



Social Protection As A Residual Safety Net In Democratic Governance in Nigeria: A Critical Analysis Of Some Current Policy Initiatives

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Abstract

Social protection as a public policy in developing countries has remained inherently foreign, and particularly western in perception, to the ordinary Nigerian citizen. The term “living on the dole” is strange to the common man in Nigeria who in fact is yet to be informed on his rights to social protection from the government by virtue of his citizenship. Economic rights particularly have generally been seen by the average Nigerian living in the country as a reflection of one’s personal industry, mental and physical shrewdness, Economic poverty, vulnerability and inequality are regarded in common parlance as by-products of one’s slothfulness or even expressions of his destiny not minding whether their generic factors were institutional or environmental. It is not common among Nigerians to imagine that the cause of their social and economic predicament probably derives from some erstwhile or even current public policies. From the same platform, public policy makers themselves see social protection initiatives more as an altruistic move of government than a furtherance of a well-deserved social contract in a democracy. Social protection initiatives in Nigeria have therefore emanated accidentally either from the desire of policy makers to concede “humanitarian aid” to the poor and suffering masses or from their quest for a safety net that will “buy off” social unrest for themselves and entrench continuity (albeit insensitivity) in leadership. The phenomenon is therefore of continuing dependence on government for material and economic sustainability and a perpetuation of poverty, inequality and vulnerability. This paper uses two of Nigeria’s current social protection initiatives as implied in the Amnesty and Poverty Reduction policies to provide an analysis of current response of government towards social protection. It observes that these policies have not gone beyond pedestal levels of mere residual safety nets for government. It believes that democratic governance in Nigeria is yet to assume its responsibility towards ensuring a healthy social contract and creating mechanisms for sustainable safeguards against poverty, vulnerability and inequality, let alone attaining equity and social justice in its administration of social protection policies. It concludes with some policy suggestions towards promoting social protection in Nigeria.

A. INTRODUCTION

Of the major forms of state protection - social, environmental, commercial, industrial - social protection ranks least in Nigeria. Social protection which consists of policies and programmes designed to reduce economic poverty and vulnerability among the people involves a series of state actions including: promoting efficient labour markets, diminishing people's exposure to risks and; enhancing their capacity to protect themselves against hazards and interruptions/loss of income.(Asian Development Bank, 2011).

In fact, discussions on social protection as a public policy issue among developing states (particularly in Africa) remain inherently foreign. The term "living on the dole" is western in perception and not many Nigerians, of its over 140 million people know about it let alone consider that such a policy is a "social right". The scourge of the people's economic poverty exacerbated by poor and oppressive governance by *de facto* military regimes in almost twenty out of the nation's fifty years of political independence explains the people's non-recognition of their social right as represented by the social protection programmes.

Yet, even the intermittent pockets of democratic governance between and after those years of military rule did not remove government's indifference towards furthering social protection courses in the country. If there were any social protection initiatives, they were either accidental or those run with lip service.

This conference provides an auspicious opportunity therefore for policy makers in Nigeria to learn a lot in that direction about social protection, social insurance and the rights of the people thereof to enjoy them.

B. SOCIAL PROTECTION AS A RESIDUAL SAFETY NET: A THEORETICAL SUMMARY.

The concept of social protection as a residual safety net situates in the understanding that governments needs to operate in atmosphere of concord between them and the people they govern. As a *Social Contract* following the Hobbesian principle, governance should be such that elicits people's consent for governors to utilize the resources of the state in providing better living standards for the people in return. J. S. Mills believes that "...the only purpose, for which power can be rightfully exercised over any member of the civilized community against his will, is to prevent harm to others" (Hampshire-Monk, 1992). Such utilitarian framework for assuring the peoples' acceptance of government implies that the amount of "good" in terms of social protection initiatives or programmes which a government strives to maximize within the limits of available resources determines its level of social responsibility and acceptance. Government's commitment to social protection programmes therefore provides a *buy-out* of the people's consent which enables the policy makers to continue to exist whether or not there are legitimacy issues.

In as much as safety net programmes are targeted at "bailing out" more people who are at the risk of falling below manageable poverty lines, government would enjoy continuity of

the people's consent. Typically safety nets are non-contributory transfer programmes aimed at preventing the 'poorest of the poor' from further economic and social vulnerability. Safety net programmes are most often provided by the Public Sector (state) but could also be handled by aid donors or by the private sector (via NGOs, private firms, charities and informal household transfers). Such transfers could be cashed-based, food-based or in-kind transfers such as school supplies and uniforms, fee waivers, electricity, public transports or health vouchers.

For many years, social protection was regarded as a safety net for those who dipped temporarily below the poverty line. However, "research in recent years has indicated that there are strong links between *transitory* and *chronic* poverty and that social protection can have a significant effect on the latter as well as the former" (GSDRC, 2005).

The proportion of national income spent on social protection determines to a great extent the level of success in achieving the objective of *bailing* people out of poverty line. This proportion may be high in developed countries such as the UK and other EU countries but in the developing countries particularly of the African region, spending on social protection, if any, is abysmally negligible. Based on data collected on 74 countries taken from world bank public expenditure reviews, it is believed that African countries for instance spend between 1 to 2 per cent of their Gross Domestic Product (GDP) on safety net programmes particularly on *social insurance* and *social assistance* (Ferreira & Walton, 2006). Yet with poor statistical bases given African governments' indifference, the actual commitments are not known. The vital segment of the Nigerian population targeted for

the safety-net programmes (otherwise known as the “chronic poor”) is phenomenal. For instance, the incidence of poverty in Nigeria measured in terms of percentages of poor people in total population shows that this segment accounts for 28.1 percent in as far back 1980, 46.3 percent in 1985, 42.7 percent in 1992 and rose to 65.6 percent in 1996 (National Planning Commission, 2005). That figure has certainly changed during the past decade and half of its record with rising unemployment complimenting food shortages of the early years of the twenty first century.

Contemporary social protection programmes involve five major areas of protection namely;

- *Labour markets policies and programs:* designed to promote employment, the efficient operation of labour markets and the protection of workers;
- *Social insurance programmes:* to cushion the risks associated with unemployment, ill health’s disability, work related injury and old age;
- *Social assistance and welfare services programmes:* for the most vulnerable groups with no other means of adequate supports including single mothers, the homeless or physically or mentally challenged people;
- *Micro- and area- based schemes:* to address vulnerability at the community level including micro insurance, agricultural insurance, social funds and programmes to manage natural disabilities and;
- *Child-protection programmes:* to ensure the healthy and productive development of children (ADB, 2011).

These five broad areas of coverage of social protection programmes cohere with some of the aspects of the Millennium Development Goals (MDGs) articulated by the United

Nations Organizations and strongly fit the social economic needs of developing countries. However, the questions arise over the degree of state response to these areas of the people's needs.

Democratic governments in Nigeria have continually reneged on their responsibility to provide these social protection programmes and (even when they do) pursue them to logical levels of significance. Often policy makers in the Nigerian democratic governments do not see the issue of social protection as a right of the people. They in fact feel that the people should be grateful to government for altruistically providing some form of rudimentary physical development in terms of portable water, some kilometers of road construction, some form of funding for public schools and some epileptic power supply among others. Yet for all these, Nigerian political officers are proud to have secured what they have commonly tagged "dividends of democracy".

As a residual safety net, governments have embarked on social protection programmes to forestall a backlash from their people. Yet in a seemingly democratic polity as Nigeria, social protection programmes (and especially social assistance and welfare services) have been-particularly poor thereby making a greater proportion of the population to remain enmeshed in dire conditions of economic and social vulnerability. Poor labour market policies for instance have made life as a pensioner in Nigeria very miserable as most of these people live in debts and poverty (squalor) over non-payment of pension allowances and gratuities. An average Nigerian public servant would worry less about his present *poor* pay (at least in comparison with their private sector counterparts in the Nigerian

economy) while still in service. If anything else, he would worry more about its sustainability – that is, whether the payment scheme for administering this “poor pay” would continue after retirement. Government’s recent introduction of employer/employee contributory pension scheme has received *no thanks* from the people on ground that there are no institutional guarantees that their contributions would be available somewhere for them after their retirement. The emergence of several pension managers across the country has not yet produced any form of excitement to workers who, as prospective pensioners cannot be sure of the security of their contributions, let alone their entitlements, when they shall need them in the future. The contributory pension scheme has received more cynicism from among the people than a welcome.

C. AN APPRAISAL OF “NEEDS” & “AMNESTY” WITHIN THE SOCIAL PROTECTION FRAMEWORK.

As the social contract theory would imply, one of the expectations of government in Nigeria is to enjoy a peaceful social environment from among its people to enable it deliver good governance and other “democratic dividends” to its people in return. Two of the Nigerian government’s recent policies which would possibly fit into the *social protection* framework are namely; the National Economic Empowerment and Development Strategy (NEEDS) and the Yar’adua Amnesty policy for the Niger Delta militants.

When the President Obasanjo-led democratic government launched NEEDS in 2003, the vision of the policy makers is that it would be the Nigerian government’s “plan for prosperity” to help it “overcome” the deep and pervasive obstacles to progress that the

government and the people have identified” (National Planning Commission, 2004) . The set broad goals of NEEDS contained in the policy paper therein are “wealth creation, employment generation, poverty reduction and value re-orientation”. NEEDS particularly seeks to reduce poverty and inequality through several fronts namely;

- offering farmers improved irrigation, machinery and crop varieties to help boost agricultural productivity and “tackle poverty head-on” since half of Nigeria’s poor people work in agriculture.
- improving the educational system to enhance academic and social economic development of the Nigerian child.
- improving the system of health care delivery with emphasis on HIV/AIDS and other preventable diseases such as malaria, tuberculosis and reproductive health related illnesses.
- replacing the pension scheme with a contribution scheme to reduce pensioners’ vulnerability to economic poverty.

Yet seven years on, after the introduction of NEEDS with colossal financial and material commitments made, the level of countryside poverty has remained unchanged if not worsened. Pro-poor agricultural assistance programmes to farmers, especially in terms of new seedlings, fertilizers have been hijacked by a few privileged government officials who divert supplies to private locations where they are sold for personal enrichments. Farm subsidies and soft loans to co-operative farmers have reached fewer *original targets* than expected as imaginary co-operative societies with illusive corporate identities and comprising privileged political and government officials secure most of the these facilities than the “real targets” of the programmes. The comparatively rising rural poverty exacerbated by years of government/corporate indifference has further shifted the

number of *transient poor* into the bracelets of the *chronic poor* thus widening further, the gap of inequality of income among the various groups.

With seemingly high expectations of the people on NEEDS and yet low credible commitments and poor administration, the NEEDS programme is yet to have any social protection impact on the Nigerian people. A safety net over the socially and economically vulnerable group in Nigeria is yet to be imagined than real.

On Thursday, June 25 2009 the Nigerian president Umaru Musa Yar'Adua through a national broadcast on the media, made a declaration to the effect of granting unconditional pardon to "all those who have directly or in directly participated" in the Niger Delta militancy. This amnesty policy, in what has become a show of federal government's good-naturedness and humanitarianism climaxed government's response to a festering regional crisis in Nigeria's South-south geopolitical region. The Niger Delta crisis which gave rise to the militancy in the region has for almost two decades now impacted serious reverses on the political economy of the nation. The reverses range from stoppage of oil exploitation activities, intermittent closure of oil wells by major oil companies operating in the area (such as Shell, Chevron, Pan Ocean, Total), blowing up of oil terminals and installations to hostage taking of foreign staff of these oil companies in return for ransom payments amongst other activities. The effects have been very profound: a lull in the nation's oil production and hence in its oil revenues; and an unprecedented rise in regional insecurity in the Niger Delta with accompanying surge in nationalistic groups in the area purportedly fighting for the rights of the local people in

their protests against the federal government wanton neglect in providing physical developments to the region. The growing insecurity in the area have further impacted on the economic lives of the local people as company workers stayed back at home for several months (with the temporary workers among them otherwise known as “contract staffs” being *frictionally-unemployed*); domestic production of food plummeting due to fear of insecurity on the farmlands leading to a surge in prices, growing cost of living; and mounting social vices. The cumulative impact of these crises notwithstanding was exacerbated by the proliferation of militant nationalistic groups (albeit criminal outfits) in the region who have found new economic escapades in hostage-taking for ransoms, assassinations, armed robberies and “terror” on the innocent populace. With sharp vagaries in the international prices of crude oil (the country’s major export earner) at the heart of the recent global economic depression accompanied by a malnourished national power supply, the economic and social life of the nation let alone the Niger Delta region goes beyond the mere description of a misery or “melancholy”. The organic *stress* created by the troubled Niger Delta *subsystem* into the national economic and political system in the wake of this amnesty declaration by the federal government defies category and literal definition.

The *social protection* premise under which we evaluate the amnesty declaration for the Niger Delta militants situates on the understanding that many of the Niger Delta youths who joined these militants took to that recourse because they had wallowed in years of penury and lack. The policy was among other things designed to provide some sort of economic *safety net* for these category of people. Procedurally, the amnesty period was

for 60 days in the first instance during which all militant groups were expected to have handed over their arms and ammunitions to the Nigerian government security officials at designated locations / centres. This process is also expected to be accompanied by a rehabilitation/pacification phase for the erstwhile militants against which some billions of naira were earmarked in its administration. The rehabilitation programme involves an initial process of registration of the “surrendered militants” where general background information about the ex-militants is taken. This is then followed by a payment of some *Amnesty* monthly cash allowance amounting to some 200 to 300 pound Sterling. Meanwhile, most of these militants are housed and fed at some prestigious hotels located in selected towns in the region at the government’s expense. This is then followed by a series of skills-acquisition training programmes designed to provide the ex-militants some equipment in human-capacity building against their future economic life. The programme requires that successful training in these skills-acquisition programmes should be followed by some financial empowerment by the federal government in form of cash grants to enable the beneficiaries have some economic take-offs.

The amnesty programme is approaching its eighteen months of implementation and there are already much incidence of government’s failure and lack of commitment. Irregular payment of maintenance allowances accompanied by poor training facilities (in staff, vehicles and training kits and other materials for practicals) has occasionally forced the ex-militants into *recidivism*. They occasionally walk out of their hotels to launch some acts of hostage-taking in order to raise funds to support themselves while waiting on government to fulfill its promises to them in its rehabilitation/pacification bid.

D. ACCOUNTING FOR THE FAILURE OF SOCIAL PROTECTION PROGRAMMES IN NIGERIA.

Beside the continuing State's indifference and lack of commitment towards furthering social protection courses in the country, among the other major factors responsible for the failure of social protection bids in Nigeria is the issue of the *people's non-recognition of their rights* towards these programmes especially the state-sponsored ones. The level of awareness among the people coupled with the years of military/civilian dictatorship has gradually and systematically emasculated the people's conscience towards the realization of their rights in these and other directions. Not many of the "real targets" of these social protection policies can access these facilities for want of knowledge. Many people do not ask questions, and even if they do, fear to ask the right people (policy makers). No one wants to be branded "an opposition". Yet opposition provides a measure of check and balance in government. Moreover, existing security and judicial safeguards have failed severally to check the incidence of wanton assassinations in the country.

There is also the hydra-headed *monster of economic corruption* pervading the length and breadth of the Nigerian public service. Capital flight over the years by unpatriotic public servants and political officers through some smoldering-like money laundering acts and the unwieldy self-fixed salaries and allowances of national law makers have cumulatively starved the few good-intentioned social protection programmes of their relevant funding needs. Even the policymakers themselves acknowledge the degree of state corruption when its expressed in the NEEDS policy document:

Past governments in Nigeria, instead of focusing on delivering essential public services, assumed control of the national income. In the process, corruption thrived in public service and gained a strong foothold in society. (National Planning Commission, 2005; xiii)

E. CONCLUSION: A NEW DIRECTION FOR POLICYMAKERS

Given the enormity of poverty and economic vulnerability of the chronic and transient poor in Nigeria (though realizing that not many African economies can support massive social protection initiatives as a continuous government policy), national social protection systems according to (Pal, et al, 2005), are a very powerful means of alleviating and preventing poverty and can help mitigate the adverse effects of chronic poverty. Nigeria being a leading country in the African sub-region in terms of its seemingly abundant human and material resources can pursue simple social assistance and social insurance schemes to reduce the level of economic burden on this segment of the Nigerian society.

This should begin with adopting efforts at wiping out corruption which has eaten deep into the fabric of the Nigerian society. Towards this direction, stiffer penalties should not only be named but also fully applied fairly on culprits of economic sabotage especially those government officials criminally diverting farmers subsidies and materials to private use.

Nigeria, in particular, and African governments in general, *require new consciousness* about promoting healthy social protection programmes for their peoples. With growing civic awareness in the African region and especially the expanding perimeter of democratic governance in its *traditionally-totalitarian* North, social protection programmes provide not only some form of social security for the *chronic* and *transient*

poor but also some bridging of the income inequality gap among people in the African economy. “Living on the dole” programmes where those *cyclically* and *frictionally* unemployed can draw some periodic (albeit monthly) sustenance stipends can be introduced into the Nigerian economy to reduce the level of economic stress on the unemployed. However, as a starting point, government must carefully obtain an authentic inventory of all “capable, willing but unemployed” people to benefit from these programmes and then gradually extend to other categories of people.

The current *contributory pension scheme* should be *finetuned* to reflect government’s new commitment to this aspect of social insurance. Most contributors do not have access to their account books as most of the monies being deducted at source from the workers’ monthly salaries and emoluments at government bursaries are not accounted for by any documentary evidence. Beside, the contributors reserve the social right to know not only the size of their *monthly pension deductions* but also whether the government fulfils its monthly obligations. Currently, this information remains illusive to the contributing Nigerian worker. The institutionalization of private pension management in the country is new and many Nigerian pension fund managers are neophytes in the business. More so with the government’s recent bank-strengthening *policy of recapitalization* which saw many mergers and acquisitions (and many *exits*) among banks in the country, pension fund management appeared to be a new business terrain for some ex-bankers and some mega-investors seeking new investment grounds. Besides, government control policies on this issue-field are still very edgy thus requiring strengths to make them more trustworthy. Trust is the hallmark of any financial business.

The *NGOs should be strengthened* with state funding donations as most of their officers are community-based and well known to the local people. This will guarantee security of the scarce resources available to the NGOs and minimize fraud and fund diversion. If anything, social protection initiatives by private organizations and nongovernmental organizations have fared better in the country especially in the area of Small-and Medium-Scale-Enterprises (SMEs) finance. The Nigerian Opportunities Industrialization Centre (NOIC), an Effurun-based NGO with headquarters in Pennsylvania, USA has for over a decade now provided skills-acquisition programmes for youths in the area in several fields of artisanship and many of the graduates of the programmes have found self-employment in their various fields of training.

Finally, the Centre for Social Protection of the Institute for Development Studies of the University of Sussex, Brighton, UK should *provide some technical assistance* through internationally sponsored trainings to selected Nigerian beneficiaries who would in turn provide training and technical expertise back home in building healthy social protection programmes.

There is certainly yet a lot of efforts required institutionalizing social protection programmes as formal aspects of democratic governance in Africa as notes Ellis, Devereux & White (2006). Nigerian policy makers have a lot a stake in this initiative being the most-populous black African country and this London Conference on Social Protection is just one attempt among many others by all stakeholders and donor organizations, in the early start of such efforts.

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