

Social Security, Enterprise and National Development in Nigeria: Building Livelihood Resilience, Economic Inclusion and Human Security

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ARTICLE INFO

Keywords:

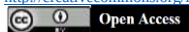
social security,
enterprise,
social protection,
economic inclusion,
human security,
Nigeria

Vol. 01, No.05, 2026

<https://doi.org/10.5281/zenodo.23473212>

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ABSTRACT

Social security and enterprise are often addressed as separate policy domains, with the former associated principally with welfare and vulnerability reduction and the latter with economic growth, employment and private-sector development. In Nigeria, however, the interaction between these domains has important implications for poverty reduction, livelihood resilience, social stability and national development. This article examines how social security can be strategically connected with enterprise development to strengthen economic inclusion and human security in Nigeria. The study adopts a qualitative documentary research design, drawing on scholarly literature, government policy documents, institutional reports and relevant development evidence. The article argues that social security should not be understood solely as the provision of income transfers or welfare benefits. Properly designed, it can provide the minimum security that enables vulnerable households to preserve productive assets, invest in human capital and participate in enterprise. Enterprise, in turn, can transform social protection from short-term consumption assistance into pathways towards sustainable livelihoods, income generation and economic independence. Evidence from Nigeria indicates that cash transfers, livelihood interventions, entrepreneurship programmes, employment policies and social registries already provide elements of such a linkage, but fragmentation, informality, limited coverage, inadequate financing, weak market access and insufficient coordination constrain their effectiveness. The article proposes an integrated social-security-to-enterprise pathway that connects protection, productive inclusion, enterprise development, employment and resilience. Such an approach can strengthen household capacity while contributing to broader social and economic stability.

1.0 Introduction

Social security has traditionally been conceptualised as an institutional mechanism for protecting individuals and households against social and economic risks. These risks include unemployment, sickness, disability, old age, maternity, employment injury, loss of income and poverty. The International Labour Organization (ILO, 2024a) places social security within the wider architecture of social protection, emphasising income security and access to essential services across the life course. This conception is particularly important in developing countries where households frequently encounter economic shocks without adequate insurance, savings or formal employment protection. In such circumstances, a temporary interruption of income can rapidly become a prolonged livelihood crisis, forcing households to sell productive assets, reduce food consumption, withdraw children from school or take on unsustainable debt. Social security therefore performs a protective function, but its broader developmental significance lies in its capacity to preserve the productive capabilities of individuals and communities.

The relationship between social security and development has become increasingly important as countries confront multiple and interconnected pressures, including inflation, climate change, technological transformation, demographic growth, unemployment, displacement and economic insecurity. The ILO (2024b) estimates that only slightly more than half of the global population is effectively covered by at least one social protection benefit, leaving billions of people without adequate protection. Coverage is substantially lower in Africa, where large informal economies make conventional contributory social insurance difficult to extend. The implication is that millions of economically active people remain simultaneously workers, entrepreneurs and socially vulnerable citizens. They generate income through farming, petty trading, transport services, artisanship, small-scale manufacturing and other informal activities, yet often lack pensions, unemployment protection, employment injury compensation, maternity protection or reliable access to health insurance.

The enterprise dimension is consequently central to the social-security debate. Enterprise represents more than the establishment of formal corporations. In developing economies, it includes micro, small and medium-sized businesses, family enterprises, cooperatives, agricultural enterprises, social enterprises, self-employment and other forms of productive economic activity. Such enterprises create income, absorb labour, distribute goods and services, connect communities to markets and provide mechanisms through which households can improve their economic circumstances. The World Bank (2025a) notes that economic-inclusion programmes can combine income support with business capital, entrepreneurship and life-skills training, coaching and market access to promote income generation, self-employment and asset accumulation. This suggests that social protection and enterprise development can be mutually reinforcing rather than institutionally isolated interventions.

Nigeria provides a particularly important context for examining this relationship. A significant proportion of Nigerians depend upon informal employment and self-employment, meaning that the boundary between household welfare and enterprise activity is often indistinct. A trader's business may finance household food consumption and children's education; a farmer's productive assets may simultaneously constitute family savings and business capital; and an artisan's tools may represent the principal source of household income. When an economic shock destroys such assets, the consequence is not merely a temporary business loss. It can produce household poverty, indebtedness, food insecurity and reduced social participation. Conversely, when vulnerable households receive appropriate financial protection and productive opportunities, social protection can help preserve and expand the assets upon which household resilience depends.

Nigeria has already developed elements of a national social-protection system. The National Social Safety Nets Coordinating Office (NASSCO) and the National Cash Transfer Office (NCTO) provide institutional mechanisms for identifying vulnerable households and delivering social assistance. The Household Uplifting Programme Conditional Cash Transfer, for example, targets poor and vulnerable households through the National Social Register and combines cash assistance with broader livelihood objectives (National Cash Transfer Office [NCTO], 2026). The National Social Investment Programme Agency (NSIPA) also provides an institutional platform for social investment interventions. These arrangements demonstrate that Nigeria has moved beyond a purely ad hoc understanding of social assistance towards a more system-oriented approach to social protection.

The significance of enterprise within this architecture is increasingly recognised. The National Cash Transfer Office describes livelihood support as part of the broader Household Uplifting Programme, while the wider national social-safety-net system is intended to connect vulnerable households with opportunities that can improve their capacity to cope with poverty and shocks (NASSCO, 2026). In December 2025, Nigeria also convened a national dialogue on extending social protection to informal-economy workers, recognising that millions of workers remain outside

conventional pension, health insurance, maternity and employment-injury protection mechanisms (ILO, 2025). This is important because enterprise and informal employment are major components of the Nigerian economy, yet workers in these sectors can remain economically active while being socially unprotected.

The connection between livelihoods, enterprise and stability is also visible in Nigeria's development and peacebuilding programmes. UNDP Nigeria (2025a) reports that livelihood interventions in conflict-affected communities are increasingly combined with social cohesion, local governance, infrastructure development, dispute-resolution mechanisms and empowerment of women and youth. Similarly, livelihood and skills interventions in communities affected by conflict in Northeast Nigeria have combined agricultural inputs, savings groups, skills training and community recovery to restore productive capacity (UNDP Nigeria, 2025b). These experiences demonstrate that productive activity can have consequences beyond household income. Enterprise can contribute to dignity, community participation, economic interdependence and resilience.

The central argument of this article is therefore that social security and enterprise should be connected through a deliberate policy pathway. Social security provides protection against shocks and prevents vulnerable households from falling further into poverty. Enterprise provides productive opportunities through which individuals can generate income, accumulate assets and participate in economic life. Between the two lies a critical policy space involving skills, finance, market access, infrastructure, mentoring, social insurance and institutional support. A national development strategy that treats these elements separately may protect people without sufficiently enabling economic advancement or promote enterprise without adequately protecting those exposed to business failure and economic shocks. An integrated approach can instead combine protection with productive inclusion.

2.0 Statement of the Problem

Nigeria faces a persistent challenge of combining poverty reduction with sustainable livelihood creation. Conventional social assistance can provide immediate relief to vulnerable households, but its impact on long-term economic independence depends partly on whether beneficiaries can transition into productive activities. At the same time, entrepreneurship programmes may provide business capital or training without adequately addressing the risks that cause vulnerable entrepreneurs to abandon their enterprises. Where social protection and enterprise policies operate independently, a household may receive temporary income support without acquiring productive assets, while a small entrepreneur may receive business financing but remain exposed to health, unemployment, disability, climate and market shocks.

The problem is particularly pronounced within Nigeria's informal economy. The ILO (2025) reports that most of Nigeria's workforce operates in the informal economy and that more than 60 million workers were estimated to lack forms of protection such as pensions, health insurance, maternity protection or employment-injury compensation. This creates a structural contradiction: people who contribute significantly to economic activity may remain outside the systems designed to protect workers and households against social risks. The absence of protection can discourage investment in enterprise, reduce the ability of households to withstand shocks and increase dependence on precarious income-generating activities.

A second problem concerns the scale and persistence of poverty and vulnerability. Social protection is intended to prevent households from falling deeper into poverty and to enable them to cope with shocks. Yet transfers that are insufficient, irregular or disconnected from productive opportunities may have limited transformational effects. The National Social Safety-Net system has expanded its shock-responsive mechanisms, but the existence of a delivery system does not automatically guarantee sustained livelihood transformation. Effective transition from vulnerability to economic security requires

complementary interventions involving productive assets, skills, market access, savings, credit, infrastructure and employment opportunities (NASSCO, 2026; World Bank, 2025a).

A third challenge is the vulnerability of Nigerian enterprises themselves. Micro and small businesses frequently operate with limited capital, weak infrastructure, constrained access to formal finance and substantial exposure to inflation, electricity costs, insecurity and fluctuations in consumer demand. The UNDP (2025c) notes that unreliable electricity remains a significant constraint for Nigerian small and medium-sized enterprises, affecting productivity, scaling and competitiveness. Consequently, simply encouraging entrepreneurship without addressing the structural environment in which enterprises operate may reproduce precarious self-employment rather than create resilient businesses.

The fourth problem is institutional fragmentation. Social protection, employment, entrepreneurship, poverty reduction, agricultural development and financial inclusion are frequently administered through different institutions and programmes. Nigeria has established important institutions and programmes in each of these areas, but stronger coordination is necessary to create coherent pathways from vulnerability to productive economic participation. The challenge is therefore not simply to increase the number of social-protection or enterprise programmes, but to improve the relationship between them.

This article addresses this problem by examining social security and enterprise as complementary instruments of national development. It argues that social protection should provide a foundation from which vulnerable Nigerians can enter or strengthen productive activity, while enterprise development should provide pathways through which beneficiaries can move towards greater economic independence. Such an approach does not imply that every recipient of social protection must become an entrepreneur. Rather, it recognises that beneficiaries have different capabilities and that appropriate pathways may include wage employment, cooperative activity, agriculture, self-employment, enterprise ownership or continued social assistance.

3.0 Objectives

The objectives of the study are to:

- i. examine the relationship between social security and enterprise development in Nigeria;
- ii. assess how enterprise can strengthen livelihood resilience and economic inclusion among socially vulnerable populations;
- iii. examine the role of social security and enterprise in strengthening human security and social stability; and
- iv. identify policy strategies for integrating social protection, enterprise development and employment pathways in Nigeria.

4.0 Research Questions

- i. What is the relationship between social security and enterprise development in Nigeria?
- ii. How can enterprise strengthen livelihood resilience and economic inclusion among socially vulnerable populations?
- iii. How can social security and enterprise contribute to human security and social stability?
- iv. What policy strategies can integrate social protection, enterprise development and employment pathways in Nigeria?

5.0 Conceptual Clarification

5.1 Social Security

Social security refers to organised mechanisms through which individuals and households are protected against specified social and economic risks. The ILO (2024a) identifies social security as encompassing protection against risks such as sickness, unemployment, maternity, employment injury, disability, old age and loss of family income, together with access to healthcare and other forms of social

assistance. In practical terms, social security can be contributory, such as pensions and social insurance, or non-contributory, such as tax-financed cash transfers and other social assistance.

For this article, social security is understood more broadly as a protective foundation that enables people to withstand economic and social shocks while maintaining basic consumption, human capital and productive capacity. The concept therefore includes both immediate protection and the conditions that enable individuals to remain economically active.

5.2 Enterprise

Enterprise refers to organised economic activity undertaken to produce goods or services, generate income, create employment or respond to market and social needs. In Nigeria, the concept includes micro, small and medium-sized enterprises, agricultural enterprises, cooperatives, self-employment, family businesses and social enterprises.

Enterprise is particularly significant in economies where formal wage employment cannot absorb the entire working-age population. However, enterprise should not be romanticised as an automatic solution to poverty. Without infrastructure, finance, skills, market access, security and social protection, entrepreneurship can become survival activity rather than sustainable economic advancement. Enterprise development should therefore be understood as a combination of productive opportunity and enabling institutional conditions.

5.3 Social Protection

Social protection is the broader policy architecture within which social security operates. It includes social assistance, social insurance, labour-market interventions and other measures designed to reduce vulnerability and protect people against poverty and social risks. NASSCO (2026) identifies social safety nets as important not only for reducing poverty and food insecurity but also for helping households cope with shocks, build human capital and connect people to employment opportunities.

Social protection therefore creates the policy bridge between welfare and economic participation. Its effectiveness should be assessed not only by the number of people receiving transfers but also by its ability to prevent impoverishment, preserve assets, improve human capital and enable productive inclusion.

5.4 Economic Inclusion

Economic inclusion refers to processes that enable poor and vulnerable people to participate meaningfully in economic activity and build sustainable livelihoods. The World Bank (2025a) associates economic-inclusion programmes with combinations of cash or consumption support, productive assets, entrepreneurship, coaching, skills and market access. Unlike narrowly defined poverty assistance, economic inclusion seeks to address multiple constraints simultaneously.

In the Nigerian context, economic inclusion can involve access to enterprise finance, agricultural inputs, vocational skills, savings mechanisms, digital financial services, markets and employment. It is particularly relevant to social security because protected households are better positioned to make productive decisions when they are not forced to use all available resources simply to survive.

5.5 Human Security

Human security shifts the focus of security from the state and territory alone towards the protection of people from serious threats to their survival, livelihood and dignity. The UNDP (1994) conceptualised human security around freedom from fear and freedom from want, while subsequent United Nations discussions have broadened attention to economic, food, health, environmental, personal, community and political security.

Social security and enterprise contribute particularly to the economic, food and community dimensions of human security. Stable income, employment, productive assets and resilient enterprises

can reduce exposure to economic shocks, while community-based enterprise can strengthen social interaction and mutual dependence.

6.0 Theoretical Framework

6.1 Human Security Theory

Human Security Theory provides the principal theoretical foundation for this study. The theory challenges narrow conceptions of security that focus primarily on military threats and territorial protection and instead places individuals and communities at the centre of security analysis (UNDP, 1994, 2022). Economic insecurity is therefore not merely a development concern; under appropriate circumstances, it can constitute a security concern when severe deprivation undermines human dignity, increases vulnerability and weakens social stability.

Applied to Nigeria, Human Security Theory helps explain why social security and enterprise should be examined together. A household without income protection may experience food insecurity, inability to access healthcare, loss of productive assets and educational disruption following a relatively modest shock. Enterprise can increase household capacity to generate income, while social security can protect that enterprise and household from catastrophic loss. The theory therefore supports an integrated understanding of protection and productive opportunity.

6.2 Sustainable Livelihoods Approach

The Sustainable Livelihoods Approach complements Human Security Theory by focusing on the assets, capabilities and institutional conditions through which households construct livelihoods. Chambers and Conway (1992) conceptualised sustainable livelihoods around capabilities, assets and activities necessary for living, while later applications emphasise the interaction between financial, human, physical, social and natural capital.

The approach is relevant to Nigeria because vulnerable households frequently combine multiple livelihood strategies. A household may farm, trade, engage in casual labour and operate a small enterprise simultaneously. Social security can protect these livelihood assets during periods of crisis, while enterprise development can increase the productivity and diversification of those assets. The approach therefore provides a useful analytical basis for linking social protection to productive inclusion.

7.0 Methodology

The study adopted a qualitative documentary research design. Documentary research is appropriate for examining social-security and enterprise policy because both fields are substantially shaped by legislation, government programmes, institutional reports, policy documents, development assessments and scholarly research. Materials reviewed for the study included publications of the Nigerian government, ILO, World Bank, UNDP, United Nations agencies and relevant academic literature.

The analysis employed thematic interpretation. Documents were examined for recurring themes concerning social security, enterprise, poverty, economic inclusion, employment, livelihoods, human security, social resilience and institutional coordination. The study did not involve primary interviews, questionnaires or field observations. Accordingly, the findings are analytical and documentary rather than claims of independently conducted fieldwork.

8.0 Social Security and Enterprise: From Protection to Productive Participation

The central relationship between social security and enterprise can be understood through the concept of productive protection. Vulnerable households often face a difficult choice between immediate consumption and investment in future income. When income is extremely unstable, scarce resources are prioritised for food, healthcare, rent and other immediate needs. Investment in business equipment, education, agricultural inputs or enterprise expansion becomes difficult. Social security can alter this calculation by providing a minimum degree of income stability.

Cash transfers, pensions, health protection and other forms of social assistance can therefore perform a productive function even when they are not formally classified as enterprise programmes. By reducing the severity of consumption shocks, they can prevent households from selling livestock, tools, land or other productive assets. NASSCO (2026) specifically identifies social safety nets as mechanisms that help households cope with shocks and connect people with employment opportunities. The strategic question is therefore not whether social assistance should replace enterprise, but how social assistance can create conditions in which productive activity becomes more sustainable.

The World Bank (2025a) provides broader evidence for this approach through economic-inclusion programmes that combine income support, business capital, entrepreneurship and life-skills training, coaching and market access. Such combinations recognise that poor households frequently face multiple simultaneous constraints. A person may possess entrepreneurial capacity but lack capital; another may possess capital but lack skills; another may possess skills but lack access to markets; and another may require temporary income protection before becoming capable of productive investment. An effective policy system must therefore match interventions to the nature of vulnerability.

Nigeria's social-protection architecture already contains some components of this approach. The National Cash Transfer Office's programme architecture includes livelihood support alongside cash transfers and other mechanisms (NCTO, 2026). The challenge is to institutionalise the connection so that productive inclusion becomes a systematic pathway rather than an occasional programme component.

9.0 Enterprise as a Pathway to Livelihood Resilience

Enterprise contributes to livelihood resilience by diversifying household sources of income. Households dependent upon one unstable source of income are particularly vulnerable to economic shocks. Enterprise can create alternative income streams and enable households to accumulate assets that can be used during periods of crisis.

This is especially important in rural and semi-urban Nigeria. Agricultural households may combine farming with processing, livestock production, petty trading or other enterprises. Urban households may combine wage employment with informal businesses. Women frequently operate small-scale trading, food processing, tailoring, agricultural processing and service enterprises that supplement household income. These activities may be small in scale, but collectively they form a major component of household economic resilience.

Enterprise, however, cannot produce resilience automatically. Inflation, energy costs, insecurity, weak transport systems, limited credit and uncertain markets can rapidly undermine small businesses. UNDP Nigeria (2025c) identifies unreliable electricity as a significant constraint on the productivity and expansion of Nigerian SMEs. Enterprise policy must therefore address the business environment alongside entrepreneurship training.

Social security can also reduce enterprise risk. Health insurance can prevent illness from consuming business capital; pension arrangements can reduce pressure on older people to remain in precarious economic activity; employment injury protection can protect workers from catastrophic loss; and cash transfers can prevent temporary business disruption from becoming permanent household destitution. The relationship is therefore reciprocal: social security protects productive capacity, while enterprise generates income that can progressively reduce dependence on social assistance.

10.0 Social Security, Enterprise and Informal Economy Workers

The informal economy is central to understanding the Nigerian relationship between social security and enterprise. Informal workers include traders, farmers, artisans, transport operators, domestic workers, small-scale manufacturers and numerous other categories of economically active people. Their contribution to economic activity is substantial, but many remain outside conventional systems of social insurance.

The ILO (2025) reports that Nigeria convened a national dialogue in December 2025 specifically to expand social protection to informal-economy workers. The initiative recognised that millions of workers lack pensions, health insurance, maternity protection and employment-injury compensation. This is a significant policy issue because the people most dependent upon enterprise for their livelihoods may simultaneously be those least protected against the risks associated with enterprise.

The extension of social protection to informal workers should therefore be approached through flexible mechanisms. Conventional payroll-based contribution systems may not adequately reflect the irregular income patterns of informal entrepreneurs. More adaptable arrangements could include simplified contribution mechanisms, mobile payment systems, cooperative enrolment, micro-pension schemes, subsidised health insurance and graduated contributions linked to income levels.

Such mechanisms can improve both welfare and enterprise sustainability. A trader who knows that illness will not completely eliminate household income may be more willing to invest in stock. An artisan with employment-injury protection may be less exposed to catastrophic household poverty following an accident. A self-employed worker with a pension mechanism may be able to plan beyond immediate consumption. Social security consequently becomes an instrument for reducing the risk associated with productive activity.

11.0 Enterprise, Youth and Employment

Youth employment is one of the most important dimensions of the social-security-enterprise relationship. A young population requires pathways into productive economic activity, but employment systems in many developing countries cannot generate formal wage employment at the scale required. Enterprise and entrepreneurship can therefore form part of the employment architecture, particularly when connected to skills, finance and market opportunities.

Nigeria's National Employment Policy 2025 places youth empowerment, vulnerable populations and decent work within a broader national employment framework (ILO, 2025b). This creates an opportunity to connect employment policy with social protection and enterprise development. Rather than treating youth entrepreneurship as a stand-alone intervention, policy should connect skills acquisition to identifiable market opportunities, finance, mentorship, digital platforms, apprenticeships and enterprise value chains.

The emphasis should also move from training numbers to livelihood outcomes. A programme that trains thousands of young people but does not provide pathways to customers, finance or employment may have limited long-term impact. Conversely, enterprise programmes connected to existing markets and value chains can provide more realistic opportunities for sustained income generation.

Social security has an important role in this transition. Young people entering self-employment may initially have unstable incomes and limited assets. Temporary income support, health protection, affordable insurance and access to savings can provide a foundation from which enterprise can develop. The objective should not be permanent dependence on transfers but a graduated system in which protection is combined with opportunities for productive advancement.

12.0 Women, Enterprise and Social Protection

Women occupy a significant position within Nigeria's informal and household economies. Women engage in agriculture, petty trading, food processing, tailoring, retail, services and numerous other activities that sustain households and communities. Yet gendered constraints can limit access to finance, land, technology, formal employment and business networks.

Social protection can address some of the risks that constrain women's economic participation. Maternity protection, childcare, health coverage and income support can reduce the costs associated with reproductive and care responsibilities. Enterprise programmes can complement these measures by improving access to finance, skills, markets and productive assets.

Evidence from economic-inclusion programmes elsewhere also demonstrates that combining income support with productive assets, training, coaching and market access can increase income and business performance, particularly among women (World Bank, 2025a). For Nigeria, this suggests that social-protection programmes should consider enterprise development not simply as a financial intervention but as part of a broader strategy for women's economic inclusion.

The objective should nevertheless be inclusion rather than compulsory entrepreneurship. Women who face severe vulnerability may first require social assistance and essential services before enterprise participation becomes realistic. Others may require employment rather than business ownership. Policy must therefore provide multiple pathways while ensuring that enterprise opportunities remain accessible to women who choose them.

13.0 Enterprise, Social Cohesion and Human Security

The significance of enterprise extends beyond individual income. Economic relationships can contribute to social cohesion when they create legitimate opportunities for people from different communities to interact and pursue shared economic interests. Markets, cooperatives, agricultural value chains, producer associations and community enterprises can create forms of interdependence that strengthen social relationships.

This is particularly relevant in conflict-affected communities. UNDP Nigeria (2025a) identifies livelihoods, social cohesion, local governance and community resilience as interconnected dimensions of sustainable peace. Similarly, programmes in Northeast Nigeria have combined livelihood recovery, skills training, savings groups and community-level interventions to strengthen resilience among communities affected by conflict (UNDP Nigeria, 2025b).

Enterprise can therefore form part of a preventive human-security strategy. When people possess legitimate economic opportunities and communities have mechanisms for cooperative production and exchange, vulnerability to economic desperation may be reduced. However, enterprise can also reproduce exclusion or conflict if access to resources is captured by particular groups. Enterprise policy should consequently incorporate principles of transparency, inclusion, conflict sensitivity and equitable access.

14.0 Social Security and Enterprise in Conflict-Affected Communities

Nigeria's experience with displacement and insecurity demonstrates the importance of linking social protection with productive recovery. Conflict frequently destroys homes, farms, livestock, shops, tools, infrastructure and social networks. A purely humanitarian response may address immediate consumption needs but cannot by itself restore sustainable livelihoods.

The transition from relief to recovery therefore requires productive assets, skills, access to markets and financial mechanisms. UNDP Nigeria (2025a) describes livelihood support in conflict-affected communities as part of an integrated approach that also includes social cohesion, local governance and community resilience. This reflects a broader shift from treating affected populations solely as recipients of assistance towards recognising them as economic actors capable of rebuilding their livelihoods.

Social security is particularly important during this transition because enterprise recovery is inherently risky. A displaced farmer returning to production, a woman reopening a small shop or a young person establishing a service enterprise may have little financial capacity to absorb another shock. Protection mechanisms can therefore reduce the likelihood that a second shock will reverse the recovery process.

The policy implication is that post-conflict programming should connect cash assistance, livelihood grants, enterprise development, skills, savings mechanisms and market access. Such a model can contribute simultaneously to economic recovery, household resilience and social stabilisation.

15.0 Financing Social Security and Enterprise

Financing remains one of the central constraints to expanding both social protection and enterprise development in Nigeria. Social security requires predictable public financing, while enterprise requires access to affordable capital. Where public financing is inadequate or unpredictable, programmes may experience limited coverage, irregular payments or weak institutional capacity.

A sustainable financing strategy should therefore combine public expenditure with contributory mechanisms, private-sector participation, development finance and carefully designed partnerships. For social security, the state has a fundamental responsibility to establish minimum protection for vulnerable populations. For enterprise, however, financing can involve commercial credit, cooperative finance, development banks, microfinance, blended finance and private investment, depending on the nature and maturity of the enterprise.

The important distinction is between social assistance and enterprise finance. Cash transfers intended to protect vulnerable households should not be treated as ordinary business loans. Likewise, enterprise financing should not be designed in a way that exposes severely vulnerable households to unsustainable debt. A graduated system is more appropriate: social assistance for those requiring protection; productive grants or asset transfers for households capable of economic inclusion; concessional finance for emerging enterprises; and commercial finance for enterprises with sufficient capacity.

The Nigerian social-protection architecture can provide the identification infrastructure for such graduated approaches. The National Social Register is intended to provide evidence for targeting poor and vulnerable households, while NASSCO emphasises its role in policy and programme design (NASSCO, 2026). Better integration between beneficiary information and employment or enterprise systems could facilitate more appropriate transitions without treating all vulnerable people as identical.

16.0 Digitalisation, Enterprise and Inclusive Social Security

Digital technology offers important opportunities for connecting social security and enterprise. Digital payments can reduce transaction costs, improve traceability and enable faster transfers. Digital identification and social registries can improve targeting. Mobile financial services can facilitate savings, contributions and payments for informal workers. Digital platforms can also connect small enterprises to customers, suppliers and financial institutions.

However, digitalisation can reproduce exclusion where vulnerable populations lack identification, smartphones, digital literacy, connectivity or affordable financial services. Consequently, digital social protection must remain accessible to people with limited technological capacity.

Nigeria's continuing efforts to strengthen the National Social Register illustrate the importance of data quality. NASSCO (2026) reports ongoing work to update household records and validate national identification information. Such systems can strengthen the evidence base for social protection, provided that data governance, privacy, grievance mechanisms and inclusion are adequately maintained.

For enterprise, digitalisation can provide access to e-commerce, digital payments, online training, financial services and new markets. Connecting social-security systems to responsible digital financial inclusion could therefore help vulnerable households transition from passive receipt of assistance towards active participation in the economy.

17.0 Institutional Coordination and Policy Coherence

One of the major requirements for linking social security and enterprise is institutional coordination. Social protection, employment, entrepreneurship, agriculture, finance, education, skills development and economic planning are interconnected policy areas, but they are often administered separately.

Nigeria already possesses institutions with relevant mandates, including the National Social Investment Programme Agency, NASSCO, NCTO, Federal Ministry of Labour and Employment,

National Directorate of Employment, Bank of Industry, Bank of Agriculture, SMEDAN and relevant state institutions. The policy challenge is therefore not necessarily the creation of additional institutions but the coordination of existing responsibilities.

A coherent system could establish a social-security-to-enterprise pathway with several possible routes. The first would be continued social assistance for households whose vulnerability is too severe for immediate productive inclusion. The second would involve livelihood assets, skills and savings for households capable of beginning productive activity. The third would involve enterprise finance, coaching and market access for emerging entrepreneurs. The fourth would involve transition into employment or commercial finance for enterprises and individuals who achieve sufficient economic stability.

Such a system would make social protection more responsive to individual circumstances while avoiding the assumption that enterprise is appropriate for everyone. It would also make enterprise policy more socially grounded by recognising that entrepreneurs require protection against risks that can destroy their productive capacity.

18.0 Discussion

The evidence reviewed in this article demonstrates that social security and enterprise are not competing policy concepts. They represent different but complementary dimensions of economic and human security. Social security protects individuals from risks that can destroy income and productive assets, while enterprise creates opportunities through which individuals can generate income, accumulate assets and participate in economic life.

The relationship can be understood as a continuum. At one end are households requiring basic social assistance because their capacity for productive activity has been severely constrained. At the next level are households that can benefit from livelihood assets, skills and savings. Further along the continuum are entrepreneurs requiring business finance, market access, infrastructure and mentoring. At the other end are enterprises and workers capable of participating in formal financial, employment and social-insurance systems. Effective policy should allow movement between these levels according to changing circumstances.

This perspective has important implications for Nigeria's social-protection system. Cash transfers remain essential for households experiencing severe poverty and vulnerability, but cash alone may not produce durable economic transformation. Similarly, entrepreneurship training without social protection may leave new entrepreneurs exposed to the very shocks that undermine enterprise survival. The strongest policy approach therefore combines protection with productive opportunity.

The evidence also indicates that enterprise should be understood as a social and security instrument as well as an economic one. In conflict-affected communities, livelihood restoration can contribute to dignity, resilience and social cohesion. In vulnerable urban communities, small enterprises can provide income and employment. Among women and youth, enterprise can expand economic participation. These effects are particularly important when enterprise programmes are embedded within broader systems of skills, finance, infrastructure and social protection.

The Nigerian policy environment already contains several building blocks for such an approach. The social-safety-net architecture, National Social Register, cash-transfer mechanisms, employment policy and enterprise-development initiatives provide institutional foundations. The challenge is to connect these components systematically. The objective should be to move from fragmented interventions towards an integrated system in which social protection prevents destitution, enterprise creates productive opportunities, employment policy expands decent work and social insurance protects economic participation.

19.0 Recommendations

Recommendation One

The Federal Government should integrate social security and enterprise development into a coordinated national economic-inclusion pathway.

Implementation Strategies

Federal Ministry responsible for social protection, in collaboration with NASSCO, NCTO, SMEDAN and relevant employment institutions, to establish coordinated pathways linking vulnerable households with appropriate livelihood, enterprise and employment opportunities.

State Governments to align state social-protection programmes with enterprise and employment interventions to reduce duplication and improve beneficiary transition.

Recommendation Two

Government should expand social protection coverage for informal workers and small-scale entrepreneurs.

Implementation Strategies

- i. Federal Ministry of Labour and Employment, in collaboration with relevant social-insurance institutions, to develop simplified and affordable mechanisms for pension, health, maternity and employment-injury protection for informal workers.
- ii. Relevant financial and social-protection institutions to use cooperatives, associations and digital payment systems to facilitate voluntary and graduated contributions among informal workers.

Recommendation Three

Government and development partners should strengthen enterprise-based livelihood resilience for vulnerable populations.

Implementation Strategies

- i. SMEDAN in collaboration with relevant enterprise-financing institutions to combine entrepreneurship training with productive assets, affordable finance, market access, mentoring and business-development services.
- ii. State Governments in collaboration with development partners to prioritise women, youth, persons affected by displacement and other vulnerable groups within inclusive livelihood and enterprise programmes.

Recommendation Four

The Federal Government should institutionalise stronger coordination between social protection, employment, enterprise and human-security policies.

Implementation Strategies

- i. National planning and coordinating institutions to establish an inter-institutional mechanism for aligning social protection, employment, enterprise development and livelihood-resilience programmes.
- ii. Relevant ministries, departments and agencies to develop shared indicators measuring movement from vulnerability to productive activity, employment, enterprise survival, income growth and social-security coverage.

20.0 Conclusion

Social security and enterprise should no longer be treated as unrelated components of Nigeria's development policy. Social security provides protection against the shocks that can destroy household welfare and productive assets, while enterprise provides opportunities for income generation, employment, asset accumulation and economic participation. Their intersection therefore represents an important policy space for addressing poverty, vulnerability and economic insecurity.

The analysis demonstrates that social protection can perform a productive function when it prevents households from liquidating assets and creates conditions for investment in livelihoods. Enterprise, meanwhile, can strengthen the sustainability of social protection by enabling beneficiaries to generate income and progressively reduce dependence on assistance. This relationship is particularly significant in Nigeria, where informal work, self-employment and small-scale enterprise constitute important components of economic life.

The central policy challenge is not to transform every social-protection beneficiary into an entrepreneur. Rather, it is to establish differentiated pathways that recognise the circumstances and capacities of individuals and households. Some require continued social assistance; others require livelihood assets and skills; others require enterprise finance and market access; while some are ready for employment or commercial financing. A responsive system should enable movement between these pathways as circumstances change.

Nigeria already possesses important institutional foundations for such an approach, including its social-safety-net architecture, National Social Register, cash-transfer programmes, employment policy and enterprise-development institutions. The next stage should be greater coordination among these mechanisms. By connecting social protection with enterprise, employment, skills, finance and market opportunities, Nigeria can move towards a model of social security that not only protects people from vulnerability but also strengthens their capacity to participate productively in the economy.

Such an approach has significance beyond poverty reduction. Stronger livelihood resilience can contribute to food security, human security, social cohesion and community stability. Enterprise can create economic relationships and opportunities, while social security can provide the protection necessary for people to take productive risks without exposing their households to catastrophic consequences. The integration of the two therefore offers a pathway through which social policy can contribute more directly to inclusive economic development and national resilience.

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