Poverty Reduction in Nigeria: A Necessary Agenda

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Abstract: Poverty reduction is a serious matter that requires serious attention. No doubt, the Federal Government of Nigeria has at different times instituted different poverty alleviation programmes. Yet, evidence shows that poverty is still on the increase rather. In this study we advocate clear and unambiguous identification of the poor and directing such programmes at them. For agricultural programmes Agricultural Revamp Centres (ARC) should be created at clans of each local government where agricultural extension officers should be available to direct and interact with rural farmers for optimum results.

Key words: Agriculture, circumvent, departure, laziness, reasonableness, rural areas

INTRODUCTION

Material measurement as an index of poverty partly explains the poverty of the poor. It is the psychic of the poor that aptly interprets poverty to the poor than merely correlating it with material measurement. It is the thinking of the poor that reveals to him “I am poor” or “I am not poor”. The issue of material measurement perhaps only expresses itself with contentment or discontentment. Here an observer’s eyes may lead to misinterpretation determined by some indices of measurement. Economists have considered poverty in terms of meeting basic needs such as food, clothes and shelter. However, modernization has expanded the list to include education, relaxation, health care and difficult-to-measure variables of which one is happiness.

Poverty is experienced by the poor and observed by the rich, but its definition is with difficulty. According to Ekong (1991) “poverty is a concept that has defied universally accepted and objective definition or assessment because it is not only an expression of life situation, but equally a state of mind and a perception of self in the complex web of social relation.” In general terms poverty is considered from two broad perspectives: relative poverty and absolute poverty. Relative poverty is associated with experiencing deviational outcomes from expectations and irrelevant comparison of one’s material position with others mostly peer and age groups. Absolute poverty is a misery linked to an insufficient resource base, lack of income, narrow margin, high risk of failure, hunger, disease, etc., Mc Connell (1975) says that the poor are heterogeneous, they can be found in all geographical regions; they may be whites or non-whites, or an urban people and they may be both young and old. There is also what is described as the zero-sum poverty which is misery linked to patronage, oppression, exploitation, usurpation and abuse by powerful ones (Rolling and Zeeuw, 1983). Samuelson (1976) also mentions three kinds of poverty:

- Ancient poverty due to famine and inadequate production potentials
- Unnecessary poverty in the midst of plenty such as poverty due to only bad purchasing power behavior of the system
- Poverty due to uneven and bad distribution of income and affluent total Gross Domestic Product (GDP)

Asian Development Bank (ADB) views poverty as an unacceptable human condition that can and must be eliminated by public policy and action (Guntur, 2007). According to Ndem (2008), there is the need for poverty alleviation programmes to be implemented within the framework of economic growth with equity, sound economic management and good governance, among others. ADB (1979) states that individuals and societies are poor and tend to remain so if they are not empowered to participate in making the decisions that shape their lives. Absolute poverty beckons for attention both from government and right thinking philanthropists.

In discussing poverty, it is more reasonable to focus from four categories of people, often considered poor:

- Those who acknowledge they are poor and are willing to do something about their position, what they intend to do and how
- Those who feel they are poor and are unwilling to do anything to improve their position
- Those who are considered poor by observers’ eyes yet they are internally contented
- Those who are poor but do not believe they are and are indifferent in reacting to any alleviation programme (if any)

Nigerian government at different times has been launching different poverty alleviation programmes at different times by different regimes of government, yet the outcome is always a deviation from expectations. Unemployment and its harmful externalities fuels poverty
more than any other variable and may create dynasty poverty if not checked.

Objective of the study: The objective of this study is to find out why past poverty alleviation programmes have failed to yield desirable result and seek ways to bring about success of similar future programmes.

RESULTS AND DISCUSSION

Brief theoretical discourse: Due to near global failure in poverty alleviation programmes, a relatively recent method of evaluating poverty programmes has been initiated. This process is known as Poverty Impact Analysis (PIA). PIA has received considerable attention in recent years partly due to the past experience in pro-poor programmes (World Bank, 1991). The interest in PIA has been garnered by mounting pressure on governments and donor agencies to expand their development strategies to address issues such as poverty, environmental quality, economic, social and political participation of women in developing countries.

Knowledge about project impact is essential and has great bearing on the availability of resources. The poor also benefit from good evaluation which remove defective anti-poverty programmes and identify the effective ones (Ravallion, 2005). PIA is used to examine whether a project or programme has generated the intended effects on the targeted low income group. For pro-poor, this means ascertaining whether the project really benefits the poor.

There has been a number of attempts to conduct PIAs but most of the time, they suffer from insufficient analytical rigor, faulty questions and wrong time frames (Baker, 2000). As a result, there is no comprehensive PIA of any project which can be used as an example on how PIAs should be conducted. Some of the problems with PIA include cost and time consumption. PIA results can negatively affect government mostly if the results turn out to be negative. Above all, there is also the problem of methodology.

In Nigeria, the greatest problem in poverty alleviation programmes is that the poor are not always identified. Of course, there is the urban poor and the rural poor. Separate programmes should be identified for each of these categories. This can help to reduce benefit capture, activities of the rent-seeking bureaucrats and pave way toward poverty reduction.

Causes of poverty: Burkey (1993) has listed quite impressive number of factors that positively correlate with poverty. They include lack of modernization tendencies, physical limitations, bureaucratic stifling, dependency of Third World countries and exploitation by local elites.

Some other factors are drought, flood and water logging, soils becoming thin, delicate cyclones and earthquakes, illiteracy, malnutrition, poor sanitation, laziness, deforestation, poor market, lack of transport, increased population, hunger, indebtedness, lack of tool, low prices, poor management, lack of credit and mistrust, lack of clean water, low productivity, poor housing, superstition, corruption, exploitation, unemployment, lack of skills, lack of industry, lack of initiative and lack of cooperation are all instruments of poverty.

A close examination of the factors reveal that some are exogenously caused while others like illiteracy and laziness are endogenously oriented. One factor that has speedily fuelled poverty is distribution of income. The distortional distribution of income is not only a problem among the poor, but among the population. Distribution of income could be viewed from two perspectives: the fiscal distribution of income and provision of both social and economic infrastructure (Adawo, 2010). In Nigeria, the practice of relative wage income hypothesis, where jobs are evaluated on basis of job content and wages are paid accordingly is not applicable, rather government incomes at all levels are shared among politicians, political cohorts and dubious contractors. The fact that infrastructure - (good road network, health facilities, electricity and potable water) are not provided endemically spreads poverty.

Efforts at poverty eradication: The Third National Development (1975) focused on development; that development should prevail simultaneously in all geographical areas of the country and emphasized that lagging regions can no longer be tolerated. Rural development involves conscious efforts to contribute to the overall rate of economic growth and the process of structural and attitudinal transformation of rural areas (Enoh, 1991). Prior to the National Third Plan, the Fund for Agricultural and Industrial Development (FAID) was established by Eastern Nigeria Government in 1963 to boost agricultural production. The South Eastern State Government established the Farmers Credit Schemes to grant loans to farmers and fishermen in 1972 (Ndaeyo, 1982). In 1973 the Federal Government created Agricultural Credit Guarantee Scheme Fund (ACGSF) mandating the Nigerian Agricultural and Cooperative Bank (NACB) to implement. In 1987, the Basins Loan Scheme, the National Livestock Development Project (NLDP) and the National Directorate of Employment (NDE) were introduced. Relatively recent were introduction of Directorate for Food, Roads and Rural Infrastructure (DFFRI), Better Life for Rural Women, Family Support Programme (FSP). Far back as 1976 was the period rural electrification first appeared in the development dictionary of Nigeria. Yet rural
electrification is a dashed hope. Both People’s Bank and Community Banks were concepts of poverty alleviation.

To improve agricultural returns to the rural poor some have suggested agricultural modernizations. Some argue that agricultural growth has led to broad based improvements in rural condition (Garha, 1988; Leaf, 1983; Barmum and Squinie, 1979; Ser, 1975; Randhawa, 1975). Others maintain that gains from rural modernization have not resolved labour and welfare problems (Otsuka et al., 1992; Ser and Grown, 1987; Raj, 1969) or that the benefits have been unfairly skewed toward richer farmers leading to increasing inequalities and inequalities in the countryside (Agarwal, 1986; Epstein, 1973; Frankel, 1971).

Above all, government never considered qualitative and creative education as instrument that would reduce poverty. Even the 6-3-3-4 system, of which the first three years of a child’s secondary education were to emphasize technical knowledge, was abandoned right from on-set.

**Factors responsible for failed programmes:** First and foremost, nobody thought it wise that since majority of Nigerians live in rural areas, it followed that majority of the poor lived in rural areas and that as a foundation for poverty alleviation, provision of dependable infrastructure was non-negotiable. A study carried out by CBN (1999) on Infrastructure Expenditure Policy and Private Sector Output in Nigeria (1970-1988), it was discovered that, the deplorable state of physical infrastructure, had adverse effect on the output of the establishments surveyed. Increase expenditure on own infrastructure in the past five years had increased cost of production for all firms. That analysis of the effect of declining stock of physical infrastructure on factor productivity and intensity of establishments showed low production capacities, which is an indication of production and allocative inefficiency. This was as a result of shifts in cost structure of the establishment that had made it difficult for them to afford best-practice utilization of factors of production. Moreover, ratio of expenditure on infrastructure to total cost of production (electricity, communication, transport and water) for years, 1994, 1995, 1996, 1997 and 1998 were 7.27, 5.88, 8.93, 5.64 and 6.02, respectively with electricity occupying an all-time towering height (CBN, 1999). According to Ajayi (2003) “No one talks about water these days because it is an intractable problem, and many governments seem to have surrendered completely to incompetence. Everyone has been left to provide his own water.”

Most of the programmes were implemented top-down. The opinions of the targeted beneficiaries (if at all) were never sought. Nobody bordered to know what their problems were; how they wish such problems to be solved. It is naive to think that the ruralites lack wisdom. Most poverty alleviation programmes concentrate in state capitals and big cities. This is not where the majority of the people live. Much of the benefits are hijacked by the non-targeted people (Idachaba, 2000). Information relating to such programmes terminate in cities while the illiterate poor in the villages do not know what is happening. Moreover, women who are core farmers are always forgotten or neglected.

There is the problem of benefit capture syndrome (Ekong, 1997; Adawo, 1999), where intended benefits are captured by politicians and rent-seeking bureaucrats. Axiomatically, the rich is the burden of the poor, and at all times the rich will either consciously or unconsciously circumvent any programme(s) that may lead to a change in status quo. Since money is accorded undue “adoration” in Nigeria (Adawo, 2003) and economic theory postulates that the marginal utility of money is always positive, therefore accesses to public fund engage in mindless accumulation at the unimaginable expense of the poor.

One serious draw-back in government’s implementation of poverty programmes is unwillingness of government to clearly identify personally who are going to benefit from such programmes and whether they (the poor) appreciate such programmes. This is the much talked about Rural Participatory Appraisal (RPA) programme. Example, it is ridiculous that agricultural programmes could be planned, yet such information does not reach the rural people, and even the women who produce 63% of the food consumed in Nigeria (Adawo, 2010) are not involved.

Table 1 reveals information on intended beneficiaries and unintended beneficiaries from agricultural programmes initiated by the Federal Government of Nigeria at various periods. It is noticed that much of the benefits go to the unintended beneficiaries. This is one strong reason that poverty has not reduced in Nigeria and more importantly food import is on the increase.

The unfortunate development about implementation of these programmes is that the government itself is not able to identify the small scale farmers and therefore whatever intervention programmes toward the farmers do not reach them. Most of these programmes start from urban centres and terminate at urban centres without reaching the poor rural farmers in the countryside.

**Assessing poverty position in nigeria: Empirical evidence:** For us to evaluate poverty position in Nigeria in the face of several poverty alleviation programmes, Table 2 shows the measurement of aggregate poor in percentage.

From the measurement of aggregate poor in Nigeria, it is observed that the least magnitude was that of 1980, that is 27%. The following year (1981) it increased by three percentage point. Between 1983 and 1985, rate of
Table 1: Example of Intended and unintended beneficiaries of agricultural policies in Nigeria

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Policy Intended beneficiaries</th>
<th>Unintended beneficiaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Fertilizer subsidies Small scale farmers</td>
<td>Rent-seeking Ministers and Commissioners of Agriculture; Rent-seeking public bureaucrats; Fertilizer merchants and importers; Fertilizer transporters; Commission agents; Foreign suppliers of fertilizers. Remarks: Many probes into fertilizer distribution scandals over the years</td>
</tr>
<tr>
<td>2.</td>
<td>Commodity price support schemes and commodity boards Small scale farmers</td>
<td>Grain merchants; Licensed buying agents; Landlords as owners of storage facilities; Transporters of grains; Rent-seeking public servants</td>
</tr>
<tr>
<td>3.</td>
<td>River Basin Development Authorities (RBDAs) Small scale farmers</td>
<td>Contractors/Builders of large dams; Contractors/suppliers of irrigation; Rent-seeking public servants</td>
</tr>
<tr>
<td>4.</td>
<td>Operation Feed the Nation (OFN) Small scale farmers consumers</td>
<td>Merchants and transporters of fertilizers, livestock and fisheries inputs, seeds, etc. Rent-seeking public servants</td>
</tr>
<tr>
<td>5.</td>
<td>Marketing boards Small scale farmers</td>
<td>Beneficiaries of projects funded in non-agricultural sector with marketing board taxes (e.g. cocoa house).</td>
</tr>
<tr>
<td>6.</td>
<td>Strategic grain reserves Small scale farmers consumers</td>
<td>Contractors/builders of strategic grain reserve silos; Grain merchants and middlemen; Rent-seeking political and bureaucratic leaders and operators</td>
</tr>
</tbody>
</table>

Table 2: Nigeria aggregate poor in percentage

<table>
<thead>
<tr>
<th>Year</th>
<th>Aggregate poor (%)</th>
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<tbody>
<tr>
<td>1980</td>
<td>27.0</td>
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<tr>
<td>1981</td>
<td>30.0</td>
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<tr>
<td>1982</td>
<td>34.0</td>
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<tr>
<td>1983</td>
<td>37.0</td>
</tr>
<tr>
<td>1984</td>
<td>41.0</td>
</tr>
<tr>
<td>1985</td>
<td>44.2</td>
</tr>
<tr>
<td>1986</td>
<td>44.0</td>
</tr>
<tr>
<td>1987</td>
<td>44.0</td>
</tr>
<tr>
<td>1988</td>
<td>44.0</td>
</tr>
<tr>
<td>1989</td>
<td>43.9</td>
</tr>
<tr>
<td>1990</td>
<td>43.8</td>
</tr>
<tr>
<td>1991</td>
<td>43.0</td>
</tr>
<tr>
<td>1992</td>
<td>42.5</td>
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<tr>
<td>1993</td>
<td>48.0</td>
</tr>
<tr>
<td>1994</td>
<td>53.9</td>
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<tr>
<td>1995</td>
<td>59.0</td>
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<td>1996</td>
<td>61.0</td>
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<td>1997</td>
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<td>68.0</td>
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<td>1999</td>
<td>69.0</td>
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<td>2000</td>
<td>70.0</td>
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<tr>
<td>2001</td>
<td>71.0</td>
</tr>
<tr>
<td>2002</td>
<td>72.0</td>
</tr>
</tbody>
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Idachaba (2000)

aggregate poor increased by 7.2%. The rate remained relatively stable between 1986 and 1990 and recorded marginal reduction in 1992. From 1993 to 2002 the figures have been increasing and reached all-time high in 2002 with 70%.

It should be noted that when these percentages are translated to absolute figures, the number of the poor in Nigeria is frightening. For instance, in 2002 72% was considered poor and only 28% was able to escape the misery trap of poverty. If these measures are reliable, it is clear that various programmes launched mostly by the Federal Government to reduce poverty have not scratched poverty.

Again what is conspicuously noticed is that most of the programmes are initiated by the Federal Government as if poverty does not worry the state or local government.

Apart from the fact that amenities are not evenly distributed to create equal opportunities for the poor, the most serious snag is that all programmes of poverty alleviation are misdirected and mis-targeted. It is certain that majority of the poor live in rural areas, yet information on poverty alleviation programmes do not reach the rural areas. Agreed, there is also the urban poor. This segregation between the urban and rural poor calls for separate programmes at any point in time targeted at each category. For instance, when agricultural programmes aimed at poverty alleviation start in the capital and urban cities and end there when majority of the farmers live in rural areas, what result do we expect?

As at 2002, government’s efforts to reduce poverty led to strengthening the National Poverty Eradication Programme (NAPEP) and perhaps the strategy for implementation. Budgetary allocation to the core poverty eradication ministries and agencies totaled ₦132.47 billion, was pooled into the Poverty Eradication Fund (CBN, 2002). The source has it that a total of 2,497 three-wheeler paggio cars called KEKE NAPEP, were sold to beneficiaries at subsidized rates in all states of the Federation. This singular act of distributing tricycles calls for many questions: (i) how did government know that the tricycles will alleviate poverty? Were the tricycles meant to evacuate farm inputs and outputs? Elsewhere these...
cycles are meant for this purpose. If it were meant for farmers, how is it that these cycles are not seen in villages and rural areas? If it is to be used for commercial transportation, is it competitive? Finally, were the poor contacted and they expressed interest that ownership of tricycle has a way of alleviating their poverty? What happens is that most of the poverty alleviation programmes are often organized top-down and most of the times for an unidentified poor.

**Toward poverty alleviation:** Unfortunately, all of the so-called poverty alleviation programmes are organized top-down. It is mis-thinking to believe that the rural poor do not know their problems and perhaps also naïve to think that they cannot proffer solution(s) to their problems. Perhaps what they need is an exogenous interventionist(s), particularly purveying resource. For one, the notion of poverty originates from the mind and comparative perception of material standing of peer groups, age group or cohort. Reducing the comparison to strictly oneself provides different inference.

Therefore, war against poverty must start from the rural areas, where it is believed at least 60% of Nigerians live. One arrangement that offers concrete equality in distribution of income is provision of infrastructure, both social and economic.

- Making electricity available in rural areas is non-negotiable. This can easily be achieved with power of willingness and playing down on corruption - a branch of which is the benefit capture syndrome discussed here.
- Good and motorable road network provides access to and from rural areas and promote commercial and economic activities.
- Where there are no health centres, efforts should be made to open one, and the existing ones up-dated with well trained and skillful personnel properly equipped with drugs and other accessories to provide good health-care services.
- Provide schools with equipment and qualified teachers to educate the rural poor.

These are necessary conditions and unavoidable foundation to reducing poverty. We believe that a second step toward poverty reduction is through agriculture. Before this, people in rural areas should be examined to know their feelings. Is it true that they consider themselves poor? If so, what do you think are the factors that have caused their poverty? They should be asked what they think that should be done for them to alleviate their poverty. However, opinions are likely to diverge around commercial activities, agriculture and industry. Given resources constraint, all the requests may not be carried out at one time. Ranking should prevail, and implementations should follow that order.

However, if we are allowed to think aloud, agriculture could be first pursued. There are reasons for this. Agriculture is a way of life. Everybody needs food to continue life and surplus of any to sustain industries (if any). First thing here is to know who the real farmers are. Research confirms (Adawo, 2010) active farmers in Nigeria are mostly active young women in rural areas who produce 63% of the food we consume. Added to this is to identify some committed male farmers in each area. This information could ‘truly’ be obtained from census figures or statistics. One serious obstacle toward achieving desirable results in implementing agricultural programmes in Nigeria is that the farmers are not identified. At the end, unintended people with assistance of rent-seeking bureaucrats divert benefits. Next, Agricultural Revamp Centres (ARC) should be set up in individual clans in each local government. In the ARC centres should be skilled agricultural extension officers, who should in close collaboration with farmers collect information on how to implement a successful agricultural programme. Assistance of whatever form and magnitude should be channeled to ARC for onward transmission to the farmers. The farmers should be adequately intimated on the kind of assistance, magnitude of the assistance and when the assistance should be expected.

This will take a departure from the prevailing arrangements where agricultural credit institutions are located in state capitals and such information does not even reach the true farmers in rural areas. And finally portfolio-holding farmers, whose farmland are just their portfolios, hijack whatever assistance that suppose to go to farmers.

With improved farming, steps should be taken for formation of cooperatives, marketing of the products when there are surplus and provision to store unsold stock.

We precisely advocate the Participatory Rural Appraisal (PRA) approach toward reducing poverty. Here duo-directional flow of information is indispensable for a success. Indeed bottom-up, top-down flow of information should be considered as inevitable instrument of success. Above all, employment-generating activities should be viewed seriously by governments at all levels.

**CONCLUSION**

Poverty has weighty consequences on the poor, the family and on the society. Once poverty is not broken, it breeds vicious poverty at higher level. Social menace correlated with poverty calls for unreserved reasonableness to seek all practical means to reduce poverty. Poverty causes lack of regard for constituted authority. It breeds hunger, social rejection and dejection, and at the extreme case, armed robbery.

The issue of poverty alleviation should be taken with all amount of seriousness it deserves and not ordinarily
paying lip-service to it. Therefore, the suggestions we make in this study, if sincerely implemented, have the potential of reducing poverty. Above all, sincere men and women of proven integrity should be assigned such responsibilities devoid of political compensation in whatever programme that characterize our polity.

REFERENCES


