ASSESSMENT OF THE EFFECTS OF FEDERAL GOVERNMENT OF NIGERIA'S TRADERMONI SCHEME ON PETTY TRADERS IN OYO STATE

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Abstract
The study investigated the effects of Federal Government of Nigeria's Tradermoni scheme on petty traders in Oyo State. Descriptive survey research design was adopted for the study. Respondents were 300 beneficiaries of the scheme across the 33 local government areas of Oyo State selected via snowball sampling method. Tradermoni Structure Interview Questionnaire designed and validated by experts was used for data collection. Data collected were analyzed using frequency count, percentage, mean and standard deviation. Result shows that the amount of money given to beneficiaries varies as some did not even get up to N10,000 (x=1.86; SD =1.288). It also shows that the scheme did not meet the need of the beneficiaries (x=1.94; SD =0.703) and that the amount of money given to beneficiaries of the scheme should be reviewed upwards (x= 3.94; SD =0.271). Based on the findings, the need for adequate screening of participants to ensure that people outside the target of the scheme do not hijack it, upward review of the amount of money given to beneficiaries to at least N50,000 and the need to spend the money due to beneficiaries on assisting them to procure items/goods related to their businesses were recommended.

Keywords: Effects, Federal Government of Nigeria, Petty Traders, Tradermoni Scheme

Introduction

Social intervention in Nigeria, as noted by Ayogu, Abasi and Ecoma (2019), is meant for poverty alleviation and reduction in the gap between the rich and the poor. Developing countries such as Nigeria have many petty businesses which are struggling to survive. Some of these businesses have remained stagnant because of the inability on the part of the owners to raise enough capital to boost them. Odejimi and Agbada (2014) remarked that most small business owners are poor and need financial assistance to sustain and develop their businesses. It is apparently on this note that the Federal Government of Nigeria launched the Tradermoni in 2018. The scheme commenced in Lagos in 2018 (Agbo, 2018) and was borne out of the need to assist selected individuals with petty businesses with N10,000 while beneficiaries are expected to use the money to boost their businesses. It is a part of the National Social Investment programme, Tradermoni is a soft loan targeted at the less privileged members of society. According to Olateju (2021), 'the Tradermoni is a zero collateral loan administered by the Bank of Industry to widen the net of the government's financial inclusion to capture the grassroots. It is done to reach those at the bottom of the ladder since petty traders also contribute to the economic development of Nigeria. It aimed at helping to alleviate poverty in Nigeria by empowering traders and artisans. A unique feature of Tradermoni is that the beneficiary can access a higher amount of money as a loan after payment of the initial loan. The subsequent loan requires some documents (Bank Verification Number (BVN) and a bank account) as against the first loan of N10,000 which does not need any documents (Olateju, 2021). The subsequent loan proceeds from N10,000,00 to N15,000.00, to N20,000.00, to N50,000.00, and finally to N100.000.00.

According to Komolafe (2019), the Federal Government of Nigeria indicated that a sum of N10 billion was spent on Tradermoni in 2020 as included in the 2020 budget. Mixed feelings and reactions have, however, trailed the Tradermoni programme as some citizens have described it as politically motivated and a votes-buying strategy (Odiase, 2020; Uwaleke, 2019). Others see it as a method of poverty alleviation. Ever since the launching and sustenance of Tradermoni, much has not been known about the impact of the scheme on the economy as a whole and on the individual beneficiaries. Information about the impact of the scheme is necessary for providing the government with feedback needed about the scheme. Given the poverty rate among low-income earners and petty traders in Nigeria, with specific reference to Oyo State in particular, there is the possibility that beneficiaries of Tradermoni did not spend the money on boosting their businesses but on meeting other important needs. It is equally expedient to unravel if the beneficiaries who spent the money on their business found it adequate and useful. This is why this study is necessary.

Statement of the Problem

The major reason adduced for launching Tradermoni scheme is to alleviate poverty among petty traders, particularly those who are struggling to sustain their businesses. Many petty traders find it difficult to keep their businesses afloat and sustained because of poverty, stringent condition for obtaining loans, and high-interest rates. The problem which Tradermoni was designed to solve may continue if the beneficiaries fail to use the money for the primary purpose for which it was meant. Despite the huge amount of money given out as Tradermoni, many petty traders are still struggling to survive. The condition of many petty traders may not allow them to invest the money in their businesses owing to pressing personal and family needs. Investigating the impact of Tradermoni therefore will provide the Federal Government with a springboard to identify if the money offered is enough, suitable, and sustainable. This study becomes imperative to identify if the Tradermoni scheme has achieved its aim of strengthening petty traders' and artisan businesses. This will provide the government with feedback about the success, failure or otherwise of the scheme.

Purpose of the Study

The main purpose of this study is to investigate the impacts of Federal Government's Tradermoni on petty traders' businesses in Oyo State. The study will be undertaken to ascertain if Tradermoni scheme is serving the purpose of reinvigorating petty businesses of traders in Oyo State, Nigeria. The objectives of the study are to:

1. determine if the amount of money offered to beneficiaries as Tradermoni is enough to boost their businesses.
2. ascertain how the amount of money offered as Tradermoni is used by beneficiaries.

Literature Review

Tradermoni scheme is a major component of the National Social Investment Programmes (NSIP) approved by the National Assembly with the 2016 Appropriation Bill (Arikewuyo & Akanbi, 2020). The appropriation bill also captured other schemes such as MarketMoni, FarmerMoni, and Home-Grown School Feeding (Ifeanyi, 2019). The scheme was launched in phases by the Federal Government of Nigeria in partnership with the Bank of Industry. It is meant to enlarge the government's financial inclusion to capture Nigerian citizens at the grassroots. It is believed that the contributions of grassroots petty traders to the economic development of the nation is not small and as a result, money was given in form of soft loan to boost the businesses of petty traders at the grassroots.

The micro-credit scheme was launched by Professor Yemi Osinbajo, the Vice President, in Lagos State on 7th August, 2018 in five markets at Ketu, Mushin, Ikorodu, Agege, and Abule Egba. The scheme was later extended to cover the 36 states and the Federal Capital Territory between August and December 2018. As noted by Osinbajo (2019), by the middle of 2019, the scheme had covered over 1.5 million beneficiaries. Though the scheme was applauded by market women especially the petty traders and low-profile marketers, it was criticized by others as having a political motive. The scheme afforded beneficiaries to access N10,000 loan without the usual bureaucracy and protocols. The supply of correct names, identities, and mobile phone numbers of the applicants was the requirement for accessing the loan (Ifeanyi, 2019).

Methodology

The descriptive survey research design was adopted for this study. The study area was the 33-local Government areas of Oyo State, South-west Nigeria. The population for the study is all petty traders and artisans who had benefitted from Tradermoni scheme in Oyo State. A descriptive survey design was used for the study, this is due to the fact that the study is of a current situation or phenomenon. Respondents were selected via snowball sampling method. Snowball sampling method involves the sampling of known beneficiaries who will later help the researchers to identify other samples beneficiaries not known to the researchers. A total of 300 respondents participated in the study.

The instrument that was used to collect data is Tradermoni Structure Interview Questionnaire (TSIQ). TSIQ has two major parts. Part one deals with the biodata of respondents such as state of origin, age, and gender while Part two deals with questions items on the subject matter. The second part had five question items and used 4-likert scales from which the respondents would indicate their choice. TSIQ's face and content validity was achieved through vetting and validation by experts while its reliability was achieved via test-retest on 50 petty traders of similar characteristics. Also a structured interview method was used to collect data from beneficiaries who could not fill the questionnaire themselves.. Petty traders who already benefitted from the scheme were asked some questions that was prepared by the researchers. The response of the petty traders were ticked from the structure questions. Structured interview was employed to accommodate respondents who were not literate enough to give their responses to prepared Questionnaire. Test administration was achieved through research assistants, who were trained on the rationale for the study and how to administer the instrument. Data collected was analyzed using descriptive statistics such as frequency count, percentage, mean and standard deviation.

Results

Table 1: Copies of Questionnaire Administered and Retrieved

Item	Number
No of questionnaire administered	300
No of questionnaire retrieved	300
Percentage of questionnaire retrieved	100

Source: Researchers' Field Survey, 2023

Table 1 above shows that 300 copies of the questionnaire were administered and retrieved, a situation which represents 100.

Table 2: Respondents' Socio-Demographic Data

VARIABLES	N	%
Age		
18-27	57	19.0
28-37	82	27.3
38-47	87	29.0
58-57	46	15.5
58 & Above	28	9.3
Total	300	100
Gender		
Male	96	32
Female	204	68
Total	300	100
Occupation		
Artisan	118	39.3
Trading	182	60.7
Total	300	100

Source: Researchers' Field Survey, 2023

Table 2 which is the analysis of the respondents' socio-demographic data shows that most of the respondents were women who were traders and artisans within the age range of 28-47 years. This result is consonance with the findings of Odejimi and Agbada (2014), in which the authors reported that the informal sector has the highest number of active poor women, who are small business owners that need financial assistance to sustain and develop their businesses. As Onyenechere (2011) put it, the activities of the women are mainly petty trading, vocational enterprises, handicraft, farming and agro-processing.

Table 3: Mean and Standard Deviation to Indicate the Impact of Tradermoni Scheme

S/N	Item Statement	N	Mean	Standard Deviation	Remarks
1.	All beneficiaries of Tradermoni received N10,000 from the Federal Government.	300	1.86	1.288	Rejected
2.	Tradermoni scheme met beneficiaries' business need.	300	1.94	.703	Rejected
3.	The amount of money given as as Tradermoni is enough to boost beneficiaries' business.	300	1.60	.850	Rejected

S/N	Item Statement	N	Mean	Standard Deviation	Remarks
4.	Most of the beneficiaries of Tradermoni spent the money on personal needs and not on their business.	300	2.67	.908	Accepted
5.	The amount of money given as Tradermoni should be reviewed upwards.	300	3.94	.271	Accepted

Source: Researchers' Field Survey, 2023

Table 3 above shows the impact of Tradermoni Scheme on the respondents. Analysis of the first statement reveals that most of the respondents disagreed with the statement that all beneficiaries got N10,000 cash from the Federal Government of Nigeria as Tradermoni as shown by mean and standard deviation (x= 1.86; SD =1.288**)** which is lower than the expected mean, 2.5. The statement is rejected. Therefore, not all beneficiaries of Tradermoni Scheme received up to N10,000. Analysis of the second statement is on whether the scheme to meet beneficiaries' business need. The calculated mean (x= 1.94; SD =0.703) is less than the expected mean value of 2.5. The statement is also rejected. Therefore, the scheme failed to meet beneficiaries' business need.

Analysis of the third statement is to know whether the money given as Tradermoni was enough to boost beneficiaries businesses. The table shows that the calculated mean (x= 1.60; SD =0.850) is lower than the expected mean. The statement is also rejected. Therefore, the amount of money given as Tradermoni is not enough to boost beneficiaries' businesses. The fourth statement is meant to find out whether beneficiaries' of Tradermoni Scheme spent the money received on personal need, or on their businesses. The table shows that the calculated mean (x= 2.67; SD =0.908) is higher than the expected mean of 2.5 showing a strong agreement with the statement. The statement is therefore accepted. Hence, most beneficiaries' of Tradermoni Scheme spent the money received on personal need, and not on their businesses. Analysis of the fifth statement is meant to find out if that the amount of money given as Tradermoni should to be reviewed upwards. The table shows that calculated mean is higher (x= 3.94; SD =0.271) than the expected mean 2.5. Hence, statement is accepted. Therefore, the amount of money given to beneficiaries should be reviewed upwards.

Discussion of Findings

An assessment of the impact of Federal Government Tradermoni Scheme was carried out. Result shows that not all beneficiaries of the scheme got N10,000 stipulated amount. This means that the amount of money received by the beneficiaries of the scheme were not the same i.e. while some got N10,000, many others got less than that. This is supported by the report of The Punch Newspaper (December 18, 2018) where it was stated that the scheme is already enmeshed in fraud as some beneficiaries received as low as N2,000 as against the minimum amount of N10,000. This finding however negates that of Arikewuyo and Akanbi (2020) who reported that beneficiaries of Tradermoni Scheme received between N10,000 and N15,000.

It was also found that the amount of money given as Tradermoni did not meet beneficiaries' needs and was not enough to boost beneficiaries' businesses. This results is in consonance with Aworinde (2019) the amount of money given as Tradermoni was not enough to boost people's business because the loan scheme was enhancement of vote buying and Odiase (2020) who asserted that the scheme is politically motivated as a means to maintain power by the ruling party. This findings however negates that of Olateju (2021) in which it was reported that the programme has increased the profit and expand the business of the petty traders who benefited from the scheme and the petty traders who did not benefit in the scheme. This finding also contravene the finding of Ayogu, Abasi and Ecoma (2019) who reported that the Tradermoni scheme had a positive impact on the empowerment of petty traders in Nigeria and on poverty alleviation in the country.

The result also shows that most of the beneficiaries of the scheme did not spend the money on improving their businesses. These findings corroborate the report of the Leadership Newspaper (November 25, 2018), that people who collected the Tradermoni may not spend the fund on productive activities as they were not petty traders or artisans, adding that some of them were urchins and housewives who felt it is an opportunity to collect their own share of the national cake.

It was also found that the scheme must be reviewed in terms of the money being given out as Tradermoni if the government wants it to yield desired result. This lend credence to the report of Abubakar (2020) who noted that the scheme proves cannot alleviate poverty as amount given out is very little and cannot guarantee high return on investment, noting that profit margin from such amount will be very insignificant to lift beneficiaries from poverty or boost their business.

Conclusion

The amount given to beneficiaries varies as some did not even get up to N10,000. Most beneficiaries of Tradermoni scheme did not invest the money in their businesses and the amount given to beneficiaries should be reviewed upward for efficiency of the scheme.

Recommendations

Based on the findings of the study, it is clear that Tradermoni Scheme needs to be reviewed to ensure that intended beneficiaries are those who benefit from the scheme and that the money given to them can actually boost their businesses. It is equally imperative to make the following recommendations:

i. Adequate screening of participants should be carried out to ensure that people outside the target of the scheme do not hijack it.

ii. The amount of money given as Tradermoni should be reviewed upwards to at least N50,000.

iii. The money should be spent on assisting beneficiaries to procure items/goods related to their businesses so that they will not divert such money to personal needs.

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The study was sponsored by TETFUND Institution Based Researched Grant (IBR)