

# Impacts of Conditionalities on Cash Transfer Beneficiaries in Osun State, Nigeria

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## Abstract

The study examined the conditionalities of the cash transfer programme in Osun state, Nigeria. It examined the level of compliance of the beneficiaries of the programme and investigated the impacts of conditionalities of the cash transfer programme. A descriptive research design was adopted for the study and a sample size of 240 respondents was involved. Twenty-four communities were purposively selected for the study in Osun State. Ten recipients of the cash transfer programme were selected from each of the 24 communities using a simple random sampling technique. A research instrument was used for data collection known as the 'Beneficiaries' Questionnaire on Impacts of Conditionalities on Cash Transfer programme in Osun State'. Data collected were subjected to percentage analysis. Findings showed that the majority of the programme's beneficiaries complied with the requirements or conditions attached to it. The findings of the study equally showed that the conditional cash transfer programme has changed the orientation of the beneficiaries on regular visitation to maternity centres. The study therefore concluded that for any poverty alleviation programme to be successful in Nigeria, especially in Osun state, conditionalities must be attached and beneficiaries should be encouraged to comply.

**Keywords:** cash transfer, conditionalities, Social Intervention Programme, top-up transfer and beneficiaries

**JEL codes:** B55, D60, I00, I30

## Introduction

Over the years, it has been observed that the poor attitude of many Nigerians toward behavioural change caused many to remain in poverty due to the inability to fulfil certain conditions or requirements attached to any poverty alleviation programme. Several programmes such as the International Fund for Agricultural Development (IFAD), Poverty Alleviation Programme (PAP), Agricultural Development Programmes (ADP), Food and Agricultural Organization (FAO), and National Economic Empowerment and Development (NEED), Operation Feed the Nation (OFN), Structural Adjustment Programme (SAP), People's Bank of Nigeria (PBN) among others have been introduced by the Nigerian government without attaching any condition to be fulfilled by the recipients of the programme. This may be the major reason for abusing many of these programmes. Conditional cash transfer was launched by the federal government of Nigeria to reduce poverty in the country, especially among the rural dwellers. Therefore, the National Cash Transfer Office (NCTO) in Abuja is responsible for the implementation of the conditional cash transfer programme at the national level, while the State Cash Transfer Unit (SCTU) under the Ministry of Women, Children and Social Affairs is responsible for this programme at the state level.

Conditional Cash Transfer is one of the Social Intervention Programmes which require impoverished households to use specified social services in order to receive regular payments. Conditional cash transfers (CCTs) provide monetary transfers to targeted populations (usually the poor, vulnerable and underserved) if they meet certain programme requirements or conditions, such as children attending regular clinics and receiving immunisations, or pregnant women attending regular antenatal clinics and giving birth in a health facility. People in chronic or transient poverty, as well as people from vulnerable groups, such as those who lose out as a result of reforms, are frequently targeted by cash transfer programmes (Grosh et al., 2008). Cash transfers are intended to alleviate some of the financial barriers that impoverished families confront in obtaining important services such as health care (Onwuchekwa et al., 2021).

However, conditionalities are described as behaviours that promote the accumulation of human capital in beneficiary households, hence enhancing their ability to create income in the future and assisting in the breakage of poverty transmission across generations (Ibarraran et al., 2017). It also refers to the requirements that programme participants must meet to receive top-up transfers. Conditionalities must be relevant and appropriate to achieve this purpose; that is, they must be related to characteristics of child development that can be influenced by the incentives provided by the transfers. Attendance at monthly training sessions sponsored by the National Cash Transfers Office is one of the criteria for obtaining stipends, according to Alalade et al. (2020). Furthermore, some countries establish larger co-responsibilities or conditionalities, such as prenatal and postpartum check-ups for pregnant and breastfeeding women, or co-responsibilities tied to specific objectives, such as school achievement and progression. These shared

obligations are also intended to promote the development of children's human capital. Complementary strategies have been implemented in several nations to encourage behavioural changes. The CCT programme in Mexico aims to provide health and education to prevent the intergenerational transmission of poverty. These conditions were designed to interrupt the vicious cycle in which impoverished families' lack of resources leads to nutritional, health and educational deficits, which, in turn, affect children's capacity to have a better future than their parents (Levy & Marin, 1991).

The main stipulation of the CCT programme is that recipients agree to make certain behavioural changes in exchange for the funds, such as enrolling children in school and maintaining adequate attendance, receiving prenatal and postnatal health care, and encouraging young children to have growth monitoring, immunisation, and periodic checkups (Ibarraran et al., 2017).

The CCT method assumes that the supply of social services for education and health is adequate and that boosting demand through income transfers is required to cause significant improvements in human capital investment. This explains why the success of CCT programmes in some nations does not ensure that they will operate similarly in other nations. For example, in many poor nations, particularly in rural regions, children suffer supply-related issues, such as a lack of schools, classrooms, or teachers to provide proper education to those who need it. In such cases, investing money in a CCT programme may not be enough to meet the educational goal. To minimize policy inconsistency and resource waste, CCT programmes in low-income countries with limited social service infrastructure should incorporate demand-side and supply-side challenges.

The underprivileged who can meet the conditions are the recipients of the top-up transfers. In turn, the conditions are frequently tailored to target certain groups within the poor population rather than the entire population. Residents of specific low-income regions, such as slums, may be offered a CCT. Alternatively, the programme is only available to families with young children or those who do not have a regular source of income. As a result, some of the poor are frequently left out of CCTs in order to accomplish a specific improvement in a narrowly defined demographic. The elderly poor are not covered by CCTs that target children and mothers. CCTs that are only available in one poor neighbourhood will not reach poor people in other areas. As a result, while a CCT tries to solve a specific issue area, it is merely one component of the social protection system. Nigeria's CCT programme was designed with health, education, nutrition, and environmental conditions in mind, to end generational poverty. The objectives of the top-up cash transfer are to:

- increase children's school enrolment/attendance,
- improve utilisation of health facilities for ante and post-natal care, child immunisation and nutrition,
- address environmental hazards to improve productive assets.

More so, CCT programmes have been utilised as a social protection tool for over two decades, primarily in Latin America, but recently spread among African countries and other regions.

In Nigeria, the top-up transfer co-responsibilities are state-specific, and suited to each state's shortfalls and capacities. Each state determines its co-responsibility area based on its circumstances and priorities. Osun state, for instance, has chosen health as its co-responsibility. The state is responsible for ensuring that adequate supply, such as facilities and services, is available in each of these areas (Ibarrarán et al., 2017). The inclusion of a Social Investment Programme component in CCT demonstrates a desire to improve Nigeria's national social safety nets by providing direct cash assistance to people, particularly women in rural regions who are otherwise financially insecure. A conditional cash transfer programme is also observed to be a good approach to reconcile safety nets, or more broadly social assistance measures, with investments in human development that help the poor (Son, 2008). He went on to say that giving money to disadvantaged families will not be enough to alleviate poverty in the long run. As a result, the aim is to give money to the poor on the condition that they commit to empowering themselves and assisting future generations of poor families to break the cycle of poverty.

The federal government of Nigeria is providing N5000 per month to recipients of the Conditional Cash Transfer scheme under the Social Investment Programme, who are among Nigeria's poorest citizens (Nwabughio, 2017). The beneficiaries get trained to be able to do business and also get support, both financial and technical, for starting their small businesses. As part of the programme, the beneficiaries of the programme need to work together by pulling their resources together through rotational or cumulative contributions. They are also expected to fulfil specific behavioural conditions. These conditions include children's school attendance, up-to-date vaccinations or regular visits to a healthcare facility by pregnant women.

In connection with Mexico's Oportunidades CCT programme, Fernald et al. (2008) studied the function of cash in conditional cash transfer programmes for child health, growth, and development. According to their findings, the cash transfer component of Oportunidades improves children's health, growth, and development. The money provides additional revenue to the family and may allow parents to spend more freely. They might also use the money toward household items and equipment that would lower a child's risk of infection, all of which would help them achieve better growth and health outcomes. The funds might also be used to purchase books, newspapers, or age-appropriate toys to provide children with cognitive stimulation. The money could also improve family members' psychological well-being, allowing them to provide better care, support, and nurturing to their children. The data back up the idea that Oportunidades is succeeding in its goal of promoting health through financial transfers.

In the same manner, a study was conducted by Ranganathan and Lagarde (2012) on the influence of conditional cash transfer programmes in Latin American nations on promoting healthy behaviours and improving health outcomes. Most rigorously evaluated CCT programmes that combine health and education have been shown to have positive effects on school enrollment and attendance for children with schooling-related conditions, though the magnitudes of those effects vary depending on the characteristics of the programme's target population (Fiszbein & Schady, 2009; Murnane & Ganimian, 2014; Glewwe & Muralidharan, 2016).

In Nigeria, Alalade et al. (2020) conducted a study on the perceived impact of the CCT programme on beneficiaries' livelihoods in Kwara state. Their findings demonstrated that the beneficiaries agreed that they had gotten the most out of the programme's many activities and that the programme had contributed to a significant improvement in their living conditions.

Part of the Nigerian government's efforts to reduce the poverty rate in the country was the introduction of the conditional cash transfer programme. Studies have shown that previous programmes introduced by the Nigerian government were not attached to any specific condition. For a beneficiary of any programme to have a behavioural change, a set of conditions needs to be attached. This may be one of the reasons for attaching conditionalities that must be fulfilled by the beneficiaries of the cash transfer programme before they can enjoy top-up transfers. Studies in countries like Mexico, Latin America and other regions have shown a positive level of compliance among the beneficiaries of cash transfer programmes. However, the fact that Osun state beneficiaries of the programme are fulfilling these conditions has not been ascertained. That is why the study examined the level of compliance of the beneficiaries of the cash transfer programme with its conditionalities and set out to investigate the impacts of the conditionalities on attitudinal change of cash transfer beneficiaries.

The general objective of this study was to investigate the impact of conditionalities on the lives of the beneficiaries of the cash transfer programme in Osun state. The specific objectives were to:

- identify the conditionalities of the cash transfer programme,
- examine how compliant the beneficiaries of the cash transfer programme are with its conditionalities,
- and investigate the impacts of conditionalities attached to the cash transfer programme.

The following research questions were raised to guide the objectives of the study:

- What are the conditionalities of the cash transfer programme?
- Do beneficiaries of the cash transfer programme comply with its conditionalities?
- What are the impacts of conditionalities attached to the cash transfer programme?

## 1. Methodology

The study adopted a descriptive research design. The population of the study comprised beneficiaries of a conditional cash transfer programme in Osun State, Nigeria. A sample size of 240 respondents was involved. A multi-stage sampling technique was used to select 6 local government areas from the three senatorial districts in Osun State. Two local government areas were selected from each of the senatorial districts in Osun State using a random sampling technique. Four communities were purposively selected from each of the local government areas, making up a total number of 24 communities altogether. Ten respondents were selected for data collection from each of the communities using a simple random sampling technique.

A research instrument was used for data collection known as Beneficiaries' Questionnaire on Impacts of Conditionalities of Cash Transfer programme in Osun State. The questionnaires were used to collect data on the beneficiaries' level of compliance with its conditionalities and to collect data on the impacts of conditionalities attached to the cash transfer programme in Osun state. The questionnaires were administered to beneficiaries of the Conditional Cash Transfer Programme. The respondents cooperated fully to complete or fill out the questionnaire. A duration of 6 weeks was used for data collection.

Data collected from the respondents were coded, scored and graded appropriately. Data collected were analysed using descriptive statistical tools. Research questions 1, 2 and 3 were analysed using percentages (%) and frequency count.

## 2. Results

**Research question one:** What are the conditionalities of the cash transfer programme?

Table 1: Responses on requirements or conditions that must be fulfilled by the recipients of cash transfer

Items on conditions/requirements of cash transfer	Yes (%)	No (%)
Maintaining adequate attendance at meetings	180(75%)	60(25%)
Receiving prenatal and postnatal health care	208(87.7%)	32(13.3%)
Encouraging young children to have growth monitoring	160(66.7%)	80(33.3%)
Immunisation	220(91.7%)	20(8.3%)
Periodic checkups	224(93.3%)	16(6.7%)
Enrolling children in school	150(62.5%)	90(37.5%)

Source: Authors' fieldwork



From Table 1 above, it can be seen that 180 (75%) of the recipients of the programme are aware that maintaining adequate attendance of meetings is part of the conditions they must fulfil to enjoy top-up transfer while 60 (25%) say they were not aware of the condition. 208 (87.7%) of the recipients of the programme believe that receiving prenatal and postnatal health care is another major requirement they must fulfil while 32 (13.3%) were not aware. Immunisation and periodic checkups are also part of the conditions they must fulfil as 220 (91.7%) and 224 (93.3%) of the recipients were aware, while 20 (8.3%) and 16 (6.7%) were not aware of these conditions.

From the foregoing, the study showed that the majority of the recipients of the cash transfer programme are aware of the requirements or conditions attached to cash transfers.

**Research question two:** Do beneficiaries of the cash transfer programme comply with its conditionalities?

Table 2: Responses on the level of beneficiaries' compliance with cash transfer conditionality

Items of the level of beneficiaries' compliance	Never (%)	Rarely (%)	Frequently (%)
I visit a maternity centre in my community for proper checkups	-	20(8.3%)	220(91.7%)
My children receive their vaccinations as and when due	-	50(20.8%)	190(79.2%)
Due to my busy schedule, I find it difficult to attend the cash transfer meeting	-	100(41.7%)	140(58.3%)

Source: Authors' fieldwork

From Table II above, the findings of the study revealed that 220 (91.7%) of the recipients of cash transfers complied with the visitation to a maternity centre in their various communities for proper checkups through their frequent visitations, while 20 (8.3%) of these recipients rarely visit the maternity centre. 190 (79.2%) of the recipients of cash transfers ensure that their children frequently receive their vaccinations as and when due, while 50 (20.8%) of the recipients' children rarely comply with this. The study also showed that 140 (58.3%) of the recipients of the cash transfer programme frequently attend the cash transfer meetings despite their busy schedules while 100 (41.7%) of the recipients of cash transfer rarely attend cash transfer meetings due to their busy schedules.

**Research question three:** What are the impacts of conditionalities attached to the cash transfer programme?

Table 3: Responses on impacts of conditionality attached to the cash transfer programme

Items on impacts of conditionality	SA (%)	A (%)	SD (%)	D (%)
Conditional cash transfers improved my access to education	100(41.7%)	120(50%)	-	20(8.3%)
The conditional cash transfer programme has increased my access to maternity centres	190(79.2%)	30(12.5%)	5(2.1%)	15(6.3%)
The conditional cash transfer programme has changed my orientation on maternity regular visitation.	190(79.2%)	30(12.5%)	5(2.1%)	15(6.3%)
The conditional cash transfer programme has changed my attitude toward savings	130(54.2%)	100(41.7%)	-	10(4.2%)
The conditional cash transfer programme has helped me provide a balanced diet and food for my children	65(27.1%)	90(37.5%)	35(14.6%)	50(20.8%)
The conditional cash transfer programme enabled me to feed my children as nutritiously as I would like	65(27.1%)	90(37.5%)	35(14.6%)	50(20.8%)

Source: Authors' fieldwork

From Table III above, the result showed that 100 (41.7%) and 120 (50%) of the total recipients of the programme strongly agree and agree that conditional cash transfer has improved access to education, while 20 (8.3%) of them disagree. 190 (79.2%) strongly agree that the conditional cash transfer programme has increased their access to maternity centres, 30 (12.5%) agree, while 5 (2.1%) and 15 (6.3%) of the recipients of the programme strongly disagree and disagree, respectively. The findings of the study indicated that the conditional cash transfer programme has changed the attitude of a larger percentage of recipients of cash transfer on savings, as 130 (54.2%) and 100 (41.7%) of them strongly agree and agree, while 10 (4.2%) of the recipients disagree. On providing a balanced diet and food for their children, 65 (27.1%) and 90 (37.5%) of the recipients of cash transfer strongly agree and agree that the conditional cash transfer programme has helped them, while 35 (14.6%) and 50 (20.8%) of the recipients strongly disagree and disagree on providing balanced diet and food for their children.



### 3. Discussion of findings

Research question one identified the conditionalities of the cash transfer programme. From the evidence of results presented in Table I, the findings of the study revealed that the majority of the programme's beneficiaries understood the conditions or requirements of the programme.

Research question two examined how beneficiaries of the cash transfer programme comply with its conditionalities. The findings of the study revealed that 220 (91.7%) of the recipients of cash transfers complied with the visitation to a maternity centre in their various communities for proper checkups through their frequent visitations, while 20 (8.3%) of these recipients rarely visit the maternity centre. 190 (79.2%) of the recipients of cash transfers ensure that their children frequently receive their vaccinations as and when due, while 50 (20.8%) of the recipients' children rarely comply with this. Despite the busy schedules of the majority of recipients of the cash transfer, the study showed that 140 (58.3%) of the recipients frequently attend the cash transfer meetings, while 100 (41.7%) of the recipients of cash transfers rarely attend cash transfers meetings due to their busy schedules.

Research question three investigated the impacts of conditionalities attached to the cash transfer programme. From the findings of the study in Table III, the results showed that the conditional cash transfer programme has improved the access of the beneficiaries to education, this is revealed from the data collected from them as follows: 100 (41.7%) of the recipients of the programme strongly agree, 120 (50%) agree, 20 (8.3%) disagree, while none of them strongly disagree. The findings of the study also revealed that 190 (79.2%) of the recipients of cash transfers strongly agree that the programme has increased their access to maternity centres, 30 (12.5%) agree, while 5 (2.1%) and 15 (6.3%) of the recipients of the programme strongly disagree and disagree, respectively. The finding is in line with the finding of the study carried out by Ranganathan and Lagarde (2012) on the influence of conditional cash transfer programmes in Latin American nations.

On beneficiaries' attitude to savings, the findings of the study indicated that the conditional cash transfer programme has helped a larger percentage of recipients of cash transfers on savings. The conditional cash transfer programme has helped the recipients of cash transfers to provide a balanced diet and food for their children. The findings of the study indicate that the programme has improved the standard of living of beneficiaries in the selected areas of Osun state. This finding aligns with the study conducted by Alalade et al. (2020) on the perceived impact of the CCT programme on beneficiaries' livelihoods in Kwara state.

## Conclusion

It could be drawn from the findings of the study that the larger percentage of recipients of cash transfers are aware of the conditionalities attached to the programme, such as enrolling children in school and maintaining adequate attendance, receiving prenatal and postnatal health care, and encouraging young children to have growth monitoring, immunization, and periodic checkups. The findings of the study also revealed that the majority of the programme's beneficiaries complied with the requirements or conditions attached to the cash transfer programme. It has also been shown that the recipients of cash transfers ensure that their children frequently receive their vaccinations as and when due. It can also be concluded that the conditional cash transfer programme has changed the orientation of the programme beneficiaries on regular visitation to maternity. The findings of the study also indicated that conditional the cash transfer programme has enabled them to feed their children as nutritiously as they would like.

The study therefore concluded that for any poverty alleviation programme to be successful in Nigeria, especially in Osun state, conditionalities to be fulfilled must be attached as this will go a long way in shaping the positive attitudes of the beneficiaries of the programme.

## Recommendations

Based on the conclusion drawn from the findings of the study, the following recommendations were proffered:

- Future beneficiaries of the cash transfer programme should be sensitised about the requirements to be fulfilled before they can enjoy the benefits of the programme.
- Beneficiaries are encouraged to comply with the standard of any programme.
- Any beneficiary who fails to comply with the conditions of the programme should not be given the top-up transfer.
- Programme executors should be strict with the conditions of the programme.
- Maternity centres should be well-equipped.

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