeted at poor households can help strengthen household productivity and capacity for income generation in Nigeria.

Based on these findings, the researchers recommended that Nigerian authorities use the information learned on the local scale of this program as the basis for similar initiatives, both in other states and for scaling up to the national level. The impact of their recommendations on policy is described on page 4.



## Strengthening and promoting local expertise for policy analysis in Nigeria

### Butterfly effect of PEP projects

Before undertaking the evaluation project that provided such a rigorous evidence base for policymaking, the research team underwent PEP-supported training in cutting-edge experimental research methodologies - including randomized control trials, random sampling methods and statistical methods for estimating impacts. The team leader, Dr. Damilola Olajide, benefitted from this training during his participation in the 2013 PEP Annual Conference in Cape Town, South Africa. Back in Nigeria, Dr. Olajide then organized workshops with his team members, both to share the knowledge gained through PEP, and to develop their own skills in experimental research and data analysis.

Throughout their project, the team organized and held several other workshops. These workshops included training the enumerators and data entry clerks assisting in the data collection, training government officials to more efficiently implement the (cash transfer) program, and informing the beneficiaries on how to best use the cash allowances to sustain their livelihood. As such, the capacity building effects of this project were felt at the team, community, and state government levels.

### A significant career-promoting experience

The expertise that the team developed during this project led to multiple invitations to both share their knowledge and undertake further research using the same methodologies. The research team received funding from the United Nations Development Programme for consultancy on a two-day workshop aiming to "Strengthen the capacity to modernize and implement the Ekiti State Social Security Scheme for the elderly". Team members also received funding from 3ie Impact for a randomized evaluation looking at female micro-entrepreneurship for poverty reduction.

In addition to funding, all PEP-supported research project teams benefit from intensive training activities (at the onset of the project), access to related resources (recommended readings, training materials, software tools, etc.), a unique international peer-review experience, as well as ongoing mentoring and technical support provided by PEP mentors (world leading experts in relevant research methods/areas) throughout the project lifecycle.

In April 2015, Dr. Olajide was invited by Harvard University School of Public Health to present the team's preliminary findings at the World Demographic & Ageing Forum in the USA. The team also presented their findings at the 11<sup>th</sup> PEGNet conference in Rwanda, in September 2016.

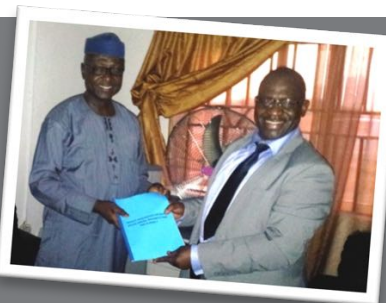
During the course of the project, Dr. Olajide benefitted from a series of significant career-promoting events, including new positions, media exposure, and high-level consultancies advising both national and regional authorities on social security as a poverty reduction strategy. In November 2016, he was invited to contribute to the presentation of the Nigeria Ministry of Labour and Employment at the World Summit on Social Security, in Panama.

*"PEP's approach to research funding, as it aims to build the expertise of local researchers rather than require this expertise as a condition for funding, is unique and very important. A model that other international organizations should learn from. This approach results in both long-term and potentially large-scope effects, especially through junior researchers."*

*Dr. Damilola Olajide*

# Engaging with key policymakers, advisors and stakeholders

## New Nigerian social security scheme implemented based on PEP recommendations



Fall 2012  
Initial consultation meetings between research team and state policy actors

The project was undertaken in collaboration with the Ekiti State Ministry of Labor, Productivity and Human Development, the government body in charge of implementing the cash transfer program and the first-hand users of the results. While designing the research proposal in the fall of 2012, the team held their first consultations with the Ministry. Following these consultations, Florence Adebayo, then head of the Ministry's Directorate of Social Development, joined the research team as a government representative and liaison. Her role has led to the team's findings being used directly to inform state government decisions relating to the expansion and implementation of the program.



2014  
Implementation of the intervention in collaboration with the Ekiti State Government

At the national level, the research team consulted with the Deputy Director of the Department of Social Development at the National Planning Commission, who confirmed the project's timeliness with their own initiatives in terms of social protection policy. In June 2016, a senior official at the (federal) Ministry of Budget and Planning stated that the team's findings would inform the government as they develop the National Priority Agenda for the Vulnerable.

In October 2016, the team held a national policy conference in Lagos, where they presented their research findings and proposed a national social security scheme to key state and federal-level stakeholders. During the event, several government officials stated that the team's findings will help shape their thinking and decisions regarding cash transfer programs, including how to scale-up the Ekiti State model. Following the conference, the team was invited to meet with other state governments to discuss implementation in other regions. Both the conference and the results of the study benefited from significant media coverage, including reports in two daily national newspapers: The Nigerian Tribune and The Nation.



December 2015  
Consultation with the National Committee on the National Social Security Scheme

The federal Ministry of Labor and Employment also met with the team to discuss how the findings can relate to other vulnerable members of the population. Several weeks later, the federal government announced a plan to provide social security to 50% of vulnerable population groups, starting with unemployed youth. **A new scheme was implemented and the Federal Government began the first round of monthly allocation (N5000) payments in January 2017. The scheme was based on the Ekiti State model and the research team was actively consulted regarding its implementation** as well as on the possible evaluation of this new intervention.

The team's dissemination strategy has also been highly effective in gathering international interest in their research. Following Dr. Olajide's attendance at the "100 years of pensions" conference in Sweden in October 2013, the team was invited to share their findings via the HelpAge International blog and newsletters.

The HelpAge blog posts have generated many comments from experts and key stakeholders around the world, and the leader was contacted directly by international experts on pension issues who asked to be kept informed of the experiment's results and conclusions.



October 2016  
Team organizes a national policy conference in Lagos

