

Research article

POVERTY ERADICATION AS A YARDSTICK FOR NATION-BUILDING

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ABSTRACT

This paper examines Nigeria's efforts at combating the scourge of poverty in the country. Poverty affects a great number of Nigerian people: over 70% of people exist on less than one U.S dollar a day and many more have little or no access to quality drinking water, food, medical assistance, education and employment. Poverty is a crippling condition that both destroys lives and keeps people from improving their lives. Because poverty is such a universal concern and is particularly high in many developing countries, numerous government policies in Nigeria are actively seeking to eradicate it. Many organization and individuals are also working to reduce poverty levels. In working with non-government and government organizations Nigeria has established poverty reduction strategies to pinpoint the causes of poverty in the country and formulate solid goals to achieve some economic growth and development. To this end the paper calls for solutions to the problem of definition, apathy,

structural constraints, poor implementation of government and corruption if poverty eradication is to play a role in national development, among the suggestions presented is the need for a well coordinated and imaginative interaction between the government, non-government, industries and Nigerian's in eradication of poverty for national development. Copyright © IJEBF, all rights reserved.

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INTRODUCTION

At the beginning of this millennium, poverty cases emerged as the most challenging development issues confronting African countries. These issues have, therefore, occupied prime spots today in each African country's development agenda.

Social condition in Nigeria presents a starting paradox, despite a rich endowment of natural and human resources as most of the country is poor. Nigeria has been in stagnation relative decline since 1981, from a per capita GDP of US \$1,200 in 1981 to about US \$300 in 2000. In 1992, 34.1 percent of the population was below the poverty line, according to the CIA World Fact book 2000 and about 70 percent fell below that line in 2000, (World Bank 2004).

For many Nigerians, the quality of life has declined rather than improved since independence. By contrast, the standard of living for a few privileged Nigerians – military officers and their civilian associates, corrupt politicians, and big contractors has improved substantially. The average salaried worker cannot earn enough to support a family because of inflation and rise in food prices and transportation costs. The national minimum wage of #18,000 (US \$168.00) per month approved by the Federal Government but rejected by most of the states, falls far short of what is needed to cover housing, food, education, health care and transportation.

Cabala (2006), while lamenting the plight of Nigeria, described it as a paradox in the sense that the poverty level contradicts the country's enormous wealth. Among other things, the country is enormously endowed with human and material resources and that the country has earned over \$300 billion from oil alone during the last three decades of the 21st century.

THE CONCEPT OF POVERTY

There no general consensus on the definition of poverty largely because the phenomenon affects many spheres of human condition such as physical, moral and psychological. According to Herman (1986), poverty is used loosely and indeed, it is a very complex concept that can be defined, measured and analysed in many different ways. Poverty may therefore be viewed as the inability to satisfy basic needs required for a decent living. The poor are often illiterates, with poor health and have a short life span (World Bank 1995).

According to Iguise (2002) poverty is the deprivation of materials requirements for minimally acceptable fulfillment of human needs, including food. According to him, this concept of deprivation goes will beyond the lack of private income. Poverty according to Obada (1997) is a sub-set of the general condition of deprivation whose dimensions include social inferiority, isolation physical weakness, vulnerability, seasonality, powerlessness and humiliation. According to UNDP (1998), the poor are those who are unskilled and unemployable who, as a result of little or no income, are totally dependent on others for the satisfaction of their daily needs. Poverty, according to Otaigbe (2002), is an unacceptable level of living conditions in which some people find themselves due to their own inadequate financial and other material resources.

Consequently, however, the poor are usually defined in relative terms, depending on the nations and its level of wealth, social and cultural values prevalent in different parts of the world and the period time concerned (Imoudu 2000).

Dike (1997) defines poverty as the inability of an individual or population to meet the basic needs of food, education, housing, health, and clothing.

TYPES OF POVERTY

Nweze and Ojowu (2002), categorized poverty into three namely:

- (a) Absolute or subsistence poverty: this is the inability to provide basic human needs required to maintain physical efficiency which include food, clothing and shelter, portable water, health care,

basic education, public transport and work, low propensity to consume and therefore, vulnerable to all sort of hardships.

- (b) Relative poverty: This is a situation where an individual's or a household's income is less than the average income of the population in the society being considered.
- (c) Subjective poverty: It is "expressed in a range of non-material and intangible qualities. It is the lack of ownership and control of physical assets such as land, animal husbandry as well as capital and other inputs for productive endeavors.

CAUSES OF POVERTY IN NIGERIA

Several factors account for poverty in Nigeria and they could be explained from the perspectives of government neglect and abuse of government functions and policies. Majority of the Nigerian societies are rural based and there have been inadequate attention paid by the government to uplift the living conditions of these rural communities in terms of housing, water supply, road networks, electricity and health facilities most of which are concentrated in the urban centres.

Certain cultural practices in Nigeria have helped in sustaining poverty. The extended family system practiced in the whole of Nigeria is a good example. Nigerians are taught to be their brothers' keeper. So the little income available to adequately take care of a family is shared among many extended families, relations and thereby enhancing the poverty line of the income earners.

Conspicuous consumption and wasteful life style exhibited by the government, government officials and the so-called elites in our society is a cause for concern.

The other main factors which have contributed to the level and evolution of poverty in Nigeria according to the National Economic Empowerment and Development Strategy (NEEDS) include:

- (a) The transition away from higher cost industries that are heavily dependent on imports and the impact of globalization as domestic industries that are unable to compete with imported substitute contribute to limited growth of domestic production and employment.
- (b) Income distribution: Widening income inequality has contributed significantly to the increase in poverty in Nigeria. Economic growth has tended to benefit people who work in public sector management because fiscal policies have not promoted income redistribution.
- (c) Weak government: weak governance is believed to have contributed to poverty problem in Nigeria. In fact, governance problems are widely thought to have been among the major reasons why past poverty alleviation programmes have had little effect.

THE LEVEL OF POVERTY IN NIGERIA

To understand the level of poverty, one may adopt the basic needs approach to the measurement of poverty. The country's poverty trend has, for instance, been on the increase. At independence in 1960, Nigeria's poverty rate was 15% of the population which translated in to about 8 million Nigerians. Forty nine years on, the population of Nigerians living below the international poverty benchmark of \$1 a day is 70.2%. at the current level of the country's population of 150 million (World Bank) this translate in about 109 million people living in abject poverty thereby making Nigeria a national with the highest concentration of people living in extreme poverty in Africa.

A spatially disaggregated study of poverty incidence in Nigeria by the Federal Office of Statistics (FOS) reveals the following profile, among others.

- ❖ Poverty incidence is generally high in all the six geopolitical zones but tends to concentrate more on the Northern zone (average 71 percent) than the Southern zone (averaging 58 percent).
- ❖ Poverty has been on the increase over the last 20 years. It was 172 percent in 1980 in Urban centres and by 1996, it had reached 58.2 percent. In the rural areas it grew to 69 percent, up from 28% in 1980. Poverty is therefore predominantly a rural phenomenon, as in other Africa Countries.
- ❖ Both male and female have been affected by poverty with men carrying a higher proportion of the poverty burden (66.4%) in 1996. This educational proxy has serious implications for fighting poverty.

When one compares Nigeria and other nations in Africa and the World using social and economic indicators such as the annual United Nations Development Programme (UNDP) the World Bank Development reported and the GA World Factbook, year after year, Nigeria is showing underperforming. For example, as of 2005, which the average per capita GDP in Africa was \$3918, it was \$1,400 for Nigeria. The average infant mortality rate in Africa in 2006 was 74 deaths per 1,000 but 97 deaths per 1,000 in Nigeria. The average life expectancy in Africa in 2006 was 53 years but 47 years in Nigeria. This is despite the fact that Nigeria currently has the second

largest crude oil reserves in Africa as of 2003 (36 billion barrels) behind Libya (40 billion barrels) (Date compiled and computed by authors based on the 2010 World Development indicators database).

POVERTY ALLEVIATION IN NIGERIA

Nigeria has witnessed elaborate poverty alleviation programmes from successive governments. The most pronounced effort was during the regime of General Ibrahim Babangida (1985-1993). It was during this period that the first institutional structures and policy framework for poverty alleviation in the country were put in place. Most of these structures are still in place today though with modifications in some cases. Among the structures put in place for poverty alleviation is the National Directorate of Employment (NDE) with responsibility for fighting unemployment through provision of opportunity for self employment for school leavers. Peoples Bank, National Economic Reconstruction Funds (NERFUND) and Community Banks all for provision of capital for funding small business without stringent collateral requirements; the Directorate of Food, Roads and Rural Infrastructure (DFRI) which was to focus on integrated rural development with emphasis on opening of fresh rural roads for easy contact by rural dwellers with the urban centres while the National Agricultural Land Development Agency (NALDA) was to focus on clearing of arable land for cultivation. Following election in 1999, the first administration of President Olusegun Obasanjo (1999-2003) focused on ensuring political stability, strengthening democratic practices, and tackling corruption. The second Obasanjo administration (2003-2007) embarked on a comprehensive economic reform program based on a homegrown strategy, the National Economic Empowerment and Development Strategy (NEEDS). The development of NEEDS at the Federal level was complemented by individual State Economic Empowerment and Development Strategies (SEEDS), which were prepared by all 36 Nigerian States and the Federal Capital Territory (FCT). The NEEDS program emphasized the importance of private sector development to support wealth creation and poverty reduction in the country. The objectives of NEEDS were addressed in four main areas; Micro-economic reform, structural reform, public reform and institutional and governance reform. Particular attention was also given to pro-poor expenditures within the budget that were needed to improve Nigeria's MDG indicators. Annual savings from debt servicing totaling about US\$ 1 billion are being channeled to various poverty reduction programs. The Federal Government's share of about US \$750 million in 2006 was spent for various MDG programs and monitored with a virtual poverty fund mechanism called OPEN (oversight of public expenditure in NEEDS). The sum of US \$750 million (N\$ 8.9 billion) was allocated for various MDG-based program in the following sectors: health (US \$161.5 million), education (US \$135.0 million), water (US \$145.6 million), power/ rural electrification (US \$66.0 million) and other programs from the debt relief savings were additional to the statutory allocation which MDG-related sectors obtained from the regular, Federal Government budget. The additional financing supported a variety of programs such as scaling-up of the national immunization program, training of an additional 150,000 school teachers, construction of small earth dams and the extension of various rural electrification projects.

PROBLEMS OF POVERTY ALLEVIATION

Despite the plethora of poverty alleviation programmes, Nigeria and Nigerians still remain poverty stricken.

- 1) **Conception:** This has to do with the primary intention of the government that conceived the programmes. In most cases, these programmes were conceived primarily to address poverty issue but mainly to score cheap political point or as a populist programme designed to confuse existing situation.
- 2) **Coordination:** The problem here is the existence of too many agencies established to do the same thing, thereby resulting in role overlap and confusion. These render coordination difficult.
- 3) **Corruption:** This has remained the bane of Nigeria's development efforts. Where poverty alleviation programmes are put in place, such end, in some cases, in further empowerment of the rich as the actual beneficiaries turn out to be privileged class.
- 4) **Continuity:** In Nigeria, it takes more time to design policy than it takes to jettison it. Owing to rapid changes in government, good policies put in place by successive government are abandoned by their successors in a bid for the latter to create impression of "working" on people.

EFFECTIVE POVERTY REDUCTION PROGRAMME AND NATIONAL DEVELOPMENT

The essence of putting the above programme in place is to make sure that poverty is reduced or eradicated among Nigerian citizens. The country stands to benefit some of the following if poverty is eradicated:

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