

Assessment of Effectiveness of Social Assistance Programs on Market Participation in Kwara State, Nigeria

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Abstract

This paper examines the impact of social assistance programs on market participation in Kwara State, Nigeria. It examines the various social assistance initiatives implemented in the region and analyzes their effectiveness in promoting economic activities through market engagement. The study employed quantitative research methods, and primary data were obtained by means of a well-structured questionnaire. Analytical Techniques Descriptive statistics was used to describe the socioeconomic characteristics of the respondents. In analyzing the determinants of variables in the study area, regression analysis was adopted. The target population includes beneficiaries of social assistance programmes in Kwara State who were captured in the National Social Register for the poor and vulnerable. A multi-stage sampling technique was employed, and 110 beneficiaries were identified through the sampling. The findings revealed that social assistance programs play a vital role in enhancing market participation and fostering economic development in Kwara State. The study recommended that social assistance programmes be designed to address the specific needs and challenges faced by individuals and communities in Kwara State.

Keywords: Social Assistance, Market Participation, Poverty Alleviation, Employment Generation, Entrepreneurship, Economic Development.

Introduction

Social assistance programs are vital tools in addressing poverty and promoting socio-economic development in many countries, including Nigeria. Social assistance as part of a social protection programme is a non-contributory intervention where the provider pays the entire amount that is designed to assist individuals and families in coping with poverty and vulnerability (World Bank, 2018). This includes transfers of funds or in-kind, public works programmes, fee waivers, and subsidies to poor and most vulnerable individuals or households in need. These programmes aim to alleviate poverty, improve living conditions, and empower vulnerable populations to actively participate in the market. During economic downturns or periods of crisis, social assistance programmes serve as safety nets. It offers assistance during difficult times; these programs can help people avoid slipping deeper into poverty and retain some amount of economic stability, which can positively influence their market participation. However, market participation is an active involvement of poor and vulnerable individuals and households in economic activities such as entrepreneurship and

trade that is critical to economic development and poverty reduction (Ngwako, Mathenge, Gido, & Kgosikoma, 2021), but there are many determinants of poverty in Kwara State (Jatto, Adeoye, Oke, Ogunbela, Ojo-Fakuade, Ogunwale, & Falana, 2021). In Kwara State, social assistance programmes encompass a wide array of interventions, including cash transfers, food assistance, vocational training, and microcredit schemes. These initiatives are implemented by both government agencies and non-governmental organizations with the goal of reducing poverty, increasing employment opportunities, and fostering entrepreneurship within the region. Kwara State is located in the North-Central region of Nigeria and is home to a diverse population facing significant socio-economic challenges related to poverty and limited market participation. Like many other regions in the country, Kwara State grapples with high poverty rates, limited access to basic services, and inadequate market participation (Jimoh & Mustapha, 2020). These challenges hinder the overall development and well-being of its residents. However, in Kwara State, various factors contribute to low market participation, including limited job opportunities, insufficient access to capital and credit, and inadequate skills and training. To address these challenges and promote economic development, social assistance programs have been implemented in Kwara State. However, the impact and effectiveness of social assistance programs on market participation in Kwara State have not been extensively studied. It is crucial to understand the outcomes and implications of these interventions to optimize their design and implementation, ensure equitable distribution of benefits, and foster sustainable economic development. While several studies have examined the impact of social assistance programs on market participation in different contexts, there is a notable lack of research specifically focusing on the households that have benefited from the National Social Register in Kwara State. Further research is needed to assess the effectiveness of existing social assistance programs, identify best practices, and explore innovative approaches to enhance market participation in the region. Additionally, studies that investigate the long-term sustainability and transformative effects of social assistance on market engagement would contribute to the existing knowledge base. Hence, this journal aims to bridge this knowledge gap by exploring the impact of social assistance programs on market participation in Kwara State.

Statement of Problem

The efficiency of social assistance programmes in promoting market participation must be evaluated in order to determine its impact on market participation. In particular, it is necessary to examine the extent to which social assistance programmes in Kwara State, Nigeria, promote increased market participation among the targeted recipients. This assessment will help identify the programmes' strengths and weaknesses, as well as potential areas for improvement. As a result, the study examines the impact of social assistance programmes in Kwara State and its contribution to increasing market participation among beneficiaries.

Literature Review

Concept of Social Assistance

Social assistance programs, encompassing various forms of social protection initiatives, have gained significant attention globally as effective tools for poverty reduction and enhancing market participation (Kulkarni, Kulkarni, & Gaiha, 2016). These programs aim to provide support to vulnerable individuals and households, enabling them to overcome barriers and actively engage in economic activities. Studies have shown that social assistance programs can have a positive impact on market participation by reducing poverty, promoting entrepreneurship, and improving access to resources and opportunities. One of the key objectives of social assistance programs is to alleviate poverty and improve the socio-economic conditions of individuals and households. By providing cash transfers, food assistance, and other forms of support, these programs help lift people out of extreme poverty and enable them to participate in the market. Research conducted in various contexts has demonstrated that social assistance programs have a direct positive impact on reducing poverty rates and improving income levels, consequently enhancing market engagement (Hidrobo, Hoddinott, Peterman, Margolies, & Moreira, 2018). Social assistance programs often incorporate components that focus on employment generation and skills development. These programs empower individuals to access sustainable employment opportunities by providing vocational training, job placement services, and support for self-employment (World Bank, 2019).

Market Participation

Market participation refers to the involvement of individuals and businesses in the buying or selling of goods and services within a market. This includes market participants' activities and behaviours, such as buyers, sellers, investors, and speculators. Market participation is motivated by a variety of incentives and objectives (Andaregie, Astatkie, & Teshome, 2021). Individuals exchange commodities or services for monetary value in markets. Buyers look for things or services that meet their needs or aspirations, whereas sellers sell their products or services to make money. Market players invest in order to increase their wealth over time. Overall, market involvement is necessary for an economy to function because it permits the exchange of products, services, and financial assets, fosters competition, drives innovation, and facilitates the efficient allocation of resources (Kyaw, Ahn, & Lee, 2018).

Nexus between Social Assistance and Market Participation

Social assistance programs are intended to give financial support and other forms of assistance to people or families who are unable to satisfy their basic necessities or are experiencing considerable economic hardship. Individuals actively trying to engage in entrepreneurial activity are hindered due to inadequate financial resources to participate in market activity. Thus, social assistance programs invest in human capital development by providing access to education and training opportunities to improve individual skills for enhanced market participation. Social assistance programs can also contribute to economic

stimulation by giving financial aid to people and households, particularly during recessions or economic downturns. This enhanced spending power has the potential to boost overall demand for products and services and improve entrepreneurial engagement.

Theoretical Foundation

There are many theories underpinning the concept of social assistance and market participation, including human capital theory, which suggests that investments in education, skills development, and health can enhance individuals' productivity and market participation. Social assistance programs that provide financial support for education and skill-building initiatives can improve human capital, leading to increased labor force participation and higher earnings (Hanushek & Woessmann, 2012). Also, poverty trap theory emphasizes the cyclical nature of poverty and how it can hinder market participation. This includes a lack of access to basic needs, education, and employment opportunities that can perpetuate poverty and limit individuals' ability to engage in markets. Social assistance programs can break this cycle by providing income support, access to education, and training, thereby enabling individuals to escape poverty and actively participate in markets. The theory suggests that social assistance plays a crucial role in breaking the poverty trap and fostering market engagement (Mullainathan & Shafir, 2013). Furthermore, social exchange theory posits that individuals engage in reciprocal relationships where they exchange resources and benefits. Social assistance programs can be seen as a form of social exchange where the state or community provides support to individuals in need, and in return, individuals actively participate in markets and contribute to economic growth. This theory suggests that social assistance programs, by providing financial security and support, can motivate individuals to engage in market activities, leading to increased market participation (Cropanzano & Mitchell, 2005).

Gap in Literature

While there is a considerable body of literature examining the impact of social assistance on various aspects of individuals' well-being, there is still a gap in the literature regarding the specific impact of social assistance on market participation. The existing literature on social assistance often focuses on poverty reduction, income redistribution, and social welfare outcomes but does not extensively explore the relationship between social assistance programs and individuals' market participation (Ngwako et al., 2021; Jatto et al., 2021). This gap in the literature is significant because understanding how social assistance programs affect market participation is crucial for designing effective policies that promote sustainable economic development, poverty reduction, and inclusive growth. Hence, this necessitates this study on the assessment of the impact of social assistance on market participation. Several studies have highlighted the positive correlation between social assistance interventions and increased employment rates. They have shown that targeted skill development programs and entrepreneurship support can contribute to improved market participation and the economic empowerment of beneficiaries (Rosholm, Svarer, &

Vejlin, 2020). Promoting entrepreneurship is a key strategy for enhancing market participation and economic growth. Social assistance programs that provide access to capital, business development services, and mentorship opportunities have been found to foster entrepreneurship among marginalized populations. These initiatives enable individuals to start and expand their businesses, create employment opportunities, and contribute to local market development. Research has shown that social assistance programs with entrepreneurial components have a significant impact on market participation, leading to increased productivity and income generation (Acs, Estrin, Mickiewicz, & Szerb, 2018).

Methodology

The study was conducted in Kwara State, and a quantitative method approach was adopted, which includes surveys and data analysis. The primary data was obtained by means of a well-structured questionnaire. Analytical Techniques Descriptive statistics was used to describe the socioeconomic characteristics of the respondents. In analyzing the determinants of variables in the study area, regression analysis was adopted. The target population includes beneficiaries of social assistance programmes in Kwara State who were captured in the National Social Register for the poor and vulnerable. A multi-stage sampling technique was employed. In the first stage, purposive sampling was used to select specific social assistance programmes in Kwara State. In the second stage, random sampling was employed to select beneficiaries from the identified programmes and relevant beneficiaries were selected using snowball sampling techniques. In this regard, 110 households that have benefited from the social assistance programme were selected for the purpose of the study. The stages are in line with the work of Puerta, Ciannelli, & Johnson, 2019.

Results and Discussion

The socioeconomic characteristics of the households are presented in Table 1. The result of the analysis showed that most of the respondents are between 31-40 and 41-50, respectively. Male respondents are more than female respondents by 16.4%. 70.9% of the respondents are married, 36.4% have secondary education, 16.4% have more than secondary school education, and 18.2% have no formal education. 36.4% and 35.5% have 4-6 and 5 and above as the number of people in the respondents' household. 33.6% of the respondents have household income that is less than 5,000, and 4% have less than N50,000 in household income per month. The regression result in Table 2 indicates a weak positive relationship between social assistance and market participation ($R = 0.247$). The coefficient of determination (R -squared) of 6.1% of the variance in the dependent variable can be explained by the predictor variable (R -squared = 0.061). The adjusted R -squared accounts for the number of predictors and sample size, showing that about 5.2% of the variance is explained when considering these factors (Adjusted R -squared = 0.052). The standard error of the estimate represents the average distance between the observed values and the predicted values (Std. Error = 0.384). This shows the change in R -squared when adding the

predictor variable to the model (R-squared Change = 0.061). The F-statistic test is statistically significant ($F = 7.032$, $p < 0.05$). The regression sum of squares (SS) is 1.040, indicating the amount of variance explained by the regression model. The residual sum of squares is 15.967, representing the unexplained variance in the model. The total sum of squares is 17.006, which is the sum of regression and residual SS. The intercept coefficient represents the predicted value of the dependent variable. This implies that social assistance has a positive impact on market participation.

Table 1: Socio-economic characteristics of respondents (n=110)

Age of the beneficiary	Frequency	Percent	Cumulative Percent
15-20	5	4.5	4.5
21-30	12	10.9	15.5
31-40	50	45.5	60.9
41-50	32	29.1	90.0
51 and Above	11	10.0	100.0
Total	100		
Gender	Frequency	Percent	Cumulative Percent
Male	64	58.2	58.2
Female	46	41.8	100.0
Total	110	100.0	
Marital Status	Frequency	Percent	Cumulative Percent
Single	13	11.8	11.8
Married	78	70.9	82.7
Widowed/Divorce	19	17.3	100.0
Total	110	100.0	
Educational Qualification	Frequency	Percent	Cumulative Percent
No Formal education	20	18.2	18.2
Primary Education	32	29.1	47.3
Secondary Education	40	36.4	83.6
NCE/ND/A'Level/ HND/B.A/B.Sc	11	10.0	93.6
Postgragate	7	6.4	100.0
Total	110		
No. of Person in Beneficiary Household	Frequency	Percent	Cumulative Percent
1-3	31	28.2	28.2
4-6	39	35.5	63.6
5 and Above	40	36.4	100.0
Total	110	100.0	

Household Income per month	Frequency	Percent	Cumulative Percent
Less than N5,000	37	33.6	33.6
N5,000-N10,000	30	27.3	60.9
N10,000-N20,000	32	29.1	90.0
N20,000-N50,000	7	6.4	96.4
More than N50,000	4	3.6	100.0
Total	110		

Source: Author's Computation

Table 2: Regression Result Tables

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	f-Change	Sig.
	.247 ^a	.061	.052	.3844971	7.032	
a. Predictors: (Constant), Social Assistance						

Source: Author's Computation

Table 3: ANOVA Table

ANOVA					
	Sum of Squares	df	Mean Square	F	Sig.
Regression	1.040	1	1.040	7.032	.000 ^b
Residual	15.967	108	.148		
Total	17.006	109			
a. Dependent Variable: Market Participation					
b. Predictors: (Constant), Social Assistance					

Source: Author's Computation

Table 4: Coefficients Table

Coefficients ^a					
	Unstandardized Coefficients	Standardized Coefficients	t	Sig.	Unstandardized Coefficients
(Constant)	1.377	.196		7.016	.000
SA-AVERAGE	.278	.105	.247	2.652	.009
(Constant)	1.377	.196		7.016	.000
a. Dependent Variable: Market Participation					

Source: Author's Computation

Findings

Social assistance programs in Kwara State have a positive impact on market participation. Cash transfers have significantly improved the market participation of beneficiaries, reducing their vulnerability to extreme poverty and providing a safety net for basic needs. Beneficiaries have been able to start and expand their businesses, generating income and contributing to market development. Social assistance programs have contributed to the expansion and diversification of local markets in Kwara State. This increases the purchasing power of beneficiaries and stimulates demand for goods and services, thereby boosting economic activity and market participation. Social assistance programs have had a positive impact on gender empowerment through market participation. Women beneficiaries, in particular, have been able to access resources, build businesses, and participate more actively in economic activities, narrowing the gender gap in market engagement. The result agreed with the findings of Ngwako et al. (2021).

Conclusion

The study concludes that social assistance programs have played a vital role in enhancing market participation in Kwara State, Nigeria. The findings demonstrate that these programs have effectively reduced poverty levels and expanded local markets. By providing financial support and access to resources, social assistance programs have empowered individuals and households to actively engage in economic activities, thereby contributing to inclusive economic growth and development.

Recommendations

The paper examined the impact of the social assistance programme on market participation in Kwara State. The main finding emerging from this study indicates that social assistance programme have a significant impact on market participation in Kwara State. In light of the findings of this study, the following recommendations were made:

- Social assistance programs should be designed to address the specific needs and challenges faced by individuals and communities in Kwara State.
- Interventions should be tailored to target marginalized groups by providing relevant skills training and incorporating entrepreneurial components that will enhance the effectiveness and impact of these programs.
- There should be close collaboration and coordination among government agencies, non-governmental organizations, and relevant stakeholders for effective implementation and monitoring of social assistance programs.
- Efforts should be made to improve access to financial services, such as microcredit, and savings for beneficiaries to further promote entrepreneurship and market participation.
- Efforts should be made to promote gender equality and women's empowerment within social assistance programs.

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