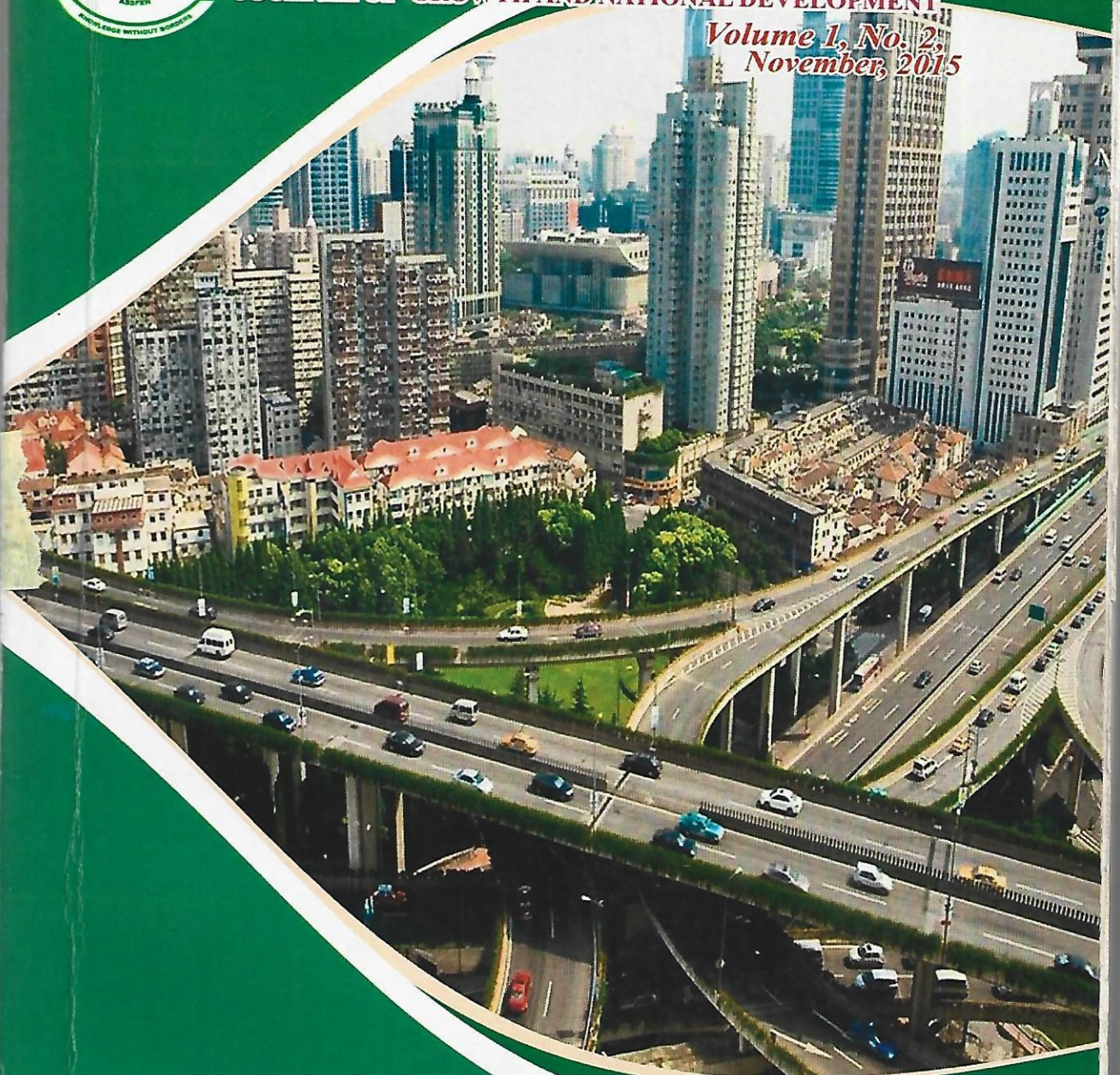


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Poverty and poverty Alleviation Programmes in Nigeria

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Abstract

This paper examines the relevance of poverty Nigeria and the various government policies targeted at its alleviation. The paper reveals that poverty in Nigeria is due to various factors like structural shifts, poor education system, corruption, market imperfections and regulatory changes in government policies by successive governments. The paper suggests that for Nigeria to succeed in fighting poverty, there should be zero tolerance for corruption, focused policy implementation and cultivation of the culture of consistency on programme implementa

Keywords: *Poverty, Poverty Alleviation Strategies*

Introduction

Poverty has been a serious challenge to governments and countries in Africa and Nigeria in particular. Its effects include lack and deprivation in the basic necessities of life, increase in crime, high child mortality rate and low life expectancy and this has become worrisome to the growth and development of Nigeria. Nigeria has one of the highest economic growth, nominally averaging 7.4% over the last decade, a well developed economy and plenty of natural resources but has not translating to general welfare of the population as about 63% of its over 160 million population live below one dollar (\$1) daily (Dibie, & Uwaifo, 2013).

Poverty therefore has earned national recognition to the extent of its ravaging effects on the economy. Various governments both military and civilian have launched programmes ostensibly targeted at poverty alleviation. These include the

Directorate for Food Roads and Rural Infrastructure (DFRRI); Better Life Programme (BLP); National Directorate of Employment (NDE), Family Support Programme (FSP), Family Economic Advancement Programme (FEAP), Poverty Eradication Programme (PEP), National Poverty Eradication Programme (NAPEP) and National Economic Empowerment and Development Strategy (NEEDS) and now Subsidy Reinvestment Programme (SURE-P) etc. In spite of these programmes, poverty has remained predominant in the Nigerian economy and its effect is having a toll on Nigerians.

Conceptualization of Poverty

Poverty is a phenomenon with various characteristics extending through health, social, ethical, economic and political spheres of life. It has no clear and universally acceptable definition, hence the catalogue of definitions from academics, economists, social and political analysts etc. It is the inability of an individual to attain the minimum standard of living. Poverty is an abject state of being, in which an individual is incapable of utilizing resources around him to improve himself or herself economically, socially, politically or otherwise. It could be due to lack of opportunities for education which is basic to any human development. Poverty could occur as a result of indolence or misinterpreted religious beliefs (Chigbo, 1996). According to Jolaosho (1996), poverty entails the absence of the basic requirements essential for the survival and comfort of man, hunger and starvation, squalor and non availability of basic Medicare. Poverty therefore, is about the absence of the basic necessities of life for any person or human group. Poverty is a condition of having insufficient resources or income and in its extreme form, lack of basic human needs such as adequate and nutritious food, clothing, housing and health services (NBS, 2005).

Utomi (2006), defined poverty as a condition characterized by severe deprivation of basic human needs including food, sanitation facilities, education, information, income and productive resources to ensure sustainable livelihood. From

the political economy perspective, poverty is the logic of human deprivation, which limits human capacity to function adequately including his / her freedom. It is characterized by the unavailability of income and non-income resources and a denial of voice and power in the political process. World Bank study carried out by Narayan, et al (2000) concludes that there is need to expand the conventional views on poverty, which focus on income, expenditure, education and health to include measures of voice and empowerment because when people are poor, they are powerless.

From the foregoing, Poverty can be described as a situation where a community of people cannot afford the basic necessities of life such as food, clothing and shelter which are necessary for human existence. Such communities are just in existence but not living a normal human life. According to the United Nations Economic and Human Development Index (HDI), any person in a community that is living below two US dollars a day is assumed to be poor. Poverty could be absolute or relative. Absolute poverty relates to the inability of the individual to provide himself with the basic needs of life such as food, clothing, shelter, portable water, health services, education, public transport, etc. This type of poverty leads to deprivation, nonparticipation in decision making affecting one's life while relative poverty refers to the economic status of an individual or group whose income is insufficient to meet the society's average standard. The individual is said to have access to his/her basic needs, but is comparatively poor among persons or the generality of the community. An individual/ household are relatively poor if his / their income falls at the bottom of the distribution of income (Todaro & Smith 2006). Relative poverty can be objective and subjective. It is objective when it shows differences in the individuals' satisfaction of basic needs or income values which are described by value judgment as excessive not regarding the individual's perception but if judgment is based on the perception of the individual, it is subjective relative poverty (Goedhart et al. 1997 in Anyanwu, 1997).

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Table 1: Poverty prevalence rate in Nigeria 1980-2010

YEAR	POVERTY INCIDENCE (%)	EXTIMATED TOTAL POPULATION (MILLION)	POPULATION IN POVERTY (MILLION)
1980	28.1	65	18.26
1981	45.3	75	34.73
1992	42.7	91.5	39.07
1996	65.5	102.3	67.11
2004	54.4	126.3	68.70
2008	52.3	143.5	64.42
2010	61.2	150.23	112.52

Source: National Bureau of Statistics, Nigeria, (2012).

The National Bureau of Statistics (2012) observes that in 1980, 28.1% of the Nigerian population was poor. This percentage moved to 42.7 by 1992. By 2004, poverty incidence was 54.4 and by 2010, poverty incidence had risen to 61.2 percent. This implies that 18.26 million, 39.7 million, 68.70 million and 112.52 million Nigerians respectively lived in poverty.

According to World Development Report (WDR2011), Nigeria is among the low-income countries with GNP per capita of \$2069 in 2011 and as shown by UNDP (2009), Nigeria's Human Development Index (HDI) for 2007 was 36.2% placing Nigeria at the 114th position and among the 7th poorest nations in 2011, Nigeria is in the 156th position in the world in terms of development and multidimensional poverty index of 0.310 for 2009.

Causes of Poverty in Nigeria

Obadan (1996), (2001), NCEMA (2001), Maduagwu (2000), Ogumike (2001), Utomi (2006) and Nnadi (2008) all summarized the causative factors of poverty in Nigeria as:

- ? Structural shifts in the economy
- ? The stage of Economic and Social Development
- ? Poor education system
- ? Corruption
- ? Under utilization of labour resources during the farming season
- ? Market imperfections
- ? Political instability
- ? Unemployment

i. Structural shift in the economy: This results from inadequate macroeconomic management policies in which undue concentration is given to a particular sector of the economy to almost total neglect of others. In Nigeria's case, from independence in 1960 to 1970, her major export commodities were cocoa, palm produce, rubber and groundnut (Agricultural produce) which provided jobs for the rural poor. But in 1971, there was a structural shift in favour of crude oil, due to its greater foreign exchange earnings. As such, the country became a mono-export country, such that agriculture suffered a setback and mass poverty became the lot of the rural sector, and rural labour opted for alternative jobs in the urban centres.

ii. The stage of economic and social development: Even when a country's export earnings might be abundant, situation of economic underdevelopment might pose a management constraint, on absorptive capacity or use of funds for development projects which are not available, or properly targeted.

iii. **Poor Education System:** Education can play a major role in reducing poverty. Education is central to innovation, national productivity, economic growth and development. The United Nations Universal Declaration of Human Rights states that “everyone has the right to education”, But this right is denied many Nigerians, especially the females making them marry earlier than expected and living perpetually poor.

iv. **Corruption:** Transparency International defines corruption as the abuse of entrusted power for private gain”. This has become a common act in Nigeria as government funds are being misappropriated on a daily basis by the leaders. The incomes generated mostly from natural resource revenues, instead of being used for development purposes, is circulated among the political office holders leaving the people who elected them to wallow in abject poverty.

v. **Under utilization of labour resources during the farming season.**

The inability of poor farmers to farm on a scale which matches their labour resources and the rudimentary nature of the system of farm-labour employment, and also the dire shortage of working capital severely limits the productivity of farmers and makes farming remain on subsistence level.

vi. **Market Imperfection:** These are factors which through institutional distortions, would not allow equal access to productive assets and introduce forms of discrimination that prevent the advancement of people. These could arise from ignorance, culture, sex, race etc. Market imperfections also arise from distortions in the employment market, and skewed income distribution structure that favours some classes in the society and renders the less favoured class poorer.

vii. **Political Instability:** The failure to successfully actualize political transition programmes results in social and economic unrest domestically and internationally. Productive ventures are unable to flourish with a restricted market for sales, investment are withdrawn, jobs are insecure, and the general

citizenry faces economic insecurity. Coups by the military and counter coups had its disastrous toll on the economy. The traditional agricultural based economy was abandoned; the military and the country became extremely dependent on exports of oil which due to frequent fluctuations in oil prices led to an unstable economy. The Babangida regime for example, was characterized by “gross incompetence and unbridled waste and mismanagement, the privatization of public office and public resources, the neglect of non-oil sectors and misplaced priorities”. As a result of the military economic policy of the 1980s, 45% of foreign-exchange earnings were going into debt servicing and there was very little growth. This led to a rise in poverty, crime, child abuse, disease, institutional decay and urban dislocation.

- viii. Unemployment: Unemployment is a major factor contributing to poverty in Nigeria. There is a strong correlation between unemployment and poverty. When people are unemployed, their source of livelihood depletes over time. The cost of living becomes high and the standard of living goes down. Unemployment could be seasonal where people are unemployed during certain months of the year.

Effects of Poverty

Poverty involves a complex array of risk factors that adversely affect the population in a multitude of ways. The four primary risk factors affecting families living in poverty are

- ? Emotional and social challenges.
- ? Acute and chronic stressors.
- ? Cognitive lags.
- ? Health and safety issues.
- ? Job losses especially wage employment

- ? Inadequate support for rural development
- ? Low investment in human capital

Government Programmes and Policies Related to Poverty

In the light of the governments concern for poverty reduction, numerous policies and programmes have been designed over the years to meet and reach out to the poor and cushion the effects of poverty on Nigerians.

1. **The National Accelerated Food Production Programme (NAFPP)**

Established in 1972 by Gen. Yakubu Gowon was devoted to funding Agriculture.

2. **Operation Feed the Nation (OFN)**

Introduced by Gen. Olusegun Obasanjo in 1976 designed to encourage food production and food security in the Nigerian economy that has become increasingly dependent on crude oil. It encouraged undergraduates of Nigerian universities to go to the rural areas and teach peasant farmers modern farming techniques.

3. **Green Revolution**

Founded in 1979 during the Alhaji Shehu Shagari's regime with the primary aim of boosting crop and fiber production to provide food for the teeming Nigerian population and curtail food importation.

4. **The Nigeria Agricultural Land Development Authority (NALDA).**

The programme was introduced by the General Babangida regime in 1986 and targeted at encouraging large scale commercial farming by assisting farmers with inputs at subsidized rates to reduce the prevalence of subsistence agriculture in the country.

5. **Better Life For Rural Women (BLRW)**

This programme was founded in 1987 under the Babangida regime. The objectives were the empowerment of rural women and creation of national awareness about their challenges, rights and opportunities for growth and self development.

6. **People's Bank (PB) and the community Banks**

Gen. Ibrahim Babangida established the People's Bank in 1981 and was empowered to offer soft loans to prospective entrepreneurs without collaterals. Community Banks were encouraged to exist as adjuncts to the People's Bank and the People's Bank regulated their activities.

7. **Directorate for Food, Road and Rural Infrastructure (DFRRI).**

This directorate was charged with the responsibility of constructing feeder roads which will open up the rural areas for easy transportation of goods and human beings especially agricultural products. In effect, the objective was to make it easy for transportation of food items from the farms in the rural areas to the urban centers.

8. **Agricultural Development Programme (ADP).**

This is a World Bank Assisted programme to enhance agricultural development through extension services for the farmers.

9. **Primary Health care (PHC).**

This programme is to enhance health care delivery system in the rural areas which will promote healthy living and workforce in those areas.

10. **National Directorate of Employment (NDE)**

The NDE is to promote self employment among the youths so as to reduce unemployment in that age group.

11. **National Poverty Eradication Programme (NAPEP)**

This agency was established in 2001 by the Obasanjo civilian administration and aimed at poverty reduction. In particular, reduction of absolute poverty. It coordinates and monitors all poverty eradication efforts at all levels of government. The programme encompasses youth empowerment scheme geared towards combating unemployment among the youth in the society.

12. **National Economic Empowerment and Development Strategy (NEEDS)**

This is a home grown strategy for accelerated economic development which places emphasis on the private sector of the economy as the key engine of development. It was envisaged that through NEEDS, a large number of new enterprises would be established and create new jobs, thereby reducing unemployment in the land.

13. **Small and Medium Enterprise Development Agency (SMEDAN).**

The major function of the agency is to ensure successful establishment and functioning of production units of business organizations especially agricultural ones across Nigeria. The agency is also to identify individuals or groups with viable business ideas and provide those prospective investors with necessary support of fund, equipment and technical advice for the ultimate goal of employment generation in the economy.

14. **Subsidy Reinvestment and Empowerment Programme(SURE-P)**

This programme is a 3-4 years programme and a subset of the Transformation Agenda of President Goodluck Jonathan's administration introduced in 2012. The programme aims at cushioning the effects of the removal of oil subsidy and accelerate economic growth of the Nigerian economy. The target areas of the programme includes power, agriculture and rural development, education, health, aviation, Federal Capital Territory Administration, Niger-Delta and water resources. Through the public works, youth and women employment component of the SURE-P, the federal government of Nigeria

established the graduate internship scheme (GIS) which aim at providing unemployed youths with job apprenticeship that will expose them to skills and experiences relevant to the current labour market and enhance their employability(Ogujiuba, 2014)

Constraints to Poverty Alleviation programmes in Nigeria

Despite government's policies and programmes at reducing poverty in Nigeria, its incidence remains high. Obadan (2001) observes that the major constraints to Poverty Alleviation in Nigeria includes

- i. Lack of targeting mechanisms for the poor and programmes not directly focusing on the poor.
- ii. Political and policy instability resulting in frequent changes and inconsistent implementation.
- iii. Inadequate coordination of various programmes resulting in overlapping functions, rivalry and conflicts.
- iv. Severe budgetary management and governance problems resulting in abandonment of programmes.
- v. Lack of accountability and transparency by the implementers making programmes conduit pipes for draining national resources.
- vi. Over extended scope of activities of institutions thereby limiting the availability of resources to carry out its assignments.
- vii. Absence of target setting for ministries, agencies and programmes.
- viii. Absence of effective collaboration and complementation among the three tiers of government.
- ix. Most of the programmes lacked mechanisms for their sustainability.
- x. Insincerity of government and its agencies resulting in poor implementation of policies.

Summary, Conclusion and recommendations

Poverty is a multi-dimensional problem and even though it is difficult to separate the various dimensions, from the various causes of Poverty, in the case of Nigeria, we have shown that structural changes, the level/stage of development, poor education system, corruption, underutilization of labour, market imperfections, political instability and unemployment are some of the key determinants. In an attempt to eradicate it, governments over the years adopted several strategies among which are the Operation Feed the Nation, Green Revolution, The Nigerian Agricultural Land Development Authority, National Poverty Eradication Programme, The National Economic Empowerment and Development Strategy, Subsidy Reinvestment Programme etc. All these programmes have not yielded the desired optimum results due to several constraints.

To succeed in fighting poverty, Nigeria should emulate developed countries in practising good governance, zero tolerance for corruption, focused policy implementation and imbibe the culture of consistency in policies and programmes for sustainable economic development.

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