

National Social Protection and Poverty Reduction Strategies in Nigeria: A Policy and Institutional Analysis

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ABSTRACT

Nigeria entered the third decade of the twenty-first century carrying one of the largest absolute populations of poor people in the world, with the National Bureau of Statistics reporting that 133 million people—roughly 63% of the population—are multidimensionally poor. This paper offers a policy and institutional analysis of the country's national social protection and poverty reduction architecture, tracing its evolution from fragmented, donor-driven safety nets toward the codified ambitions of the 2017 National Social Protection Policy and its 2021 revision. Using the four-function (protective, preventive, promotive, and transformative) framework of Devereux and Sabates-Wheeler (2004) as an analytical lens, the study maps the three principal pillars of provision: non-contributory social assistance delivered through the National Social Investment Programme and the World Bank-financed National Social Safety Nets Project; contributory social insurance organised around the Pension Reform Act 2014 and the National Health Insurance Authority Act 2022; and labour-market interventions. The analysis finds that Nigeria has built impressive technical infrastructure—most notably a National Social Register covering more than 70 million individuals—yet remains hampered by chronic coverage gaps in the informal economy, fiscal under-investment, institutional fragmentation and overlap, weak legal entitlement, and recurrent governance failures, exemplified by the 2024 suspension of the National Social Investment Programme Agency amid allegations of large-scale financial misappropriation. The paper concludes that durable poverty reduction requires moving social protection from a discretionary, project-based posture to a rights-based, adequately financed and institutionally coherent system, and offers concrete recommendations toward that end.

Keywords: social protection, poverty reduction, Nigeria, social safety nets, conditional cash transfers, institutional analysis, National Social Register

INTRODUCTION

Few questions are as central to Nigeria's development trajectory as how the state protects its most vulnerable citizens against destitution, shocks, and chronic deprivation. As Africa's most populous nation, with more than 200 million people, Nigeria simultaneously possesses one of the continent's largest economies and one of the world's largest populations of people living in poverty. The 2022 National Multidimensional Poverty Index (MPI) survey, the most extensive ever undertaken in the country, found that 133 million Nigerians—approximately 63% of the population—are multidimensionally poor, with deprivation concentrated in rural areas (72%) and among children, of whom roughly two-thirds are multidimensionally poor (National Bureau of Statistics [NBS], 2022). This sobering statistic crystallises the central paradox of Nigerian social policy: despite decades of poverty-reduction rhetoric, ambitious programmes, and substantial donor engagement, the absolute number of poor people has risen rather than fallen.

Social protection has emerged globally as a leading instrument for addressing precisely this kind of entrenched poverty and vulnerability. Understood broadly, social protection comprises the public and private initiatives that provide income or consumption transfers to the poor, protect the vulnerable against livelihood risks, and enhance the social status and rights of the marginalised (Devereux & Sabates-Wheeler, 2004). For Nigeria, the policy salience of social protection intensified after 2015, when the convergence of declining oil revenues, rising poverty, and political commitments to lift 100 million people out of poverty within a decade prompted the federal

government to launch an unprecedented set of interventions and to codify, for the first time, a National Social Protection Policy (NSPP) in 2017, subsequently revised in 2021 (International Labour Organization [ILO], 2021).

Yet the gap between policy ambition and developmental outcome remains wide. Programmes have been launched and suspended, institutions created and reorganised, and registers built and contested—often without the legal entitlements, fiscal commitments, or administrative coherence that would convert episodic generosity into a durable system. The 2024 suspension of the National Social Investment Programme Agency (NSIPA) amid allegations of the misappropriation of tens of billions of naira exposed, in dramatic fashion, the governance fragilities that undermine even technically sophisticated interventions (Businessday, 2024).

This paper provides a policy and institutional analysis of Nigeria's national social protection and poverty reduction strategies. It pursues three objectives: first, to map the conceptual foundations and policy evolution of social protection in Nigeria; second, to analyse the institutional architecture—the actors, mandates, legal instruments, and financing arrangements—through which provision is organised; and third, to assess the effectiveness, coherence, and equity of the system against the benchmark of sustainable poverty reduction. The analysis is organised around the four-function framework of Devereux and Sabates-Wheeler (2004), which distinguishes protective, preventive, promotive, and transformative dimensions of social protection, supplemented by an institutionalist reading attentive to questions of legal entitlement, fiscal space, coordination, and accountability.

METHODOLOGY

Research Design

This study adopts a qualitative, desk-based research design situated within the interpretivist tradition of policy analysis. Because the research questions are concerned with how Nigeria's social protection system is configured, why it has assumed its present form, and how well it functions—rather than with measuring a single causal effect—a qualitative design grounded in documentary analysis is more appropriate than a quantitative or experimental approach. The design combines two complementary modes of inquiry: a policy analysis tracing the content, objectives, and evolution of the principal instruments, and an institutional analysis examining the actors, mandates, legal bases, financing, and accountability arrangements through which provision is organised. This dual orientation reflects the study's central premise that the effectiveness of social protection depends not only on programme design but on the institutional architecture that delivers it.

The study is explanatory as well as descriptive. It does not merely catalogue programmes; it interrogates the relationships among policy intent, institutional capacity, and developmental outcome, using an explicit analytical framework to structure that interrogation. In this sense the design follows the logic of a theoretically informed single-country case study, in which Nigeria is treated as a revelatory case of the wider challenge of building rights-based social protection systems in low-income, federal, and fiscally constrained settings.

Analytical Framework

The analysis is organised around two integrated lenses. The first is the four-function typology of Devereux and Sabates-Wheeler (2004), which classifies social protection instruments as protective, preventive, promotive, or transformative. This typology is used both descriptively—to map Nigeria's portfolio of interventions onto recognised functional categories—and normatively, as a benchmark against which to judge the completeness and balance of the system. The second is an institutionalist lens that evaluates the system along five dimensions identified in the comparative literature as decisive for performance: (a) the clarity and overlap of institutional mandates; (b) the legal basis and justiciability of entitlements; (c) financing and fiscal sustainability; (d) targeting and delivery systems; and (e) mechanisms of accountability, oversight, and intergovernmental coordination. Combining the functional and institutional lenses allows the study to connect what the system is meant to do with how, and how well, its institutions actually do it.

Data Sources and Selection

The study relies on secondary data drawn from three categories of source material, deliberately triangulated to offset the limitations of any single type. The first category comprises primary policy and legal instruments, including the National Social Protection Policy (2017) and its 2021 revision, the Pension Reform Act 2014, the National Health Insurance Authority Act 2022, and the Employee Compensation Act 2010. These establish the formal architecture of rights and obligations. The second category comprises institutional and programme documentation produced by the responsible Nigerian agencies—NASSCO, the National Social Investment Programme Agency, and the National Pension Commission—and by multilateral partners, notably World Bank project and press documentation and ILO country-profile and costing material. These illuminate programme design, coverage, and financing. The third category comprises the peer-reviewed and grey literature evaluating implementation and outcomes, together with reputable contemporary reporting used only for recent events (2023–2025) not yet treated in the scholarly literature, such as the suspension and reform of the social investment agency.

Sources were selected purposively according to three criteria: authority (preferring official, multilateral, and peer-reviewed sources over secondary commentary), relevance (direct bearing on the research questions), and recency (favouring the most current available data, given the rapidly changing policy environment). Where claims rested on journalistic sources, corroboration was sought across multiple independent outlets before inclusion.

Method of Analysis

Data were analysed through qualitative documentary and thematic analysis. The procedure involved three iterative steps. First, relevant documents were read and their content coded against the five institutional dimensions and the four functional categories set out in the analytical framework. Second, coded material was synthesised thematically to build a coherent account of each pillar of the system—social assistance, social insurance, and labour-market and transformative interventions—and of the cross-cutting institutional issues. Third, the synthesised evidence was assessed evaluatively against the normative benchmark of sustainable, rights-based poverty reduction, allowing the identification of strengths, gaps, and reform priorities. Triangulation across source types was used throughout to corroborate factual claims and to mitigate the bias inherent in any single source, particularly official self-reporting.

Scope, Limitations, and Ethical Considerations

The study's scope is the national, federal-level social protection and poverty reduction architecture, with subnational provision considered insofar as it bears on national coordination rather than analysed state by state. Three limitations follow from the design. First, reliance on secondary data means the analysis is constrained by the availability, consistency, and reliability of published figures; coverage and expenditure data in particular are sometimes reported differently across sources and should be read as indicative rather than definitive. Second, the absence of primary fieldwork means the lived experience of beneficiaries is accessed only indirectly, through existing evaluations. Third, the fast-moving policy environment—programmes suspended, reformed, and relaunched within short intervals—means that some operational details represent the position at the time of writing rather than a settled state of affairs.

Because the study uses only publicly available documentary material and no human participants, it raises no direct ethical concerns; nonetheless, care was taken to represent sources accurately and to avoid overstating contested or politically sensitive claims. Future research should incorporate mixed-method approaches that combine policy analysis with quantitative and qualitative data from beneficiaries, policymakers, and implementing agencies to strengthen validation. Comparative studies across different Nigerian states, and longitudinal analyses of programme outcomes, would deepen understanding of implementation variation and sustainable poverty reduction impacts.

CONCEPTUAL AND THEORETICAL FRAMEWORK

Defining Social Protection

Social protection is best understood not as a single instrument but as a family of policies sharing a common purpose: reducing the economic and social vulnerability of poor, vulnerable, and marginalised groups (Devereux & Sabates-Wheeler, 2004). The concept emerged as a critical response to the narrow “social safety nets” discourse of the 1980s and 1990s, which conceived of state support primarily as residual, targeted, and temporary relief against income shocks. As thinking on livelihoods, risk, and the multidimensional nature of poverty matured, a broader conception took hold—one that links short-term protection to longer-term human-capital formation and, ultimately, to the structural transformation of the conditions that produce poverty (Barrientos & Hulme, 2009).

The dominant analytical scheme in the field, and the one adopted here, is the four-function framework articulated by Devereux and Sabates-Wheeler (2004). It distinguishes four overlapping objectives. Protective measures provide relief from deprivation, as with social pensions or disability grants. Preventive measures avert deprivation, typically through social insurance mechanisms such as contributory pensions and health insurance that pool risk against contingencies like old age, illness, or unemployment. Promotive measures enhance incomes and capabilities, for instance through public works, livelihood grants, or school feeding that builds human capital. Transformative measures address the structural inequities, exclusion, and abuses of power that perpetuate vulnerability—through, for example, anti-discrimination legislation, minimum wages, and the extension of social and economic rights (Devereux & Sabates-Wheeler, 2004). The first three functions—the “three Ps”—were originally conceptualised within the ILO tradition; the transformative dimension was the framework’s distinctive contribution, reasserting the case for social as well as economic goals in development.

This framework is analytically powerful for Nigeria because it exposes the imbalance in the country’s portfolio. As the subsequent analysis shows, Nigerian provision is heavily weighted toward protective and, to a lesser extent, promotive interventions, with comparatively underdeveloped preventive (social insurance) coverage for the majority informal workforce and a largely aspirational transformative agenda.

Theoretical Perspectives on Social Protection and Poverty

Three theoretical lenses inform the analysis. The first is the rights-based perspective, which locates social protection within the state–citizen contract and treats access to a basic social minimum as an entitlement rather than charity (Devereux & Sabates-Wheeler, 2004). This perspective underlies the ILO’s social protection floor concept, which the revised Nigerian policy explicitly invokes, and it raises the central institutional question of whether benefits are legally guaranteed or remain discretionary.

The second is the social risk management perspective associated with the World Bank, which frames social protection as a portfolio of instruments for managing the risks that drive households into poverty—helping them prevent, mitigate, and cope with shocks. This view has strongly shaped the design of Nigeria’s safety-net architecture, particularly the emphasis on shock-responsive cash transfers and the construction of a national register to enable rapid, targeted delivery (World Bank, 2021).

The third is the structural theory of poverty, which holds that poverty is not principally a product of individual deficiency but of systemic factors—unemployment, underemployment, regional neglect, conflict, and weak institutions. Applied to Nigeria, this perspective directs attention to the spatial concentration of deprivation in the conflict-affected north-east and the rural north, and it cautions that transfers alone cannot dislodge poverty rooted in structural economic exclusion (Akoji & Abaji, 2025). Read together, these perspectives suggest that an effective national system must combine guaranteed entitlements, risk-pooling instruments, and structural interventions—precisely the combination that Nigeria has struggled to assemble.

A fourth, increasingly influential lens is the political-settlements approach to social protection, which insists that the adoption, design, and durability of programmes are determined less by technical optimality than by the incentives of ruling coalitions and the bargaining power of the poor. Comparative work on sub-Saharan Africa shows that where programmes are funded largely from international aid and designed under the influence of

external organisations, they tend to take the form of short-term pilots with limited reach and weak institutionalisation, reflecting the reluctance of political elites to commit domestic resources to redistribution (Niño-Zarazúa et al., 2012). The negotiated character of social protection politics—between donors, governments, and citizens—helps explain why Nigeria’s system, heavily reliant on World Bank financing, has expanded its delivery machinery faster than its domestic political and fiscal commitment (Hickey et al., 2018).

The Poverty and Vulnerability Context

Any analysis of social protection must begin from the scale and structure of the problem it is meant to address. Nigeria’s poverty is severe, multidimensional, and spatially uneven. On the monetary measure, 40.1% of Nigerians fell below the national poverty line in 2018/19, while the World Bank’s 2022 Nigeria Poverty Assessment documented that poverty reduction had stagnated since 2015 and projected continued deterioration driven by the COVID-19 shock (World Bank, 2022). On the multidimensional measure, the picture is starker still: the 2022 MPI found 63% of the population—133 million people—to be multidimensionally poor, with the national MPI value of 0.257 indicating that the average poor person experiences just over a quarter of all possible deprivations (NBS, 2022).

The distribution of this poverty matters for institutional design. Multidimensional poverty is overwhelmingly rural: 72% of rural residents are poor against 42% of urban residents (NBS, 2022). It is regionally concentrated in the north, where conflict, displacement, and infrastructural neglect compound deprivation, while southern states such as Lagos record markedly lower rates (Akoji & Abaji, 2025). It is also generational and gendered: two-thirds of children are multidimensionally poor, half of all poor people are children, and women, persons with disabilities, and rural dwellers face systematically higher deprivation (NBS, 2022). These patterns imply that a system reliant on uniform national transfers will inevitably mis-serve a population whose poverty is so heterogeneous.

The macroeconomic environment has compounded these vulnerabilities. The removal of the petrol subsidy and the devaluation of the naira in 2023 generated sharp inflation in food and essential commodities, eroding real incomes and pushing additional households toward or below the poverty line. It was precisely to cushion these reform-induced shocks that the federal government revised and scaled up its cash transfer model in 2023–2025 (New National Star, 2025). The labour-market structure further constrains what social insurance can achieve: approximately 92% of the employed population works in informal employment, and the informal sector contributed an estimated 57.7% of GDP in 2022, leaving the overwhelming majority of workers outside the reach of contributory pension and health insurance schemes (Pension Policy International, 2024).

Evolution of Social Protection Policy in Nigeria

From Fragmented Schemes to a National Policy

Nigeria’s engagement with social protection long predated any coherent policy framework. For much of the post-independence period, support to the poor was delivered through a patchwork of poverty-alleviation programmes (often launched by successive administrations under new names, weakly coordinated, and rarely evaluated) alongside informal, community, and family-based systems of mutual support that continue to carry most of the burden of risk-sharing for ordinary Nigerians. Formal social security was confined to a small formal-sector minority through pensions and, later, health insurance. Mapping exercises conducted before the current system took shape characterised provision as fragmented and donor-dependent, with non-state actors playing an outsized role in design, financing, and delivery, and with most schemes remaining small pilots of limited reach (Holmes & Akinrimisi, 2012).

Two early initiatives illustrate the pre-systemic era. The National Poverty Eradication Programme (NAPEP) ran a small conditional transfer scheme known as Care of the Poor (COPE), financed in part with resources released under the Heavily Indebted Poor Countries debt-relief process and reaching only a modest number of households (Niño-Zarazúa et al., 2012). Such schemes were typically short-lived, thinly funded, and disconnected from any unifying register or policy, exemplifying the weak institutionalisation that characterised social protection across much of West and Central Africa during the period.

The decisive shift came in two waves. The first was the construction of a delivery infrastructure. In June 2016 the World Bank approved a US\$500 million credit for the National Social Safety Nets Project (NASSP), to which the federal government committed substantial counterpart funding, with the explicit aim of laying the foundation for the country's first national safety-net system and an electronic register of poor and vulnerable households (World Bank, 2016). To operationalise the project, the government established the National Social Safety-Nets Coordinating Office (NASSCO) in 2016 to build the National Social Register, and a National Cash Transfer Office to deliver benefits (NASSCO, n.d.).

The second wave was the codification of policy. In 2017 the federal government adopted a National Social Protection Policy framework that sought to establish a minimum social protection floor for all citizens, with the threefold aim of reducing poverty, empowering the poor and vulnerable, and protecting households against economic shocks (World Bank, 2021). The policy was revised in 2021 under the coordination of the Ministry of Finance, Budget and National Planning, explicitly aligning the framework with the national aspiration of lifting 100 million Nigerians out of poverty within a decade and extending coverage to previously excluded groups, including the informal economy (ILO, 2021; NASSCO, 2021).

The 2021 Revised National Social Protection Policy

The Revised National Social Protection Policy (2021) is the keystone document of the contemporary system. It positions social protection as an umbrella, multi-sectoral framework intended to reduce poverty and provide a life of dignity for all citizens, and as a transformative tool for addressing poverty, unemployment, inequality, and exclusion (NASSCO, 2021). In the four-function language of Devereux and Sabates-Wheeler (2004), the revised policy is notable for its rhetorical embrace of the transformative dimension—social justice, equity, and inclusive growth—even as the instruments it can actually deploy remain concentrated in the protective and promotive domains.

Three features of the revised policy warrant emphasis. First, it adopts the ILO concept of a social protection floor, signalling a normative shift from residual relief toward a guaranteed minimum (ILO, 2021). Second, it foregrounds the integration of delivery systems—linking the National Social Register to the national identity system so that residents can be reliably identified and connected to government services. Third, it situates social protection within the Medium-Term National Development Plans (2021–2025 and 2026–2030), embedding the MPI as a measurement and policy tool and thereby attempting to institutionalise poverty monitoring within national planning (Oxford Poverty and Human Development Initiative [OPHI], 2022).

The principal limitation of the policy is its legal status. As a policy framework rather than an act of the National Assembly, it confers no justiciable entitlement; benefits remain administratively discretionary and politically contingent. The ILO has accordingly supported the drafting of a National Social Protection bill intended to give the framework statutory force, but at the time of writing the system continues to rest on policy and project foundations rather than on enforceable rights (ILO, 2021).

Institutional Architecture and Programme Pillars

Nigeria's social protection system can be analysed as three institutional pillars corresponding to the functional categories above: non-contributory social assistance, contributory social insurance, and labour-market interventions. Each rests on distinct legal instruments, agencies, and financing arrangements, and each exhibits a characteristic pattern of strength and weakness.

Pillar One: Non-Contributory Social Assistance

The National Social Investment Programme

The flagship of Nigerian social assistance is the National Social Investment Programme (NSIP), launched by the Buhari administration in 2016 to tackle high rates of poverty and vulnerability. The NSIP bundles four principal interventions (Nwagwu & Nnaeto, 2026; National Social Investment Program Agency [NSIPA], n.d.). The N-Power scheme provides young graduates and non-graduates aged 18–35 with paid engagement and skills development, paying monthly stipends to beneficiaries deployed in education, health, and agriculture. The

Conditional Cash Transfer (CCT), targeted at the poorest households identified through the National Social Register, provides cash benefits—originally NGN 5,000 monthly—conditioned on co-responsibilities intended to build human capital. The Government Enterprise and Empowerment Programme (GEEP) is a micro-lending intervention extending interest-free loans to traders, artisans, farmers, and especially women. The National Home-Grown School Feeding Programme (NHGSFP) provides meals to pupils in lower primary classes, simultaneously promoting enrolment, nutrition, and demand for locally produced food.

Mapped onto the four-function framework, the NSIP is analytically revealing. The CCT is primarily protective; school feeding and N-Power are promotive, building human and employability capital; and GEEP is promotive through livelihood enhancement. Evaluations report meaningful local effects—studies of beneficiaries find improvements in income, consumption, and access to basic services, with N-Power exhibiting the highest participation among the four schemes (Nwagwu & Nnaeto, 2026). At the same time, the programmes have been persistently criticised for politicisation, weak targeting, inadequate coverage relative to need, and—most damagingly—corruption and defective implementation (Punch, 2023).

The National Social Safety Nets Project and the National Social Register

Underpinning the cash-transfer component is the World Bank-financed National Social Safety Nets Project and the delivery machinery built around it. The project comprises two components: establishing the systems for a national safety net—above all the National Social Register (NSR)—and delivering cash transfers to poor and vulnerable households identified through that register (World Bank, 2016). NASSCO, established in 2016 under the relevant federal ministry, holds the core mandate of building the register through a combination of geographic and community-based targeting, while ensuring policy coherence across safety-net programmes irrespective of funding source (NASSCO, n.d.).

In December 2021 the World Bank approved an additional US\$800 million IDA credit for the National Social Safety Net Program Scale-Up (NASSP-SU), designed to expand shock-responsive support and to strengthen the national delivery system, with an original target of reaching 10.2 million households (World Bank, 2021). The register has since grown into the largest databank on the poor and vulnerable in the country: by 2025 officials reported that it covered more than 70 million individuals across roughly 19.7 million households (New National Star, 2025).

The benefit model has shifted markedly. The original design provided NGN 5,000 monthly; under the Tinubu administration, in response to subsidy removal and currency devaluation, this was revised to NGN 25,000 per household for three months, targeting up to 15 million households (Financial Energy Review, 2025). By September 2025 the government reported spending approximately NGN 330 billion on safety-net programmes in nine months, with at least 8.1 million households having received one or more tranches (Leadership, 2025). This represents a substantial scale-up, though still modest relative to a poor population exceeding 130 million.

Pillar Two: Contributory Social Insurance

The preventive function—pooling risk against old age, illness, injury, and death—is delivered through contributory schemes that, by design, reach principally the formal sector. The cornerstone is the Pension Reform Act 2014, which repealed and replaced the 2004 Act and established a uniform, fully funded Contributory Pension Scheme (CPS) for public and private sectors, regulated by the National Pension Commission (PenCom). Under the scheme, employers contribute a minimum of 10% and employees 8% of monthly earnings into individually owned retirement savings accounts, with the mandatory scheme applying to organisations employing at least 15 persons (Pension Reform Act, 2014; Pension Policy International, 2024).

Health protection is organised around the National Health Insurance Authority Act 2022, which transformed the former National Health Insurance Scheme into the National Health Insurance Authority and, critically, made health insurance mandatory for all Nigerians, to be delivered in collaboration with state health insurance agencies (ILO, 2021; National Health Insurance Authority Act, 2022). Complementary instruments include the Employee Compensation Act 2010, which funds compensation for work-related injury, disability, disease, or death through a 1% employer payroll contribution administered by the Nigeria Social Insurance Trust Fund.

The decisive weakness of this pillar is coverage. Because contributory schemes are tethered to formal employment, and because some 92% of the workforce is informal, only a small minority of workers enjoy social insurance: NBS data indicate that just 26.3% of wage employees are entitled to either a pension or health insurance, with vast interstate disparities (Pension Policy International, 2024). Recognising this, PenCom has sought to extend coverage to the self-employed and informal workers through a voluntary Micro Pension Plan—recently re-designated as a Personal Pension Plan—built on a contribution structure that splits savings between retirement and accessible contingent withdrawals to accommodate the liquidity needs of informal earners (Manifield Solicitors, 2025).

Pillar Three: Labour-Market and Transformative Interventions

The third pillar comprises active and passive labour-market measures and the broader transformative agenda. Active measures include the skills-and-engagement design of N-Power and various youth-entrepreneurship initiatives; passive protection includes the National Minimum Wage, periodically legislated and most recently revised upward. The minimum wage is theoretically a promotive-cum-transformative instrument: it raises the floor incomes of low-paid workers at little direct cost to government (Devereux & Sabates-Wheeler, 2004). In practice, however, its reach is limited by the same informality that constrains social insurance, by enforcement weaknesses, and by the erosion of its real value through inflation.

The transformative agenda—anti-discrimination protections, the inclusion of persons with disabilities, gender equity, and the conversion of policy aspirations into legal rights—remains the least developed dimension of the Nigerian system. While the revised policy and partner agencies articulate transformative goals, and while child-sensitive and gender-responsive planning is increasingly mainstreamed with UNICEF and other partners (United Nations Children’s Fund [UNICEF], n.d.), the absence of a statutory social protection guarantee means the transformative function is pursued through discretionary programming rather than enforceable entitlement.

Table 1

Principal Pillars of Nigeria’s Social Protection System

Pillar	Function (Devereux & Sabates-Wheeler)	Key Instruments & Agencies	Principal Limitation
Social Assistance	Protective / Promotive	NSIP (CCT, N-Power, GEEP, NHGSFP); NASSP; National Social Register; NASSCO, NSIPA	Coverage far below need; politicisation; corruption; discretionary, project-based
Social Insurance	Preventive	Contributory Pension Scheme (PRA 2014, PenCom); NHIA Act 2022; Employee Compensation Act 2010	Tied to formal sector; ~26% of wage workers covered; informal majority excluded
Labour-Market & Transformative	Promotive / Transformative	National Minimum Wage; active labour programmes; anti-discrimination & inclusion agenda	Weak enforcement; inflation erodes value; transformative goals lack statutory force

Note. Compiled by the author from sources cited in the text. CCT = Conditional Cash Transfer; NSIP = National Social Investment Programme; NASSP = National Social Safety Nets Project; PRA = Pension Reform Act; NHIA = National Health Insurance Authority.

Institutional Analysis: Coherence, Coordination, and Accountability

Beyond the catalogue of programmes lies the harder analytical question of how well the institutions that govern them function as a system. Four institutional challenges stand out: fragmentation and overlapping mandates, weak legal entitlement, fiscal insufficiency, and governance and accountability failures.

Fragmentation and the Federal Problem

Nigeria's social protection institutions have been repeatedly created, merged, and relocated, producing instability and overlap. The establishment in 2019 of a dedicated Federal Ministry of Humanitarian Affairs, Disaster Management and Social Development consolidated several functions, and the National Social Investment Programme Agency (NSIPA) was placed on a statutory footing by the NSIP Agency (Establishment) Act 2023 (PLAC, 2024). Yet authority over the same programmes has oscillated between the Presidency, the humanitarian ministry, and the finance ministry, and successive administrations have proposed amending the governing Act to relocate supervision and to make the National Social Register the primary targeting tool (PLAC, 2024). This institutional churn undermines the predictability on which beneficiaries and implementers depend.

Federalism adds a further layer of complexity. Although programmes are designed and financed largely at the federal level with World Bank support, delivery depends on cooperation from 36 states and 774 local governments, many of which operate their own state social investment offices and registers. The revised policy urges subnational governments to align their interventions with the national framework (NASSCO, 2021), but in practice coordination is uneven, and the constitutional division of responsibilities leaves accountability diffuse. Deeper insight into successful implementation practices across states would benefit from targeted comparative studies—an area that future research should prioritise.

The Governance Crisis of 2023–2024

The fragility of the institutional arrangements was exposed dramatically in 2023–2024. In October 2023 the Minister of Humanitarian Affairs suspended the N-Power scheme to probe irregularities; in January 2024 President Tinubu suspended the NSIPA Chief Executive over allegations of financial misappropriation and money laundering involving tens of billions of naira, and shortly afterward suspended the minister herself amid allegations of financial impropriety (Businessday, 2024; PLAC, 2024). The President then suspended all NSIPA programmes for an initial six-week period and constituted a Special Presidential Panel to audit and reform the agency (Businessday, 2024).

The consequences for beneficiaries were severe. The freeze on NSIPA accounts halted payments, distributions, and registrations; reports indicated that hundreds of thousands of N-Power beneficiaries were owed substantial arrears, with the House of Representatives later pressing for the unfreezing of accounts to enable the payment of stipends owed to some 395,731 beneficiaries amounting to over NGN 81 billion (TheCable, 2024). The episode demonstrates a recurring pathology: technically sophisticated programmes delivered through institutions that lack the financial controls, transparency, and independent oversight necessary to safeguard public resources. The reform response—anchoring targeting in the National Social Register, integrating the National Identification Number, and strengthening audit and oversight—is sensible, but it also reveals how much basic institutional integrity had been missing (New National Star, 2025). Strengthening monitoring and accountability mechanisms, and integrating digital governance and financial inclusion frameworks, should be central priorities for any durable reform.

Fiscal Space and Sustainability

A system's reach is ultimately bounded by its financing. Nigeria's social protection spending remains low relative to need and is heavily dependent on external financing and on volatile domestic fiscal conditions. The flagship cash-transfer programme has been financed substantially through World Bank IDA credits—US\$500

million in 2016 and US\$800 million in 2021—supplemented by domestic counterpart funding (World Bank, 2016, 2021). The ILO's 2022 costing exercise, which assessed 19 social protection policies and supported the government in modelling fiscal space, underscored that adequate, predictable domestic financing is the binding constraint on extending the social protection floor (ILO, 2021).

Dependence on borrowed and donor funds raises sustainability concerns: programmes scaled up on the strength of time-bound credits are vulnerable to contraction when those credits close, as the eventual closure of the original NASSP illustrates. Meanwhile, the contributory pillar, though it accumulates significant pension assets, transfers the financing burden largely to a small formal workforce and does little for the informal majority. Building durable fiscal space—through improved domestic revenue mobilisation, the redirection of resources freed by subsidy reform toward protection, and efficiency gains from integrated delivery systems—is therefore central to any credible strategy.

Effectiveness and Equity: An Assessment

Has this architecture reduced poverty? The honest answer is that it has produced localised gains without bending the national poverty curve. On the positive side, Nigeria has assembled, in under a decade, the technical scaffolding of a modern system: a large and improving national register, identity-linked payment rails, a costed policy framework, and a portfolio of programmes spanning protective, preventive, and promotive functions. Beneficiary-level evaluations consistently find that cash transfers and complementary schemes improve household consumption, school enrolment, nutrition, and access to services, and that programmes such as N-Power deliver real, if temporary, income and skills gains (Nwagwu & Nnaeto, 2026).

On the negative side, three equity and effectiveness problems persist. First, coverage is grossly inadequate relative to need: even an 8.1-million-household scale-up reaches only a fraction of the more than 130 million poor, and the preventive pillar excludes the informal majority almost entirely (Leadership, 2025; Pension Policy International, 2024). Second, targeting and exclusion errors are significant; community-based and geographic targeting, while pragmatic, can miss the poorest and is vulnerable to capture, and the very regions with the highest poverty—the conflict-affected north—are often hardest to reach. Third, the discretionary, project-based character of provision means that gains are reversible: a change of administration, a frozen account, or a closed credit line can suspend support overnight, as 2024 showed (Businessday, 2024).

Against the four-function benchmark, the system is unbalanced. Its protective and promotive functions are active but under-scaled; its preventive function is structurally confined to a formal-sector minority; and its transformative function—the conversion of discretionary relief into guaranteed, rights-based inclusion—remains largely unrealised. This imbalance helps explain the paradox with which the paper opened: substantial activity coexisting with rising aggregate poverty.

Two further weaknesses deserve emphasis. The first concerns targeting. Community-based and geographic targeting, adopted because reliable income data are scarce, is administratively pragmatic but prone to both inclusion and exclusion errors, and eligibility criteria have at times been opaque or inconsistently applied (Holmes & Akinrimisi, 2012). The integration of the National Identification Number and the move to verified, direct payments mitigate leakage at the disbursement stage but do not by themselves resolve errors at the identification stage. Community participation frameworks could help bridge this gap if properly structured and independently overseen.

The second concerns the system's near-silence on climate and disaster risk, which falls hardest on the rural poor. Nigeria carries one of the world's heaviest burdens of food crisis, with flooding a major driver of food insecurity, yet formal social policy has historically lacked provisions for climate-related shocks, leaving affected populations dependent on community-based mechanisms that remain peripheral to official programming (Hickey et al., 2018). The NASSP-SU's explicit ambition to build a shock-responsive system is therefore strategically important, but its realisation depends on financing and delivery capacities that are still being assembled (World Bank, 2021).

Toward a Coherent System: Policy and Institutional Recommendations

The analysis points to a clear overarching prescription: Nigeria must move from a collection of discretionary, donor-dependent projects toward an adequately financed, institutionally coherent, and legally guaranteed social protection system. Five concrete reforms follow.

1. **Legislate a social protection floor.** Enacting the pending National Social Protection bill would convert the 2021 policy from an administrative framework into a justiciable entitlement, insulating core benefits from political discretion and giving the transformative function statutory force (ILO, 2021).
2. **Consolidate institutional mandates.** The recurrent relocation of NSIP supervision among the Presidency, the humanitarian ministry, and the finance ministry should give way to a stable, clearly mandated lead institution, with the National Social Register established in law as the single targeting instrument and with defined roles for state and local tiers (PLAC, 2024).
3. **Strengthen accountability and controls.** The 2024 crisis demonstrates the necessity of independent audit, real-time payment transparency, identity-verified disbursement, and grievance-redress mechanisms. Integrating the National Identification Number into the register and publishing disbursement data are positive steps that should be entrenched and externally verified (New National Star, 2025). Digital governance frameworks and community participation mechanisms should be embedded within the accountability architecture.
4. **Extend coverage to the informal economy.** Because some 92% of workers are informal, the preventive pillar must be redesigned for them: scaling the Personal/Micro Pension Plan, operationalising mandatory health insurance through state agencies, and using the register to enrol informal workers in subsidised, contributory-plus-matching schemes (Manifold Solicitors, 2025; Pension Policy International, 2024). Financial inclusion initiatives should be coordinated with social protection delivery to maximise reach and impact.
5. **Build domestic fiscal space and shock-responsiveness.** Resources freed by subsidy reform should be ring-fenced for social protection; financing should shift progressively from external credits toward predictable domestic appropriation; and the system should be made automatically shock-responsive so that transfers expand during crises rather than after them (ILO, 2021; World Bank, 2021). Longitudinal evaluation frameworks should be institutionalised to assess sustainable poverty reduction outcomes and guide evidence-based reform.

CONCLUSION

Nigeria's social protection and poverty reduction effort is a study in the gap between capacity and outcome. In less than a decade the country has built a policy framework, a large national register, identity-linked payment systems, and a portfolio of programmes addressing protective, preventive, and promotive needs—an achievement that should not be understated in a low-income, federal, and fiscally constrained setting. Yet 133 million Nigerians remain multidimensionally poor, the informal majority stands outside the social insurance system, and the flagship social assistance agency was, as recently as 2024, suspended amid allegations of large-scale misappropriation (Businessday, 2024; NBS, 2022).

Read through the four-function framework of Devereux and Sabates-Wheeler (2004), the diagnosis is that Nigeria has invested in the machinery of protection without securing its foundations: legal entitlement, institutional coherence, adequate and sustainable financing, and robust accountability. The transformative promise of the revised policy—social justice, equity, and inclusion as rights—cannot be realised through discretionary programming alone.

The path forward is therefore less about inventing new programmes than about converting what exists into a genuine system: legislating the social protection floor, stabilising and consolidating institutions, extending coverage to the informal economy, embedding accountability, and financing the whole on a durable domestic

basis. This transition will require mixed-method research combining beneficiary perspectives, policymaker insights, and implementing agency experiences—including primary data collection at the community level—to validate reforms and measure long-term impacts. Whether Nigeria takes that path will determine if its considerable investment in social protection finally begins to bend the national poverty curve downward.

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