

Tradermoni Scheme and the 2019 Elections in Nigeria

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ABSTRACT

This work examined the tradermoni scheme and the 2019 elections in Nigeria. Tradermoni scheme is one of the federal government social investment programs that have actually sparked off criticisms from different people and political parties in the country. The scheme looked at how best to improve and empower petty traders and artisans in the country. From the study, we discovered that: there are fears in some quarters, that this initiative failed to start when it ought to have started (2015) but rather 2018 which makes it look like an inducement to voters (vote buying) for the 2019 elections and the initiative has been confirmed to have actually helped petty traders in recognized markets throughout the federation to upgrade their stocks from N 10, 000 –N 100, 000 and collateral and interest are not involved when accessing the loan. As a result of the above, the following recommendations were made: There is need for the federal government to convince every Nigerian that the scheme is not a vote buying initiative for the 2019 elections but rather doing what they felt is needed to be done in empowering the petty traders and artisans looking for means to access loans to upgrade their businesses and the federal government as a matter of urgency should ensure that the scope of tradermoni scheme is increased to encompass other locations not recognized presently where petty traders are found in each of the states. The federal government should ensure that an initiative like this is enshrined in our constitution because this is one of the programs by this government that has actually empowered and touched the poor masses financially or otherwise without knowing or having connection with someone in government.

Keywords: Tradermoni, Elections, Artisans, Traders and Nigeria

INTRODUCTION

TraderMoni is a loan program of the Federal Government, created specifically for petty traders and artisans across Nigeria. It is a part of the Government Enterprise and Empowerment Program (GEEP) scheme of the Federal Government, being executed by the Bank of Industry.

With TraderMoni, you can receive interest-free loans starting from N10,000 and growing all the way to N100,000 as you pay back. You get N 10,000 as the first loan. When you pay back the first loan, you immediately qualify for a second loan of N 15,000. After payback of the second loan, you qualify for a N 20,000 loan, and then N 50,000, and then N100,000 (TraderMoni, 2019).

With TraderMoni, the Federal Government wants to change your level by providing continuous loans for your petty business, making each loan bigger to enable you to grow. According to TraderMoni statistics, by the end

of 2018, the Federal Government targets to disburse 2 million TraderMoni loans across all 36 states and the FCT. Each state and the FCT- Federal Capital Territory (Abuja) will receive a minimum of 30,000 loans. The loan is only being administered by Bank of Industry (BOI), being a bank with the structures and processes to reach out applicants. TraderMoni currently in existence in 32 states visited, 40 urban market, 6 geo political zones and 4 states remaining to be visited as at the time of this study.

Again, those eligible for TraderMoni Loan are a petty trader or artisan in Nigeria, and if N10,000 can help your business today, then you are eligible for TraderMoni! For example, if you are small kiosk owner, food stuff seller, bread seller, wheel barrow pusher, mobile tailor, mobile cobbler, fruits seller, keke rider, etc and the reason for this by the Federal Government, is the fact that the Federal Government understands the plight of the over 20 million Nigerians in petty business and in dire need of capital to grow their businesses. These

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Nigerians rarely have bank accounts, and are usually not “interesting” or “profitable” to traditional lenders. They cannot access loans to trade, and they therefore remain in a cycle of poverty. Federal Government is on a mission to break this poverty cycle. TraderMoni can ease your “business cash” problems and make your life better (TraderMoni, 2019).

Furthermore, below are the basic requirements for the MarketMoni/TraderMoni Federal Government loan scheme 2018/2019:

- You must be a Nigerian
- You must be 18 years and above
- You must be business owner or a trader
- You must belong to a market cooperative union in your location
- You must have a valid identification
- You must have a valid BVN (Bank Verification Number)
- You must have a valid SIM/phone number that is register with the service providers

To register for the 2018/2019 Federal Government Scheme TraderMoni, the online loan application portal has been created for the convenience of BOI’s prospective small medium enterprise customers in the sense that they do not initially have to come physically to the Bank to submit their loan applications. It also has the advantage of shortening the loan processing Turn-Around-Time (TAT) of the Bank. The portal has document uploading capability as well as allows the loan applicant select the preferred BOI state office location where the application will be processed. The online loan application portal can be accessed on the Bank’s website: www.boi.ng/apply or visit TraderMoni stand in the market (Spark gist, 2018).

IMPACT OF TRADERMONI SCHEME

On 7th August this year (2018), the federal government commenced the tradermoni scheme in Lagos. Tradermoni scheme is designed to help petty traders expand their trade through the provision of collateral free loans of an initial sum of N10, 000. The scheme was launched in partnership with the Bank of Industry, BOI, in order to enlarge government’s financial inclusion agenda down to the grassroots, the bottom of the ladder, considering the contribution of petty traders to economic development of any nation. It is a federal government empowerment scheme to help

alleviate poverty in Nigeria by empowering traders and artisans. Tradermoni is similar to MarketMoni which is another cash transfer loan scheme of the Federal Government under the same Social Investment Programs, but they are not the same. While Marketmoni loans start at N50, 000 and target medium-scale traders, market women, artisans, and youth in market associations. Tradermoni loans on the other hand starts at N10, 000 and target petty traders and petty artisans. There have been lots of misconceptions with people questioning what the petty traders can do with N10, 000. But one cannot wish away the impact it will have on the *fufu* seller on the street whose capital is N 30,000. As little as it seems, an added sum of N 10,000 to her business and serving more customers (Adekunle, 2018).

The significant impact: to an average income earner, N10, 000 does not sound so big a money to help in business but to the rural traders, it is not so. N10, 000 will make a significant impact in the business of the roadside corn seller, akara (fried beans) seller. The Ugu (Pumpkin) seller as well as the groundnut, garri, shoe maker/repairer, beans and all other petty traders who are the beneficiaries of this scheme. These loans come from recognition of the genuine contribution of petty traders to the growth of the nation’s economy. Consequently the loan will not only help the local traders to expand their businesses, but also change their standards of living thus aiding in poverty alleviation and stability in the country’s economic outlook. This program aims at reducing short term poverty by direct cash transfers and fight long-term poverty by increasing human capital among the poor through conditional cash transfers (Adekunle, 2018).

Under the scheme, beneficiaries can get access to higher facility ranging from N15,000 to N50, 000 when they repay the initial N10, 000 within the stipulated time period of six months. Accordingly, beneficiaries have the options to repay the loan with flexible options of N85 daily or N430 weekly. Since coming into power via his change mantra, President Muhammad Buhari has never hidden his desire to change the economic well-being and welfare of the poorest Nigerians—the masses. Access to credit to help boost the output of their petty businesses has proven to be one route he has taken in providing succor to Nigeria’s lowest income earners.

The Vice-President Yemi Osinbajo over the week told beneficiaries of the Tradermoni loan

scheme in Gbagi Market, Ibadan, Oyo State, that more funds would be committed to the scheme as soon as the traders begin to pay back. This emphasizes the need for the sustainability of the program, which in itself can only be sustained through the collective efforts of the traders—simply paying back the small loans they have collected. Tradermoni scheme is not only a justification of the current federal government's unrelenting drive to take Nigerians away from the clutches of poverty but also a determined initiative to ensure that government reaches out to the unreached, and create a more equitable society. The scheme has been implemented successfully, in more than 10 states and it is unfortunate that there are Microfinance banks in the country which invariably are saddled with the responsibility of granting or providing loans to small traders but have made their interest rates so high that no low income trader would dare consider. This initiative by the Buhari administration helps close the gap. The intention of the program is to reach all 36 states of the country and the Federal Capital Territory-Abuja. It has started on a remarkable note and can only get better.

Testimonies from some of the beneficiaries have already filled the media space—attesting to the impact it has made in their little businesses. The testimonies resound what ought to be: government should be for not just the elites, but the lowest cadre of society. And this is what the Buhari administration is achieving with the Tradermoni initiative (Adekunle, 2018).

CRITICISMS OF TRADEMONI SCHEME AND 2019 ELECTIONS

Commenting on the TradeMoni initiative of the federal government, Obasanjo the former president said Osinbajo must have gone for "if you can't beat them, join them". He described the program as "out rightly idiotic", adding that there is a sinister motive behind it. Osinbajo has shown the human weakness and proved the saying that the corruption of the best is the worst form of corruption. His explanation that it was their government program can only be construed to be very shallow and lopsided, if not an out rightly idiotic program. Obasanjo went further to ask "what is the connection between taking the number of PVC (Permanent Voters Card) of the recipient of the N10,000 doled out to 'traders' and the forthcoming election? There is something sinister about it, and Professor Osinbajo, of all people, should know that" (Nasir, 2019). Again, the immediate past

governor of Ekiti State, Mr. Ayodele Fayose has described the Federal Government TraderMoni scheme as not only an avenue for advanced votes buying but direct "re-looting of the Abacha loots". Fayose questioned the rationale in Vice President, Prof. YemiOsinbajo leaving Abuja and spending about N25 million on maintenance of presidential jet as well as allowances for himself, aides, protocols, security and others just to share N10 million.

Fayose said if the Federal Government was sincere about TraderMoni, the fund should have been paid into bank accounts of beneficiaries so that the disbursement can be traced and properly audited, adding that "when I was governor, more than 20,000 people got N5,000 monthly stipend and the money was paid into their bank accounts". It was even funny that the same President Muhammad Buhari who insisted that the late General Sani Abacha never stole was the one taking pride in his government use of a phony TraderMoni scheme to re loot the \$322 million recovered from the loot Abacha stashed in Switzerland. He said: "if not that TradeMoni was to re loot the recovered Abacha loot, the proper way was for beneficiaries to be captured biometrically and the N10,000 paid into their bank accounts instead of the Vice President going to the market to share cash. Most importantly, there is nowhere that the Vice President will travel to outside Abuja that he won't spend up to N25 million on his allowances, maintenance of presidential jet and the allowances of his retinue of aides, including security men. Therefore, of what economic sense is going to say Kano to share the N10,000 cash to 1,000 people? Isn't spending N25 million to share N10 million same as being penny wise pound foolish? (Ojomoyela, 2019).

Furthermore, the Social Democratic Party in Oyo State has condemned the TraderMoni scheme of the ruling All Progressives Congress, describing it as a ploy to hood wick voters into another four years of suffering. The SDP governorship candidate in the state, Chief Bolaji Ayorinde (SAN), at the commencement of his campaign in Iangan, said N10,000 was not enough to alleviate the suffering of average traders in the country (Babalola and Olorunsogo, 2019).

According to the Senate President, Bukola Saraki, said the present government has been using the program to induce voters ahead of the 2019 presidential election. He accused the government of sidelining the opposition from

the launching of the program across the country like it's not a program for all Nigerians and not just the ruling All Progressives Congress (APC). This program has been going on for the last three years. In 2015, 2016 and 2017, I didn't see the vice president going anywhere to give anybody Trader Moni, but all of a sudden in 2018.

The worst part about it is that he goes with the women leader of his party, governor of his party. At least, if you are going, and it's Nigeria's money, you should have women leader of all the parties because the money belongs to Nigeria. But all I see is APC women leaders. It is wrong, we have said it. It equates in a way to sophisticated vote-buying. Because if it's not vote-buying, you should have been doing this since 2015. Prof Osinbajo is busy collecting PVC (Permanent Voter's Card). Nigerians will not be fooled by that. To us, it's sophisticated vote-buying (Toromade, 2018). However, according to the Speaker of the House of Representatives, Rt. Hon Yakubu Dogara, has condemned the distribution of cash to the public very close to general elections by public officials. The lawmaker said no matter how noble the intent maybe, such endeavors amount to vote buying and inducement, which is a clear case of corruption (Nwachukwu, 2018).

Dogara, went further to say the act of inducing the public with cash in exchange for their votes was a fraud that is covered within section 124 (1)(a); (b);(c);section (124)(2)(4)(5) and section 130 of the Electoral Act (Nwachukwu, 2018). According to Transparency International Nigeria chairman Awwal Rafsanjani, who spoke on Lunchtime Politics, a programme of Channels Television, noted that the initiative was an "official use of public funds in the name of tradermoni to actually induce voters" and "the Tradermoni scheme was not a programme that was part and parcel of the manifesto of the ruling party and it is not in Nigerian constitution" (Aworinde, 2019).

FINDINGS

From the study, the following findings were made:

- It was discovered that there are fears in some quarters, that this initiative failed to start when it ought to have started (2015) but rather 2018 which makes it look like an inducement to voters (vote buying) for the 2019 elections.

- The initiative has been confirmed to have actually helped petty traders in recognized markets throughout the federation to upgrade their stocks from N10,000 –N100,000 and collateral and interest are not involved when accessing the loan.
- Again, it was discovered that reasonable number of petty traders/artisans in other locations in each of the states of the federation where the scheme has been launched are not aware of this initiative.

RECOMMENDATIONS

From the above findings, the following recommendations were made:

- There is need for the federal government to convince every Nigerian that the scheme is not a vote buying initiative for the 2019 elections but rather doing what they felt is needed to be done in empowering the petty traders and artisans looking for means to access loans to upgrade their businesses.
- The federal government should ensure that an initiative like this is enshrined in our constitution because this is one of the programs by this government that has actually empowered and touched the poor masses financially or otherwise without knowing or having connection with someone in government.
- The federal government as a matter of urgency should ensure that the scope of tradermoni scheme is increased to encompass other locations not recognized presently where petty traders are found in each of the states.

CONCLUSIONS

This is a very wonderful initiative by the federal government of Nigeria. Trader Moni scheme has actually empowered more people within the scope it was established in a long term transactions by those who were able to get to N100, 000 (One hundred thousand naira).

It will be advisable for the petty traders or artisans to take full advantage of this platform and empower themselves since collateral conditions are not involved and is interest-free. Again, the federal government should ensure that this initiative is sustained beyond 2019 to avoid being seen as an inducement to vote buying and equally ensure it is launched in all states of the federation for good of all.

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