

SUMMARY

NIGERIA: IMPACTS OF NAIRA REDESIGN ON LIVELIHOODS IN HAYIN ADE AND WURO BAPPATE

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Context

This report is the third in a series highlighting political, socioeconomic, and environmental issues facing pastoralists and agropastoralists in Nigeria, in Hayin Ade in Kaduna State and Wuro Alhaji Idrissa Bappate (Wuro Bappate for short) in Taraba State. The research is motivated by the need to understand – from the perspective and lived experiences of the pastoralists and agropastoralists – their livelihood challenges, coping strategies, expectations and what they require to improve their living conditions.

Purpose

The third round of interviews investigated the compounding impacts of the Naira redesign policy on (agro)pastoralists in Hayin Ade and Wuro Bappate. This brief is intended to produce practical knowledge that can be integrated into existing and future support programmes in the study sites and within the broader pastoral network of the Fulbe Development and Cultural Organization (FUDECO).

Approach and method

This longitudinal study is following the same set of (agro)pastoral participants in Hayin Ade and Wuro Bappate, to track changing conditions and adaptive strategies. Through semi-structured interviews, a total of 60 individuals (15 women and 15 men at each site) shared experiences around the impacts of notable events on their lives and how they are coping since the last round of interviews in 2022. Interviews and focus groups were conducted in the local language (Fulfulde) and then transcribed into English and analysed.

Findings

The Naira redesign and digitalisation of banking transactions policy induced financial hardship for households in both communities, particularly due to lack of bank accounts and limited access to information-communication technology (ICT). The redesign policy removed cash from circulation to force citizens to use e-banking services. Before the policy's inception, rural communities such as Hayin Ade and Wuro Bappate relied primarily on cash for all financial

transactions, including for dealing with normal dry-season challenges and coping with shocks. Lack of cash made it difficult for the (agro)pastoralists to sell livestock, purchase supplemental fodder or veterinary medicines or food to cover household needs during the lean periods.

Policy implications

Rural (agro)pastoral communities require assistance to facilitate their participation in Nigeria's increasingly digital economy. Three key recommendations could support their participation: (1) assistance with securing national identification and opening bank accounts; (2) greater investment in rural ICT connectivity; and (3) training around fintech literacy, including reducing the risks of cyber fraud. Without such assistance, nearly 40% of Nigeria's population will remain excluded from formal financial participation, which limits opportunities for livelihood diversification and coping strategies for managing shocks and normal stresses.

Funded by



This material has been funded by UK aid from the UK government; however the views expressed do not necessarily reflect the UK government's official policies.