



AN ASSESSMENT OF POVERTY REDUCTION  
STRATEGIES IN NIGERIA (1983 – 2002)

*BY*

EZEKIEL OYEBOLA OYEMOMI  
MBA ACA ACTI MNIM ANIPR

BEING A DISSERTATION SUBMITTED IN PARTIAL  
FULFILMENT OF THE REQUIREMENTS FOR THE  
AWARD OF THE DOCTOR OF PHILOSOPHY  
(MANAGEMENT) OF THE ST CLEMENTS  
UNIVERSITY

*SEPTEMBER 2003*

## **DECLARATION**

I, Ezekiel Oyebola Oyemomi, do hereby declare that this work is entirely my own composition and where works of other persons have been used or referred to, such sources have been duly acknowledged.

*Ezekiel Oyebola Oyemomi*

**APPROVAL PAGE**

This is to certify that this research project was carried out under our strict supervision and has been approved for submission to the St Clements University in partial fulfilment of the requirements for the award of the Doctor of Philosophy (Management) of St Clements University.

**Academic Supervisor**

**Academic Adviser**

**Administrator  
St Clements University**

# **DEDICATION**

To God, to whom I return all the Glory and Honour; and to Dr. Abdullahi Aliyu, my good Boss and Friend.

## **ACKNOWLEDGEMENTS**

In the course of this work, I got people's help, advice and encouragement, which all assisted me in getting it through. Usually, the number is large and I cannot possibly name all here. However, I must, as much as possible, acknowledge the contributions of those so material.

Without God, my Creator, Enabler, Succour and Lifter, I could have done nothing (John 15:5). I thank Him for keeping, sustaining and giving the wisdom, life and all opportunities to carry out this work successfully. He made me overcome spinal cord injury to continue this work. To Him, I say, 'Thank You, Father!'

I must express my most sincere appreciation to my Academic Adviser, Professor David Iornem, whose direction, efforts and encouragement aided the outcome of this study and can never be forgotten. He was there for me just like a father would for his son. Likewise, I wish to thank my Project Supervisor and now my good friend, Dr. Ukertor Gabriel Moti for his painstaking and constructive critique. I deeply appreciate the new insights that our interaction brought into the work.

I am highly indebted to my Boss, Dr. Abdullahi Aliyu, who stood by me through thick and thin, giving me the much needed support. My former Lecturer and , now friend, Mr. Iheanyi Anyahara, deserves my most hearty gratitude for his support and assistance in the research work. He inconvenienced himself for my convenience and proved to me the essence of friendship and brotherliness.

My Office provided a huge block of support for me in gathering materials, computer production, editing, binding etc. Hence, I thank my colleagues especially Secretaries of SCC Secretariats, Dr. Umar Buba Bindir, Ms. Juliet Amego, Ms. Julie Opara, Mrs. Amne Sambo, Mr. David Haruna,

Miss Modupe Adegboro, Miss Esther Mommoh and Mr. Chinyere Nwakwoalah for their various contributions. My personal staff were most wonderful in their selfless disposition to me during the course of the Research Work. First and foremost, I am eternally grateful to my Personal Secretary, Miss Precious Ushang Ishibi, who was there with me day and night, weekdays and weekends, rain and shine. She was ably assisted in her onerous task of seeing me through the work by my ‘sons’ Mr. Eustace Emeh and Mallam Bilyaminu Saleh and ‘daughter’ Miss Gloria Onovo.

I must recognise the fact that without a good home front, no man can truly succeed. Hence, I must appreciate my most wonderful soul mates Oluyemisi and Ojuolape for patiently holding the home front intact while I burnt the night candle. For their understanding that “Daddy is busy with his study”, I appreciate all my sweetest sons ‘ the Oyemomi Soldiers’. Curiously, I started this research work in London with my Nephew, Mr. Akinsola Allen and his Fiancée providing all the supports needed for which I am deeply appreciative. Also, I thank all whose names are not mentioned in this work but played a significant role in its production.

## **ABSTRACT**

Poverty, either as a plague or cause of other specific under development ailments, afflicts Nigeria as it does other Nations of the World.

The high level of prevalence in the country, which has attained an endemic nature is becoming worrisome. Poverty has made Nigeria to attain an unenviable status such that no Government (no matter the level), Organisation, Community, Clan or Family can survive effectively without introducing one kind of poverty reduction effort or the other. This problem is essentially not that of programme introduction but effectiveness of such programme and strategies so adapted in poverty reduction efforts. Nigeria has not been known to lack in such efforts; yet she is still ranked among the world's 25 poorest Nations!

This study is therefore an attempt at evaluating the effectiveness of poverty reduction efforts in Nigeria, especially in relation to the policy and strategy formulation, implementation, coordination, monitoring, control and review, sourcing and utilisation of resources (both human and material) and complementarity of programmes. The study also focused on the impact of the past and strategies and programmes on the target poor.

In the course of the study, related literature on poverty and poverty reduction efforts (strategies and programmes) were intensively and extensively reviewed and relevant information and ideas obtained for the research. The study also utilised the survey approach and chi-square to collect, collate, analyse and present data respectively in its findings which include:

1. Poverty is multi-dimensional in nature and must be so treated in order to be effective;

2. Most government ministries and agencies activities are poverty reduction-based;
3. Poverty reduction programmes have not been effective; and
4. Reasons for non-effectiveness were adduced.

Based on the above findings and conclusions, recommendations, including the following were made towards effective poverty reduction efforts in Nigeria; government, its agencies and other stakeholders should develop a multidimensional approach towards poverty reduction strategies and implement along that line, efforts should be made to effectively target the poor in all considerations and at all levels of articulation, implementation, monitoring and review; the government anti-corruption efforts should be stepped up and seriously up-held in dealing with matters concerning poverty reduction efforts.

## TABLE OF CONTENTS

<u>CONTENT</u>	<u>PAGE</u>
Title Page	i
Declaration	ii
Approval Page	iii
Dedication	iv
Acknowledgments	v
Abstract	
vii	
Table of Contents	ix
List of Tables	xii
List of Appendices	xiv
<b>CHAPTER ONE – INTRODUCTION</b>	<b>1</b>
1.1 Background of Study	1
1.2 Statement of the Problem	5
1.3 Objectives and Rationale of the Study	6
1.4 Significance of the Study	7
1.5 Hypotheses	8
1.6 Limitations of the Study	8
1.7 Definition of Terms	10
1.8 Abbreviations	12
1.8 Reference	16
<b>CHAPTER TWO – LITERATURE REVIEW</b>	<b>17</b>
2.0 Introduction	17
2.1 Meaning of Poverty	17
2.2 Poverty Incidences	27
2.2.1 Poverty in the World	27
2.2.2 Poverty in Nigeria	31
2.3 Causes of Poverty	33
2.4 Indicators of Poverty	43
2.5 Poverty and Economic Development	53

2.6	Global Perspective of Poverty and Actions	59
2.6.1	The World Bank	64
3.1.1	Organisation of Economic Cooperation and Development (OECD)	66
2.6.3	United Nations Development Programme (UNDP)	68
2.6.4	Other Agencies (particularly UN Agencies)	68
2.7	Poverty Reduction Programmes in Nigeria	69
2.7.1	Review of past and present Programmes and Strategies	73
2.7.1.1	National Directorate of Employment (NDE)	73
2.7.1.2	Peoples Bank of Nigeria (PBN)	74
2.7.1.3	Nigerian Agricultural and Cooperative Bank (NACB)	75
2.7.1.4	National Board for Community Banks (NBCB)	76
3.1.1.1	National Commission for Mass Literacy, Adult and Non-formal Education (NCMLAE)	77
3.1.1.2	Family Economic Advancement Programme (FEAP)	78
3.1.1.3	National Agricultural Land Development Authority (NALDA)	79
2.7.1.8	River Basin Development Authorities (RBDAs)	80
2.7.1.9	Directorate of Foods, Roads and Rural Infrastructure (DFRRI)	81
3.1.1.1	Poverty Alleviation Programme (PAP) of Year 2000	82
2.7.2	Poverty Reduction Strategy Paper (PRSP)	91
2.7.3	Constraints to Effectiveness of Poverty Reduction Programmes in Nigeria	93
2.7.4	Measures Towards Enhancing Poverty Reduction Programmes Nigeria	97

### **CHAPTER THREE – RESEARCH METHODOLOGY AND PROCEDURE** 103

3	Introduction	103
3.1	Research Design	103
3.2	Sample Size and Sampling Technique	106

3.1	Data Collection	108
	3.3.1 Primary Sources	109
	3.3.2 Secondary Sources	109
3.4	Data Analysis Technique	110
	3.4.1 The Chi Square ( $x^2$ )	111
3.5	Presentation of Data	112
	Reference	113

**CHAPTER FOUR – PRESENTATION AND ANALYSES OF DATA** 114

4.1	Testing of Hypotheses	115
4.2	Analyses of Other Responses	118

**CHAPTER FIVE – DISCUSSION OF RESULTS** 131

5.1	Poverty Reduction Strategies	131
5.2	Understanding the Multi-Dimensional Nature of Poverty	133
5.3	Funding	133
5.4	Gender	134
5.5	Consultations/Complementarities	134
5.6	Effectiveness of Poverty Reduction Agencies	135
5.7	Problems	136
5.8	The Valid Position	138

**CHAPTER SIX – SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS** 140

3.1	Summary of Findings	140
3.2	Conclusions	142
3.3	Recommendations	144
	Reference	147
	Bibliography	148

### **LIST OF TABLES**

<b><u>TABLE</u></b>	<b>PAGE</b>
2.1 Trends in Income Poverty in Developing Countries	27
2.2 Human Poverty in Developing Countries (in millions of inhabitants)	28
3.1 Classifications of the Developing Countries of the African Continent South of the Sahara	29
3.2 Poverty Incidences by States, including the Federal Capital Territory (FCT) (1980-1996)	30
2.5 Living Index Indicators in Nigeria (Naira)	48
2.6 Poverty Incidences by Urban/Rural Sectors (in %)	50
2.7 Selected Performance Indicators of the Nigerian Economy	55
2.8 Nigeria's Debt Profile	56
2.9 Some Agencies Involved in Previous Interventions	84
3.1 Agencies Areas of Strength and Overlaps	89

3.2	Distribution and Collection of Questionnaires	115
3.3	Success of Poverty Reduction Strategies in Reducing Poverty in Nigeria	116
4.3	Computed Expected Frequencies	117
4.4	Computation of $\chi^2$	117
3.1	Core Responsibilities of Poverty Reduction Institutions	119
3.2	Areas of Greater Capacity and Competence	120
3.3	Performance of Poverty Reduction Agencies	120
3.4	The Poor As the Target for Implementing Poverty Reduction Programmes	121
4.9	Widely Accepted Poverty Reduction Strategies	122
4.10	Designing Poverty Reduction Strategies in a Participatory Manner	122
3.1	Representativeness of Stakeholder Consultation in Designing and Implementing Poverty Reduction Programmes	123
3.2	Poverty Reduction Strategies in Nigeria and Multi-dimensional Nature of Poverty	124
4.13	Targets for Implementing Poverty Reduction	124
4.14	Avoidance of Duplicating Poverty Reduction Programmes	125
3.1	Poverty Reduction Strategy Paper (PRSP) and Effectiveness of Poverty Reduction Programmes in Nigeria	126
3.2	Sufficiency of Fund to Implement Poverty Reduction Programmes	126
3.3	Adequacy of Budgetary Provisions for Poverty Reduction Efforts	127
4.18	Equal Opportunity for both Male and Female	128

4.19	Participation of Women in Poverty Reduction Programmes	128
3.1	Problems Confronting Poverty Reduction Activities in Nigeria	129
4.21	Suggested Solutions	130

## **LIST OF APPENDICES**

<b>APPENDIX</b>	<b>PAGE</b>
A. Researcher's Letter to the Respondents	151
B. Questionnaire to Poverty Reduction Agencies	152

C.	Questionnaire to Beneficiaries of Poverty	160
D.	Critical Values of Chi Square	166

## **CHAPTER ONE**

### **INTRODUCTION**

#### **3.1 BACKGROUND OF STUDY**

Poverty is a global phenomenon, which affects continents, nations and peoples differently. It afflicts people in various depths and levels, at different times and phases of existence. There is no nation that is absolutely free from poverty. The main difference is the intensity and prevalence of this malaise. Nations in sub-Saharan Africa, South Asia and Latin America are currently with the highest level of poverty and consequently with the lowest level of socio-economic development. They also have the highest level of social insecurity, violence, unrest and generally unacceptable low standard of living.

The Central Bank of Nigeria (1999:1) views poverty as “a state where an individual is not able to cater adequately for his or her basic needs of food, clothing and shelter; is unable to meet social and economic obligations, lacks gainful employment, skills, assets and self-esteem; and has limited access to social and economic infrastructure such as education, health, portable water, and sanitation; and consequently, has limited chance of advancing his or her welfare to the limit of his or her capabilities”.

The World Bank (2000:1) utilized inductive approach to uncover various dimensions of poverty such as well-being, psychological, basic infrastructure, illness and assets. One of such definitions is “the lack of what is necessary for material well-being-especially food, but also housing, land, and other assets. In other words, poverty is the lack of multiple resources that leads to hunger and physical deprivation.” Another of such definitions is “lack of voice, power, and independence that subjects them to exploitation. Their poverty leaves them vulnerable to rudeness, humiliation, and inhumane treatment by both private and public agents of the State from whom they seek help”.

Nigeria, ranked among the 25 poorest countries in the world, started its independent nationhood with poverty level of barely 15% of its population in 1960 and is today struggling to bring it down from about 70% of its current teeming population of about 120 million. Of the number of the poverty stricken people, about 73% is concentrated in the rural areas where illiteracy prevalence is high, potable water and health facilities are rarely available, road and electricity infrastructures are either unavailable or ill-managed.

The World Bank and United Nations Development Programme (UNDP)’s 2002 Human Development Index (HDI) of 0.461 aptly indicate the deplorable

state of the nation's level of poverty and low human development. This is in spite of the fact that the country is richly endowed with all kinds of water, agricultural and mineral resources. Nigeria's proportion of the poor has doubled over the last two decades, during which time the country received over \$300 billion in oil and gas revenue. Paradoxically, Nigeria's level of revenue and endowment are in opposite direction with her poverty level. While revenue profile of Nigeria rose from N4 billion in 1975 to N26 billion in 1980, and GNP per capita rose from \$360 to more than \$1000 in the same period, the percentage of the population that was poor grew from 15% in 1960 to about its present 70%. Furthermore, according to World Bank and UNDP 2001 statistics, Nigeria which impressively ranked 6<sup>th</sup> and 7<sup>th</sup> in Petroleum Export and Petroleum Production respectively, is ranked 194<sup>th</sup> in GNP per capita and is unenviably classified as the 25<sup>th</sup> poorest nation in the world.

However, the above scenario has not come into being as a result of non-challant attitude and non-recognition of the problem at hand. It has also not

come by as a result of lack of response to the yearning of the poor people to be emancipated from their rather deplorable and frustrating state of near-despair.

No Nigerian Government, be it military or civilian, has come without introducing and leaving behind one form of poverty alleviation or reduction programme meant to reduce the level of poverty, give hope and succour to the poor and, or move towards some sort of wealth creation. Strategies, policies and plans have been articulated; programmes and projects have been formulated and executed over the years. For instance, at independence in 1960, poverty eradication efforts in Nigeria centred on education, while Operation Feed the Nation (OFN), the Green Revolution, War Against Indiscipline (WAI), Peoples Bank of Nigeria (PBN), Community Banks, Directorate of Food Roads and Rural Infrastructure (DFRFRI), Nigerian Agricultural Land Development Authority (NALDA), Family Economic Advancement Programme (FEAP), Better Life for Rural Women, Family Support Programme (FSP) and National Poverty Eradication Programme (NAPEP) existed during the period under review.

Though successive governments have tried to address the issue of poverty as captured above, the effect of the strategies and programmes has been that of mixed feelings. The questions bothering a great number of Nigerians are:

1. If so much efforts have been made towards reducing poverty in Nigeria, why is poverty on the increase?
2. What is the effect of the increasing poverty rate on the nation's economy?
3. Are there better ways or strategies of implementing poverty reduction programmes to make them more effective?

### **3.1 Statement of the problem**

It has been known in Nigeria that every government embarks on one form of poverty reduction strategy or the other. However, what has remained unanswered is the extent to which these programmes have impacted on the poor – the target population.

Recent studies on the subject poverty and its reduction agencies as well as programmes indicate that considerable gap exists between the target objective – alleviating or eradicating poverty – and achievement. It seems that the efforts of various governments are ineffective and therefore not much has been done to actualise the benefits. For poverty reduction agencies, their

results do not seem to justify the huge financial allocations to them. Poor people's perceptions of formal poverty reduction institutions are largely that of ineffectiveness and irrelevance in their lives as government poverty reduction activities contribute little in their struggles to survive and rarely help them to escape poverty.

More disturbing is the fact that despite the colossal amount of resources committed to those programmes, the poverty situation aggravates, and more and more people fall into the poverty region instead of escaping.

### **3.2 Objectives And Rationale Of The Study**

The overall objective of the study is to assess the various strategies and tools or instruments used to implement the various poverty reduction strategies between 1983 and 2002 (twenty year period of review).

Specifically, the objectives are:

1. To identify these strategies;
2. To measure their effectiveness and impact on the poor or target group;
3. To assess their capability for reducing poverty;
4. To identify reasons for their failure or success; and

5. To suggest and recommend appropriate poverty reduction strategies for Nigeria.

#### **1.4 Significance of The Study**

Achieving significant results in reducing poverty often hinges on what is done, how it is done, when it is done and whom it is targeted at. It is obvious from several studies that Poverty Reduction Strategies in Nigeria have failed to achieve their stated objectives. It therefore requires concerted efforts by all to contribute to the success of this all-important but elusive goal. Such efforts can only be meaningful if it stems from an empirical study in order to support the government to realize the global lofty objective of eradicating poverty by the year 2015.

6. The study is expected to be a concerted effort to identify, articulate and highlight the existence, the causes and effects of poverty in Nigeria.
7. It is a quest to streamlining poverty reduction strategies towards making them more potent.
8. The study is also expected to be of benefit to a number of groups especially stakeholders of poverty reduction efforts such as public and private sectors strategists, planners, managers, coordinators and

monitors of poverty reduction agencies and the poor who are the ultimate beneficiaries of the efforts and indeed the general public.

9. The research is expected to be part of data bank for operators as well as policy makers in poverty reduction strategies.
10. It will arouse the interest of students to conduct more researches in this field of study.

### **1.5 HYPOTHESES**

The research hypotheses that will guide the study is as follows:

- H1 Poverty Reduction Strategies in Nigeria have succeeded in reducing poverty; and
- H0 Poverty Reduction Strategies in Nigeria have not succeeded in reducing poverty.

### **3.3 Limitations of the Study**

To conduct an effective research in Nigeria is always a herculean task, owing to people's attitudinal disposition towards the release of information. Information is seen as 'sacred' and too confidential to release for the feeling that it is a way of assessing the giver. The questionnaires were administered

on two hundred and thirty (230) respondents and it took persistent calls and visits to get one hundred and forty-two to respond.

Perhaps the most debilitating limitation of this study is the inadequacy of data in that data on poverty incidences in Nigeria by the relevant authority was last updated in the social welfare survey carried out by the Federal Office of Statistics in 1996. Hence, the constant reference to data up to or about that year. Information made available to the researcher revealed that Mr. President had just requested the National Poverty Eradication Programme to collaborate with the Federal Office of Statistics to conduct an update survey to avail him and all concerned the much-needed current relevant data.

There was also a limitation in terms of library facilities as it is only the World Bank, British Council, United Nations and Central Bank of Nigeria libraries that have materials related to the study. The researcher being a full time employee had no enough time to make extensive research. However, the above limitations could not hinder effective and meaningful research work. Rather, they motivated the researcher to try to surmount them all.

## **1.7 DEFINITION OF TERMS**

**Absolute Poverty:** refers to insufficient or total lack of necessities and facilities like food, housing, medical care, education, social and environmental services, consumer goods, recreational opportunities, neighbourhood amenities and transport facilities, etc.

**GDP:** means Gross Domestic Product. This is the Naira value of all the goods and services produced within a country but excluding net income from abroad.

**Globalisation:** is a process of creating a global market place in which, increasingly, all nations are forced to participate based on the following key elements: the interconnection of sovereign nations through trade and capital flows, harmonization of the economic rules that govern relationships between these nations; creating structures to support and facilitate dependence and interconnection.

**GNP:** means Gross National Product. It is the market value of all the goods and services produced in Nigeria over a specific period of time usually a year at factor cost.

**HDI:** refers to Human Development Index which is a measure of longevity, knowledge and income. Longevity is measured solely by life expectancy at birth, while knowledge is measured by the adult literacy rate and mean years of schooling weighted at 2:1 respectively. For income, purchasing power

parity (PPP) (based on real GDP) per capita adjusted for the local cost of living is used.”

**Indicators of Poverty:** generally refer to measures of economic performance as well as the standard of living of the population. This normally combines the measures of income or purchasing power or consumption with those social indicators, which highlight availability and access to the basic necessities of life.

**Poverty:** is a state where an individual is not able to cater adequately for his or her basic needs of food, clothing and shelter; is unable to meet social and economic obligations, lacks gainful employment, skills, assets and self-esteem; and has limited access to social and economic infrastructure such as education, health, portable water, and sanitation; and consequently, has limited chance of advancing his or her welfare to the limit of his or her capabilities.

**Poverty Reduction:** means all formal activities geared towards lowering the rate and prevalence of poverty in the country.

**PRSP:** Poverty Reduction Strategies Paper is a position paper introduced by the World Bank that is a development plan borne out of collaborative efforts of a broad range of stakeholders poverty reduction. It is normally designed

and implemented through the participation of all involved in one way or the other in poverty, poverty reduction and its other related issues.

**Relative Poverty:** refers to a situation when people’s income, even if adequate for survival, fall radically below that of community average. What is considered poverty level in one country or person may well be the height of well being in another.

### 1.8 LIST OF ABBREVIATIONS

S/N	ACCRONYM	MEANING
1	ADP	Agricultural Development Project
2	APAC	African Population Agenda Council
3.	APDF	African Project Development Facilities
4.	CBs	Community Banks
5.	CBOs	Community Based Organisations
6.	DFPRI	Directorate of Food, Roads, and Rural Infrastructure
7.	DFID	Department for International Development
8.	FEAP	Family Economic Advancement Programme
9.	FSP	Family Support Programme
10.	FSTF	Family Support Trust Fund
11.	FOS	Federal Office of Statistics
12.	FUMTA	Federal Urban Mass Transit Agency
13.	GDP	Gross Domestic Product
14.	GNP	Gross National Product

15.	GWEP	Guinea Worm Eradication Programme
16.	HDI	Human Development Index
17.	HDR	Human Development Report
18.	IDAs	International Donor Agencies
19.	IFAD	International Fund for Agricultural Development
20.	ILO	International Labour Organisation
21.	IMF	International Monetary Fund
22.	JICA	Japanese International Cooperation Agency
23.	LGA	Local Government Authority
24.	MAN	Manufactures Association of Nigeria
25.	MFI	Micro-Finance Intermediaries
26.	MTP	Mass Transit Programme
27.	NACB	Nigeria Agricultural Cooperative Bank
28.	NACRDB	Nigeria Agriculture Cooperative and Rural Development Bank
29.	NAIC	National Agricultural Insurance Corporation
30.	NALDA	National Agriculture Land Development Authority
31.	NAPEC	National Poverty Eradication Council
32.	NAPEP	National Poverty Eradication Programme
33.	NBCB	National Board for Community Banks
34.	NBCI	Nigeria Bank for Commerce and Industry
35.	NBRRI	Nigeria Building and Road Research Institute
36.	NCMLAE	National Commission for Mass Literacy Adult and Non-Formal Education.
37.	NCML	National Commission for Mass Literacy
38.	NCNE	National Commission for Nomadic Education

39.	NCWD	National Centre for Women Development
40.	NDE	National Directorate of Employment
41.	NERFUND	Nigeria Economic Reconstruction Fund
42.	NGOs	Non-Governmental Organisations
43.	NIDB	Nigeria Industrial Development Bank
44.	NPHCDA	National Primary Health Care Development Agency
45.	NPDF	Nigerian Project Development Facilities
46.	OECD	Organisation for Economic Cooperation and Development
47.	OFN	Operation Feed the Nation
48.	OPS	Organised Private Sector
49.	PAP	Poverty Alleviation Programme
50.	PBN	Peoples Bank of Nigeria
51.	PHC	Primary Health Care
52.	PRSP	Poverty Reduction Strategy Paper
53.	PTF	Petroleum (Special) Trust Fund
54.	RBDAs	River Basin Development Authorities
55.	SAP	Structural Adjustment Programme
56.	SCC	State Coordination Committee
57.	SMIDA	Small & Medium Industries Development Agency
58.	SMEs	Small & Medium Enterprises
59.	TOKENs	Transfer of Knowledge Through Expatriate Nationals
60.	UBE	Universal Basic Education
61.	UNAIDS	United Nations Aids Programme
62.	UNDP	United Nations Development Programme
63.	UNFPA	United Nations Fund for Population Activities

64.	UNIFEM	United Nations Fund for Women
65.	UNIDO	United Nations Industrial Development Organisation
66.	UNICEF	United Nations Children Fund
67.	UNESCO	United Nations Educational Scientific and Cultural Organisation
68.	UN	United Nations
69.	UNISTAR	United Nations Short Term Advisory Resources
70.	WAI	War Against Indiscipline
71.	WHO	World Health Organisation

## **REFERENCE**

**Central Bank of Nigeria, (1999) Nigeria's Development Prospects: Poverty Assessment And Alleviation Study**  
Central Bank of Nigeria in Collaboration with the World Bank.

**Narayan, D. et al, (2000) Voices of the Poor: Can Anyone Hear Us?** World Bank, New York.

**United Nations Development Programme, (2001) Nigerian Human Development Report 2000/2001 Millennium Edition.**  
UNDP, Lagos.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 INTRODUCTION**

A review of earlier works done in the area of poverty and its reduction is made in this chapter. Quite a lot has been and is being documented on both poverty and strategies for reducing it. As a result, the review undertaken here is rather selective than exhaustive.

#### **3.1 MEANING OF POVERTY**

Based on its multi-dimensional nature, poverty is usually perceived using different criteria. This accounts for the numerous attempts in defining poverty; each definition tries to capture the perception of the author or the poor as to what the term is. Narayan and Petesch (2002:10) succinctly posit that, “poverty also may look quite different, seen through the eyes of a poor

man or a woman.” This is reflected in the differences in the various definitions, as poverty is considered to be a relative term. Narayan et al (2000:30) captured the definition from the point of view of the poor in different countries in the following perspectives:

“Poverty is humiliation, the sense of being dependent, and of being forced to accept rudeness, insults, and indifference when we seek help.”

Another of such views of the poor is that expressed by a poor man in Kenya in 1997 as reported by Narayan et al (2000:30) thus:

“Don’t ask me what poverty is because you have met it outside my house. Look at the house and count the number of holes. Look at my utensils and the clothes that I am wearing. Look at everything and write what you see. What you see is poverty.”

The above reflect just descriptions of a few of the various perceptions of poverty at least from the poor. Poverty could denote a state of deprivation as was captured by Nigeria’s Federal Ministry of Economic Co-operation and Development (1992:3) as “not having enough to eat, a high rate of infant mortality, a low life expectancy, low educational opportunities, poor water, inadequate health care, unfit housing and a lack of active participation in the decision making process”. It could also denote “absence or lack of basic necessities of life” or “lack of command over basic consumption needs such

as food, clothing and or shelter”, “glaring defects in the economy, etc” as stated by Aluko (1975).

The attempts made at defining poverty as captured above could be referred to as mere outline of the features or characteristics of poverty. In buttressing the difficulties encountered in arriving at a common and generally accepted definition of poverty, Aboyade (1997) posits that there seems to be a general agreement that poverty is a difficult concept to handle, and that it is more easily recognized than defined. Even attempts made to categorize some specific areas at which poverty could be viewed are fraught with lack of agreement. For instance, the Organisation for Economic Co-operation and Development (OECD) Guideline on Poverty Reduction (2000:29) stressed that “an adequate concept of poverty should include all the most important areas in which people of either gender are deprived and perceived as incapacitated in different societies and local context. It should encompass the causal links between the core dimensions of poverty and the central importance of gender and environmentally sustainable development.” It failed to define poverty. Rather, it listed “the core dimensions” a definition of

poverty should cover to include: economic, human, political, socio-cultural and protective capabilities. On the other hand, Narayan et al (2000: 29-30), in buttressing that poverty is multi- dimensional, say that “definitions of poverty and its causes vary by gender, age, culture, and other social and economic contexts.” They defined poverty from such categories as: lack of voice, power, independence, well or ill being, regional, gender, etc.

Even poverty elements like lack of power and voice, are explained differently in various countries. A Ghanaian in 1995 as stated in Narayan et al (2000:39) explained poverty in the dimension of lack of power and voice thus, “you know ‘good’ but you cannot do ‘good’. That is, such a person knows what should be done but has not got the means.” In the same vein, an elderly poor man in Uganda, explained in his own words; “the forces of poverty and impoverishment are so powerful today. Governments or the big churches can only manage them. So we now feel somewhat helpless. It is the feeling of helplessness that is so painful, more painful than poverty itself”.

Adopting categorization as a basis for defining poverty generates even more disagreements as to what constitutes poverty at different levels of society such as the individual, household, community, district and regional. OECD (2000:33) states that dimensions and measures of poverty may be

inconsistent, which complicates the task of identifying the poor. Lending credence to the divergent views on poverty definition, the World Bank (1999:10) states that “participatory studies have cumulatively shown that the poor also experience and understand their poverty in terms of a range of non-material and intangible qualities such as insecurity, lack of dignity and status or a lack of power or opportunity.” These qualities and characteristics of poverty differ markedly by social group and by geographical and political-economic contexts.

Furthermore, examining the definition of poverty from the dimension of material well being reveals yet other varying opinions. The case of a 10-year-old child in Gabon in 1997 as stated in Narayan et al (2000:39) succinctly captures it thus: “when I leave for school in the mornings I don’t have any breakfast. At noon there is no lunch, in the evening I get a little supper, and that is not enough. So, when I see another child eating, I watch him, and if he doesn’t give me something I think I’m going to die of hunger.” The perception of this Gabonese child is akin to the song one old woman claimed her siblings used to sing as a result of lack of food to eat. It is translated thus: “Give me the one I will eat in the afternoon, in the night I am ready to forego food, food, food.”

Material well being is always relative. While some perceive it in terms of ability to meet basic needs such as the provision of three square meals daily, as in the cases above, few perceive it from ability to educate one's children, provide clothing for the family and relatively comfortable shelter; yet, some perceive it from ability to respond to emergencies by falling back on ones' savings. The lack of these things is ordinarily perceived as ill-being and by extension, poverty. According to OECD (2000:30) "economic capability means the ability to earn an income, to consume and to have assets, which are all key to food security, material well-being and social status. These aspects are often raised by poor people, along with secure access to productive financial and physical resources: land, implements and animals, forests and fishing waters, credit and decent employment".

Expressing poverty from the gender dimensions, the World Bank (1999:12) states that "in some instances the gender dimensions of this powerlessness were articulated, with implications for both men and women, boys and girls. It went further to illustrate with one Ayekale Odogun in Nigeria where "poor households were seen to be characterized by the inability of men to fulfill their role as provider." According to OECD (2000:32) the "processes causing

poverty affect men and women in different ways and degrees. Female poverty is more prevalent and typically more severe than male poverty.” It stated further that women “suffer violence by men on a large scale. They are more likely to be illiterate as well as politically and socially excluded in their communities. Hence, abilities of women to overcome poverty are generally different from those of men”. There is also gender-related ‘time poverty’. According to OECD (2000:32), this refers to the lack of time for all the tasks imposed on women, for rest and for economic, social and political activities. It is an important additional burden, which in many societies is due to structural gender inequality - a disparity that has different meanings for women and men. It is necessary to view poverty from an all-inclusive perspective to enable adequate and effective policies to be formulated and implemented. In this vein, the World Bank Report of 1990 adopted a view of poverty that covered various aspects of deprivation as “encompassing not only material deprivation (measured by an appropriate concept of income or consumption) but also low achievements in education and health.”

Poverty can be categorized as either relative or absolute on one hand, while on another, it can be classified as permanent or transient. Aliyu (2003:2) explained absolute poverty to be “the condition where an individual or group

of people are unable to satisfy their basic requirements for human survival in terms of education, health, housing, feeding employment, transportation, etc.” Corroborating the above meaning of absolute poverty, Aboyade (1987:7) defined it thus: “the insufficient or total lack of necessities and facilities like food, housing, medical care, education, social and environmental service, consumer goods, recreational opportunities, neighbourhood amenities and transport facilities.” It is a basic fact that what is considered poverty level in one country or community may well be the height of well-being in another. This therefore, infers that poverty may be seen in relative terms. Relative Poverty, according to Aliyu (2003:2) “is a situation where an individual or group of people can be said to have access to his/their basic needs, but is comparatively poor among persons or the generality of the community”. Lending credence to the fact that poverty may be more of a relative concept, Aboyade (1987:7) stated vividly that relative poverty occurs when “people are poverty-stricken when their incomes, even if adequate for survival, fall radically behind that of the community average, they cannot have what the larger community regard as the minimum necessary for decency, and they cannot wholly escape therefore the judgment of the larger community that they are indecent. They are degraded, for in the literal sense, they live outside the grades or categories which the community regards as acceptable.”

Poverty may be viewed from the dimension of permanency or transience. This dimension differentiates poverty based on time or duration on one hand, and distribution as to widespread, individual or concentrated on the other hand. According to Aliyu (2003:2-3) several types of poverty may be distinguished depending on such factors as time or duration (long- or short-term or cyclical) if the poverty is widespread throughout a population, but the occurrence itself is of limited duration; and distribution (widespread, concentrated, individual) if it involves relatively permanent insufficiency of means to secure basic needs. The condition may be so general as to describe the average level of life in a society or it may be concentrated in relatively large groups in an otherwise prosperous society.

There is no doubt that the attempts made above to define poverty have given inkling to the causes of poverty as will be discovered in the subsequent paragraphs. Despite these difficulties, there are 'compromise' definitions of poverty generally recognized and used by different people. It may be sufficient to take just the following three:

The Central Bank of Nigeria (1999:1) views poverty as "a state where an individual is not able to cater adequately for his or her basic needs

of food, clothing and shelter; is unable to meet social and economic obligations; lacks gainful employment, skills, assets and self-esteem; and has limited access to social and economic Infrastructure such as education, health, portable water, and sanitation; and consequently, has limited chance of advantage his or her welfare to the limit of his or her capabilities”.

The World Bank (2000) utilized inductive approach to uncover dimension of poverty and therefore defined poverty using many indices. One of such definitions is that poverty is “the lack of what is necessary for material well-being especially food, but also housing, land, and other assets. In other words, poverty is the lack of multiple resources that leads to hunger and physical deprivation.”

Nuhu O. Yaqub (2002:218) defined poverty as a “condition of privation or want in which a poor individual is incapable of satisfying the minimum basic human needs in such areas as food, housing and clothing, to ensure a decent life or existence”.

There is also the non-material dimension to poverty, which is manifested in incapacities to participate fully in the political and socio-

cultural activities of one's community. Simply put, poverty is powerlessness.

## 3.2 POVERTY INCIDENCES

### 2.2.1 Poverty in the World

Poverty is currently one of the most serious problems in the World. Recent estimates indicate that about 1.5 billion people live below the poverty line of less than one dollar per day in the whole world. Out of the 1.5 billion people, Africa contributes about 250 million, which is about 17% of the world's total poor population. Available data, which show the extent of poverty in Africa and other continents in the world, are shown in Tables 2.1 to 2.4, which are self-explanatory.

Table 2.1 Trends in Income Poverty in Developing Countries

Region of Country Group	Percentage of population living below the income poverty threshold		Share of poor people in developing countries		Number of poor people (Millions)
	1987	1993	1987	1993	1993
Arab States	5	4	1	1	11
East Asia, South-East Asia and Pacific	30	26	38	34	446
East Asia, South-East Asia and Pacific (excluding China)	23	14	10	7	94
Latin America and the Caribbean	22	24	7	9	110
South Asia	45	43	39	39	515
Sub-Saharan African	38	39	15	17	219
Developing Countries	34	32	100	100	1,301

**With Poverty threshold of 1 Dollar/day**

*Source:* Human Development Report Office, 1998

**Table 2.2 Human Poverty in Developing Countries (in millions of inhabitants)**

Regions or Groups of Countries	Adult Illiteracy, 1998	Population without access to Health Services, 1990-1997	Population without access to safe drinking water, 1990-1997	Mal-nourished Children below the Age of 5, 1900-1998	Maternal Mortality Rate per 100,000 live Births, 1995	People not expected to survive to age 40, 1995
All developing Countries of which	844	766	1.213	159	473	507
Least developed Countries	147	241	218	34	1.03	123
Arab States	59	29	54	5	380	26
East Asia	167	154	398	19	96	81
Latin America and the Caribbean	43	55	109	6	190	36
South Asia	407	264	230	89	554	184
South East Asia and the Pacific	38	69	162	20	447	58
Sub-Saharan Africa	135	206	249	28	971	125

Population ages 0 to 39 years.

Not including Turkey and Cyprus.

*Source:* Human Development Report Office, 1997 and 1999.

**Table 2.3 Classifications of the Developing Countries of the African Continent South of the Sahara**

<b>Country</b>	<b>Human Poverty Index (HPI) (%)</b>	<b>Rank by HPI</b>	<b>Rank Gap between HPI and HDI</b>	<b>Rank Gap between HPI and Poverty Threshold at \$1/day</b>
Zimbabwe	17.3	17	- 24	-18
Botswana	22.9	29	- 4	- 8
Kenya	26.1	32	- 14	- 13
Lesotho	27.5	35	- 13	- 12
Congo	29.1	38	- 4	-
Cameroon	31.4	41	- 4	-
Ghana	32.6	43	- 1	-
Zambia	35.1	45	- 8	- 14
Rwanda	37.9	48	- 29	- 2
Togo	39.3	49	- 7	-
Tanzania	39.7	50	- 8	14
Zaire	41.2	52	0	-
Uganda	41.3	53	- 13	- 3
Nigeria	41.6	54	3	9
Central African Rep.	41.7	56	- 4	-
Guinea-Bissau	43.6	58	- 11	- 8
Namibia	45.1	59	24	-
Cote d'Ivoire	46.3	63	8	18
Mauritania	47.7	65	6	11
Senegal	48.7	68	1	0
Madagascar	49.5	70	9	- 1
Guinea	50.0	71	0	19
Mozambique	50.1	72	2	-
Ethiopia	56.2	75	2	14
Burkina Faso	58.3	76	1	-
Niger	66.0	78	2	3

**Note:** Ranks according to Human Development Index (HDI) and poverty threshold at 1 Dollar/day have been recalculated to reflect the inclusion of 78 Countries in the HPI ranking. The negative results in the classification gaps columns mean that the country concerned gets better results in terms of HPI than in terms of other measurement criteria: positive results mean the contrary.

**Source:** Human Development Report Office and World Bank, 1997.

**Table 2.4 Poverty Incidences by States Including the Federal Capital Territory (F.C.T) (1980 – 1996)**

STATES	1980	1985	1992	1996
Abia	14.4	33.1	49.9	56.2
Adamawa	33.4	47.2	44.1	65.5
Akwa Ibom	10.2	41.9	45.5	66.9
Anambra	12.8	37.7	32.3	51.0
Bauchi	46.0	68.9	68.8	83.5
Bayelsa	7.2	44.4	43.4	44.3
Benue	23.6	42.9	40.8	64.2
Borno	26.4	50.1	49.7	66.9
Cross River	10.2	41.9	45.5	66.9
Delta	19.8	52.4	33.9	56.1
Ebonyi	12.8	37.7	32.3	51.0
Edo	19.8	52.4	33.9	56.1
Ekiti	24.9	47.3	46.6	71.6
Enugu	12.8	37.7	32.3	51.0
Gombe	46.0	68.9	68.8	83.5
Imo	14.4	33.1	49.9	56.2
Jigawa	37.5	54.0	38.7	71.0
Kaduna	44.7	58.5	32.0	67.7
Kano	37.5	55.0	38.7	71.0
Katsina	44.7	58.7	32.0	67.7
Kebbi	25.4	45.8	37.9	83.6
Kogi	33.3	39.3	60.8	75.5
Kwara	33.3	39.3	60.8	75.5
Lagos	26.4	43.6	48.1	83.0
Nassarawa	49.5	49.5	50.2	62.7
Niger	34.0	61.4	29.9	52.9
Ogun	20.0	56.0	36.3	69.9
Ondo	24.9	47.3	46.6	71.6
Osun	7.8	28.3	40.7	58.7
Oyo	7.8	28.3	40.7	58.7
Plateau	49.5	64.2	50.2	62.7
Rivers	7.2	44.4	43.4	77.3

Sokoto	25.4	45.8	37.9	83.6
Taraba	33.4	47.2	44.1	65.5
Yobe	26.4	50.1	49.7	66.9
Zamfara	33.4	45.8	37.9	83.6
F.C.T.			27.6	53.0
<b>All Nigeria</b>	<b>28.1</b>	<b>46.3</b>	<b>42.7</b>	<b>65.6</b>

*Source:* Federal Office of Statistics (FOS)

The eradication of absolute poverty is one of the central objectives of contemporary development policy. The International Community's determination to overcome poverty has been highlighted by the sustainable activities of the International Development Donors Partners such as the United Nations, the World Bank, the International Monetary Fund etc. The eradication of absolute poverty is also the overriding goal of the democratic Government of Nigeria.

### 2.2.2 Poverty in Nigeria

Statistical data from the Federal Office of Statistics (FOS) indicate that by 1960 poverty covered about 15% of the population of Nigeria and by 1980 it grew to 28%. By 1985 the extent of poverty was about 46% and then dropped to 43% by 1992. By 1996, poverty incidence in Nigeria was estimated to be about 66% in a total population of about 110 million, (Table 2.4).

According to the United Nations Reports (1999), Nigeria's Human Poverty Index (HPI) was only 41.6%, which places the country among the 25 poorest nations in the world. The HPI for some other African Countries are shown in table 2.3 in which Zimbabwe, Botswana, Kenya, Burkina Faso and Niger had 17%, 22.9%, 26.1%, 58.3% and 66.0% respectively.

Additional data from the FOS (1999) further indicate that life expectancy for Nigeria was 51 years, literacy rate was 56% and 70% of the rural population do not have access to potable water, healthcare facilities and electricity. The adult literacy rate for Zaire, Zambia and Zimbabwe were 76%, 77% and 85% respectively. Infant mortality rate (per 1000 live birth) and under-five mortality rates for Nigeria were 82 and 191 respectively by 1995. The same data for South Africa, Cameroon and Zimbabwe were 51 and 67; 62 and 106; 70 and 74, respectively.

Based on the data also from the FOS, the State-by-State poverty incidence in Nigeria between 1980 and 1996 is shown in Table 2.4. The data clearly indicate high and varying poverty levels among the states of the Federation. The data further shows that poverty in Nigeria increased sharply both between 1980 and 1985 and between 1992 and 1996. Furthermore, by 1992

only 10 States have more than half of their population in poverty, but by 1996 all States except Bayelsa have more than half of their population in poverty.

### 3.1 CAUSES OF POVERTY

There seems to be narrow disagreement on the causes of poverty as against the difficulty encountered in arriving at a universally accepted definition of poverty. Although writers tend to discuss causes of poverty mostly from their areas of profession, region or gender, there are basic factors that enable the prevalence of poverty. These basic factors, including macro-economic distortions, effects of globalisation, governance, corruption, debt burden, low productivity, unemployment, high population growth rate and poor human resources development etc., may differ from country to country depending on the level of economic development. There are however, many issues involved when looking at the causes of poverty. Some are fundamental while others are not.

While the CBN (1999:12) grouped causes of poverty into two categories “namely low economic growth and market imperfections”, the World Bank

(2001:34) reasoned that “one route of investigating the causes of poverty is to examine the dimensions highlighted by poor people”:

- Lack of income and assets to attain basic necessities – food, shelter, clothing, and acceptable levels of health and education;
- Sense of voicelessness and powerlessness in the institutions of state and society; and
- Vulnerability to adverse shocks, linked to an inability to cope with them.”

On the other hand, Federal Office of Statistics in its publication: Socio-Economic Profile of Nigeria (1996:109) was definite in categorizing the causes of poverty in Nigeria into problems of access and endowments such as:

- Inadequate access to employment opportunities for the poor. This is often caused by the stunted growth of economic activities or growth with labour saving device;
- Lack or inadequate access to assets such as land capital by the poor: this is often attributed to the absence of land reform and minimal opportunities for small-credit;
- Inadequate access to the means of fostering rural development in poor regions: the preference for high potential areas and the strong urban

bias in the design of development programmes is often assumed to be its primary cause;

- Inadequate access to markets for the goods and services that the poor can sell: this is caused by their remote geographic location or other factors;
- Inadequate access to education, health, sanitation and water services. This emanates from inequitable social service delivery which consequently results in the inability of the poor to live a healthy and active life and take full advantage of employment opportunities;
- The destruction of the natural resources endowments, which has led to reduced productivity of agriculture, forestry and fisheries. This often resulted from the desperate survival strategies of the poor as well as inadequate and ineffective public policy on natural resource management;
- The inadequate access to assistance by those who are the victims of transitory poverty such as drought, floods, pests and war. This is brought about by lack of well conceived strategies and resources; and
- Inadequate involvement of the poor in the design of development programmes. This is often exacerbated by the non-involvement of the representatives of the poor communities or beneficiaries in the

discussion, preparation, design and implementation of programmes that will affect them.”

A careful assessment of the above causes will indicate the multidimensional nature of poverty. This indication will no doubt provide a better approach for effective attack on poverty.

Aliyu (2002:30) in his own contribution cited other factors as effects of globalisation, governance, corruption, debt burden, low productivity, etc. as causes of poverty.

The World Bank in its study: *Consultation with the Poor* in 1999:17 posits that, “the impact of a range of possible shocks, trends and cycles were seen to be important influence on local vulnerability and helped to differentiate the vulnerable from the more secure”. The report went further to state that “the risks people face were linked to a number of key aspects of security that affected the poor at different levels of social organization, from the individual to the household to entire communities”. Specifically, the report linked poverty in some instances to some perceived pathologies such as reckless spending and distaste for farming, laziness, over population, bad government and non-payment of compensation for land acquired by government.

Galbraith (1971) as captured by the CBN (1991:12) observed causes of poverty differently in three developing regions of the world: the sub-Saharan Africa, Latin America and Asia. He attributed poverty in Sub-Saharan Africa to the “absence of opportunity rather than absence of aptitude” as the countries of this region “have had only a few years” of independence to face the task of economic development. He observed further that “people with requisite education, training, and honesty for performing public tasks are unavailable.” Consequently “taxes are collected in haphazard or arbitrary fashion and public funds are spent inefficiently or for no particular purpose except the reward of the recipients”. Another area he noted was in the area of law enforcement, which was unreliable, and essential public services, which if they existed, could only make primitive local trade exist with attendant handicaps. Though the above assertions were very much relevant at the time they were made, it is doubtful if all are still relevant today. For instance, it may not be absolutely correct to state that in present day Sub-Saharan Africa “people with requisite education, training, and honesty for performing public tasks are unavailable”. Furthermore, his classification of two broad

categories of poverty (case and insular poverty) in United States of America is relevant in the present day Sub-Saharan Africa.

For instance, the characteristics of case poverty where he listed some characteristics of the individual or his family in the United States of America to include: “mental deficiency, bad health, inability to adapt to the discipline of modern economic life, excessive procreation, alcohol, insufficient education or perhaps a combination of several of these handicaps” are quite typical of the present day Sub-Saharan Africa.

Further search of causes of poverty may lead us to greater disparity; the CBN (1999:13) suggested a summary of the causative factors of poverty, which tried to capture all the pertinent issues raised as:

- The stage of Economic and Social Development;
- Low Productivity;
- Market imperfection;
- Physical or Environmental Degradation;
- Structural Shift in the Economy;
- Inadequate Commitment to Programme Implementation;
- Political Instability; and
- Corruption.

These causative factors are usually crisscrossed or intertwined. For instance, most of the causes could be linked to or stemmed from corruption. Abdullahi Aliyu, Permanent Secretary in charge of the National Poverty Eradication Programme (NAPEP) in Nigeria linked political instability in Africa to corruption when he stated that, “In Africa, illegal take over of government through military coup, embezzlement, nepotism, looting, bribery, vote buying and abuse of office are very common.” In fact, Nigeria has, in the recent times, assumed an unenviable position of the most corrupt country in the world. Corruption has not only been institutionalized but also assumed a national dimension. This has eaten deep into the fabrics of the society and accounts for the reason why efforts so far made for alleviating or reducing poverty has not yielded much results as through it, the bulk of the nation’s wealth have been distributed in favour of the few privileged to the detriment of the majority of Nigerians who continually wallow in abject poverty.

Another causative factor of poverty in Nigeria is the Structural Adjustment Programme (SAP) of the International Monetary Fund (IMF) and the World Bank. One may view this as an irony of fate because both institutions are involved in efforts toward reducing poverty. In fact, the

World Bank has sponsored so many researches on poverty and its reduction strategies. It has also elevated the issue of poverty and its reduction to a level of global consciousness where governments, institutions and individuals are being sensitized to the consequences of poverty and the need to make concerted efforts towards tackling the malaise. Shah (2001:2) argued that the “IMF and World Bank- prescribed structural adjustment policies means that nations that are lent money are done so on condition that they cut social expenditure (which is vital for economic growth and development) in order to repay the loans.” He further stated that, “many are tied to opening up their economies and being primarily commodity exporters, which for poorer nations lead to a spiraling race to the bottom as each nation must compete against others to provide lower standards, reduced wages and cheaper resources to corporations and richer nations”. He concluded that “this further increases poverty and dependency for most people”.

In Nigeria, unemployment is assuming a crisis-level. Though there are no reliable data for ascertaining the exact number of unemployed Nigerians, it is however evident that unemployment rate is growing at geometric

progression based on number of graduates and secondary school leavers without job. This further aggravates the poverty situation.

It is estimated that the population of Nigeria is currently about 120 million. The burgeoning population growth has over-stretched the basic social and infrastructural facilities as well as public goods in the face of non-rehabilitation or construction of these facilities as a result of dwindling national resources coupled with insensitivity on the part of political leadership of the nation. It is more disturbing when it is realized that the population growth averages 2.83% as against GDP growth rate of 2.7 %. It therefore means that resources meant for investment are consumed with little left for development thereby reinforcing the vicious cycle of poverty.

Globalisation, which is vigorously being touted as a panacea to economic problems, is on the other hand perceived by some as contributing to widening the poverty gap in most developing countries. Shah (2001:3) accuses globalisation as increasing inequality in the world as it maintains the historic unequal rules of trade. He maintains that “around the world, inequality is increasing, while the world is further globalising. In many cases, international political interests have led to a diversion of available resources from domestic needs to western markets.” He further stated:

“Historically, politics and power play by the elite leaders and rulers has meant that people and their land can be controlled, which has further increased poverty and dependency. These have manifested themselves in wars, hot and cold, which are mainly trade and resource-related”. Aliyu (2003:6) approached the effect of globalisation from another perspective entirely though he agreed that it puts developing economies particularly Nigeria in a disadvantaged position. He succinctly put it thus: “given Nigeria’s political and socio-economic disposition, globalisation presented more challenges to the country as it lacks what it takes to be relevant or even adapt and/ or cope with it. Until the country can achieve certain level of good governance, a revamped industrial base, modest economic growth, fairly efficient public infrastructure and utilities, Nigeria shall remain at the receiving end of globalization”.

In all, the causes of this state of poverty in the country can be summarized to, among other factors, include:

- Corruption;
- Debt overhang;
- Unemployment;
- Low productivity;
- Burgeoning population growth;

- Globalisation;
- Unfocused government policies; and
- Lack of effective skills training.

With the above divergent factors expressed as being the causes of poverty, it therefore, becomes imperative to find a common base for measuring poverty.

### **3.2 INDICATORS OF POVERTY**

Economic performance as well as the standard of living of the population is usually the general factors used as indicators of poverty. These factors combine measures of purchasing power or income or consumption with other social indices which show availability and access to education, healthcare delivery, basic infrastructure and other welfare facilities in order to define the incidence, intensity or severity and the distribution of poverty within a population.

It seems that poverty related issues are replete with difficulties in having a common ground for their definition, analysis, designing and implementing policies. Based on the various definitions of poverty earlier considered, a major attending problem is usually what to include as indices of poverty.

OECD (1999:33) tried to provide a way out when it posited that “despite the difficulty of precise measurement, knowledge from different sources can often be used to identify the poor.” Still trying to avoid the pitfall of excluding many or not capturing enough indices, the CBN (1999:10) said that indicators of poverty from a general perspective “focus on measures of economic performance as well as the standard of living of the population.” It defends such a method as being appropriate in the sense that it “combines measures of income or purchasing power or consumption with those social indicators which highlight availability and access to healthcare delivery, education, basic infrastructure and other welfare-enhancing facilities in order to define the incidence of poverty (how many are poor), the intensity or severity of poverty (how poor are they) and the distribution of poverty within a population”. The above scenario provides a direction to the need to have a comprehensive definition of poverty as to ensure a holistic approach in attacking the issue. It might have also explained remotely why poverty reduction strategies have failed to achieve the expected impact. Arguing for a comprehensive poverty measurement, OECD (1999:33) was less emphatic when it stated that “composite indexes that include both economic and other poverty dimensions may provide more solid comparable quantitative measures than measures in one dimension only.” But it went further to

express fears by revealing that “to some extent, the choice of indicators and the weights assigned to them is arbitrary, and trade-offs between them are not captured.” This situation succinctly asserts that whichever way, there is bound to be difficulties.

There is a need to state a generally acceptable benchmark against which individual, regional, and national measurement of poverty can be undertaken. This will no doubt ensure a good basis for comparability and reduce the gap being recently experienced in poverty related issues. Corroborating this, the CBN (2000:10) argued that the need to specify benchmarks for measuring poverty led to the construction of poverty lines, national poverty rate, urban poverty rates and rural poverty rates.

**Poverty lines** according to the CBN (2000:10) represents “the value of basic (food and non-food) needs considered essential for meeting the minimum socially-acceptable standard of living within a given society. Thus, any individual whose income or consumption falls below the poverty line is regarded as poor.” This ordinarily means that there is a minimum acceptable poverty line at which an individual’s income or consumption falls below to be classified as poor. The above reasoning thrives only when there is a generally

accepted minimum standard of living or income, which is derived from a concrete and stable statistical analysis. Lending credence to this assertion, the OECD (2000:34) asserts the necessity of this when it states that “this is necessary for monitoring the numbers as well as the proportion of poor people over time and among countries, and the depth and severity of poverty.” It went further to state levels of lines for varying categories of income thus: “the most common poverty lines for international comparisons are US\$1 a day for low-income countries, US\$2 for middle income, and US\$4 for transition economies.” The poverty lines as stated could generate misleading ideas of poverty as most countries’ currencies if converted to US\$1 will give significant value that may be greater than what is expected in that country to escape the poverty line. This presupposes that most countries have their own poverty lines reflecting different social, economic and climatic conditions to effectively determine what an acceptable minimum income should be.

One more criticism of expressing poverty in terms of poverty line denoted in US\$ is that over time, the value of money including US\$ fluctuates. The value of US\$1 in, for instance 2003 is far less than its value in 1993. If we accept 1993 as the base year or at its purchasing power parity terms: how long will it

take to review the purchasing power parity? What determines the change? Is the determinant universally same? All these make it difficult to fix poverty line in terms of a specific nation's currency more especially on currency of a developed economy. It is observed that the US\$1 per day poverty line has become a benchmark and internationally accepted. For instance, the CBN (1999:11) while accepting the fact that poverty lines will differ from country to country depending on general price level, the tradable/non-tradable mix in basic needs, exchange rates, etc; opines that, "at international level, there is an international poverty line of US\$1.0 a day, expressed in 1985 international prices and adjusted to local currencies using purchasing power parity exchange rates."

On the other hand, the Report of Presidential Panel on Streamlining and Rationalization of Poverty Alleviation Institutions and Agencies in Nigeria (1999:5) revealed the fact that the Federal Office of Statistics may not have carried out its survey based on the US\$1 poverty line but based on the amount of Naira required to procure a basket of goods that meet FAO basic standard consumption for existence of 2,100 calories per person per day. It asserted that "any person who earns below ₦395.40 per annum, in 1985 prices can be categorised as poor, while any person who earns below

₦197.70 in 1985 prices can be categorised extremely poor.” These prices have to be varied as prices change. For instance, according to the report, “in 1996 prices, this translates to about N11,292.96 and N5,646.48 per person per year, for the poor and core poor, respectively. While in 1997 prices, for the poor generally, this amounts to N39,480.00 per person per year.”

Poverty line is further illustrated below using data from the Federal Office of Statistics (FOS) in the specific areas of Real Per Capita Income and Real Per Capita Private Consumption.

**Table 2.5 Living Index Indicators in Nigeria (Naira)**

Years	Real Per Capita Income (000)	Real Per Capita Private Consumption
1970	7864	5.80
1971	8370	6.00
1972	8584	5.87
1973	11544	7.12
1974	16707	9.74
1975	13903	8.83
1976	13929	8.32
1977	14123	8.22
1978	13029	8.79
1979	13628	8.17
1980	14820	8.80
1981	11353	7.73
1982	11223	7.88
1983	9753	7.07
1984	7189	5.42
1985	7561	5.65
1986	7061	5.43
1987	7248	6.65
1988	7637	5.94
1989	8832	5.45
1990	9245	5.19
1991	9882	6.78
1992	11253	8.27
1993	11580	11.32

**Source:** FOS, Socio-Economic Profile of Nigeria 1996:112

Table 2.5 above reveals that both real per capita income and real per capita private consumption fluctuated over the years under reference. The income dimension of poverty is usually separated into rural and urban poverty lines as the cost of living in the rural areas tend to be relatively cheaper than in urban areas. Also the income generation capacities of both rural and urban dwellers are significantly different. Statistics from the World Bank (2001:25) and Report of Inter-Ministerial Group on Nigeria: Poverty Reduction Plan, 2001 to 2004:11 indicate that there is higher incidence of poverty in the rural areas than in the urban areas. For instance, according to the World Bank, the share of population below the national poverty line in urban areas in 1992 and 1996 are 29.6 percent and 57.5 percent respectively while the figures for the rural areas in the corresponding years were 45.1 percent and 67.8 percent respectively. In the same vein, the Inter-Ministerial Group on “Nigeria: Poverty Reduction Plan, 2001 to 2004”, in their report, affirmed that the majority of the poor are located in the rural areas as depicted in the table below.

**Table 2.6 Poverty Incidences by Urban/Rural Sectors (in %)**

Year	Urban (Percent)			Rural (Percent)		
	Non Poor	Moderately Poor	Core Poor	Non Poor	Moderately Poor	Core Poor
1980	82.8	14.2	3.0	71.7	21.8	6.5
1985	62.2	30.3	7.5	48.6	36.6	14.8
1992	62.5	26.8	10.7	54.0	30.2	15.8
1996	41.8	33.0	25.2	30.7	38.2	31.6

*Source:* FOS, Poverty for Nigeria 1980 - 1996

The argument that majority of the poor are located in the rural areas is further buttressed by the above table which depicts a constant increase in the percentage of population of Nigerians living in the rural areas. The decrease of non-poor people from 71.7 percent to 30.7 percent of the population in the rural areas over a period of sixteen years could be described as disturbing, more especially in view of the numerous poverty reduction programmes of different administrations in the country. Not surprising however, is the same corresponding drop in the urban non-poor by 41 percent over the same sixteen-year period. They do not fair better.

Although the income dimension of poverty definition is practically the most fundamental, other indices of poverty are also important and are equally discussed.

The CBN (1999:11) suggests, the social indicators of poverty measure as “the availability and access to health, education and welfare facilities as well as basic infrastructure”. The World Bank (2001:27-28) in the same vein classified indices of poverty from the following social factors: health and education, gender disparities, caste, ethnicity, and indigenous status and volatility at the household level. On the other hand, OECD (2000:34) defends the need to use various kinds of measures while discussing poverty. It posits that “different kinds of measures have their uses: relative, contextual, qualitative, and multidimensional indicators are best for understanding a specific situation and intervening in it effectively”. It further warns: “they are less useful for comparisons or for overall poverty monitoring and impact assessments, which require absolute, simple and quantified measures.”

In order to permit the identification and statistical analysis of those households falling under an absolute poverty line, a narrow approach of measuring poverty based on consumption and income perhaps seems

appropriate. A comprehensive approach of measuring poverty at different aggregation levels as suggested by the World Bank (2000:34) presents a comprehensive or holistic view of poverty and gives clear direction as to better approaches towards poverty reduction. Such classification suggests measuring poverty at the following different levels:

- Single Indicator: Consumption.
- Composite indexes: Human Development Index, Human Poverty Index, and Gender-Related Index.
- Discrete indicators: Economic, Human, Socio-Cultural, Political and Protective.

There is a more recent approach to measuring poverty pioneered by the United Nations Development Programme (UNDP) to provide a composite quantitative measure of both the economic and the social indicators of human development. It is known as Human Development Index (HDI). This combines a measure of purchasing power with measures of physical health and educational attainment to indicate progress or retrogression in human life. This approach gives a comprehensive and a more reliable information as the critical components of indicators of poverty are taken into consideration. The CBN (1999:11) captures the HDI thus: “the building blocks of the HDI are data on longevity, knowledge and income. Longevity is measured solely by

life expectancy at birth, while knowledge is measured by the adult literacy rate and mean years of schooling weighted at 2:1 respectively. For income, purchasing power parity (PPP) (based on real GDP) per capita adjusted for the local cost of living) is used.” It further stated that “these three measures are combined in a 3-step process to arrive at an average index.” There is a minimum and maximum rate for each component of measures in HDI. It expresses the ranking of nations in values that range between 0 and 1. As a measure, based on averages, its main limitation as a composite socio-economic indicator is the concealment of the wide distribution of inequalities within a population.

### **3.1 POVERTY AND ECONOMIC DEVELOPMENT**

It is apparent that poverty is an outcome of economic, social and political processes that interact with and reinforce each other in ways that can worsen or ease the deprivation poor people face every day. While national economic development process is pivotal to effective poverty reduction, poverty is an outcome of more than economic process. Buttressing the role of economic development on poverty reduction, the World Bank in its World Development Report 2000/2001: Attacking Poverty P. 46-47 proffers that: “the stark

differences in poverty outcomes between rich and poor countries point to the central role of economic development in poverty reduction.”

Nations in sub-Saharan Africa, South Asia and Latin America are currently with the highest level of poverty and consequently with the lowest level of socio-economic development. They also have the highest level of social insecurity, violence, unrest and generally unacceptable low standard of living.

Paradoxically, Nigeria’s level of revenue and endowment are in opposite direction with her poverty level. While revenue profile of Nigeria rose from N4 billion in 1975 to N26 billion in 1980, and GNP per capita rose from \$360 to more than \$1000 in the same period, the percentage of the population that was poor grew from 15% in 1960 to about its present 70%. Furthermore, according to World Bank and UNDP 2001 statistics, Nigeria which impressively ranked 6<sup>th</sup> and 7<sup>th</sup> in Petroleum Export and Petroleum Production respectively, is ranked 194<sup>th</sup> in GNP per capita and is unenviably classified as the 25<sup>th</sup> poorest nation in the world!

Albeit it is pertinent to note here that level of revenue earned or resources available is quite different from economic development. The crux is the positive utilization of the said revenue or resources in an economic development process capable of impacting positively on the citizenry by improving on their standard of living, and creating employment.

These resources available in Nigeria include human, agricultural, petroleum, gas and solid minerals. Most developed countries are not as endowed as

Nigeria, yet the leadership of this country has not been able to harness the abundant resources for the benefit of her citizenry. The statistical information contained in the tables below depicts some aspects of the Nigerian economy.

**Table 2.7 Selected Performance Indicators Of the Nigerian Economy**

Year	Capacity Utilisation %	Inflation rate %	GDP growth rate %
1980	70.1	9.9	-
1985	37.1	5.5	9.4
1990	40.3	7.5	8.2
1991	42.0	13.0	4.8
1992	41.8	44.5	3.0
1993	37.0	57.2	2.7
1994	30.0	57.0	1.3
1995	29.0	72.8	2.2
1996	33.0	28.0	3.4
1997	33.0	8.5	3.8
1998	29.5	10.0	2.4
1999	30.0	8.0	2.7
2000	32.0	8.6	3.8

**Source: Manufacturers Association of Nigeria (MAN)**

A further analysis of the economy as depicted in table 2.7 reveals that capital utilization decreased from 70.1 % in 1980 to an abysmal level of 32.0% in the year 2000, the GDP followed the same pattern by falling from 9.4% in 1985 to 3.8% in 2000 while inflation rate oscillated over the corresponding period.

Under the above scenario, it will be extremely difficult to have meaningful poverty reduction in Nigeria.

**Table 2.8 Nigeria's Debt Profile**

Years	Domestic Debt (Nm)	External Debt (Nm)	Total Debt (Nm)	Domestic Debt as % of Total Debt	External Debt as % of Total Debt	Domestic Debt as % of GDP	External Debt as % of GDP	Total Debt as % of GDP
1960	23.5	94.5	118	19.9	80.1	1	3.9	4.9
1965	216.2	141.8	358	60.4	39.6	6.4	4.2	10.7
1970	1,111.90	175	1,286.9	86.4	13.6	19.8	3.1	22.9
1975	1,678.9	349.9	2,028.80	82.8	17.2	7.8	1.6	9.4
1980	8,231.50	1866.8	10,098.30	81.5	18.5	16.2	3.7	19.9
1985	27,952.00	17,300.60	45,252.60	61.8	38.2	38.6	23.9	62.5
1989	47,051.10	240,393.70	287,444.80	16.4	83.6	20.9	106.9	127.9
1990	84,124.60	298,614.40	382,739.00	22	78	32.3	114.6	146.8
1995	341,082.30	716,865.60	1,057,947.90	32.2	67.8	17.2	36.2	53.5
1998	537,490.90	633,017.00	1,170,507.90	45.9	54.1	18.9	22.3	41.2

Source: Human Development Report Nigeria 2000/2001 Millennium Edition p. 41.

From the above table, Nigeria's debt burden of N1.20 trillion is obviously most excruciating and casts a doubt as to the ability of the government to

achieve any meaningful poverty reduction. The Human Development Report of Nigeria 2000/2001 Millennium Edition of the UNDP P.41 lucidly paints the situation thus, “debt relief that would make Nigeria exit from debt is an illusion and the longer the debt crisis is prolonged the greater the extent of economic regression.” It further stated that “It is nigh impossible to achieve much success in poverty alleviation, unless the debt burden is substantially reduced.”

The economic development of the nation and poverty could be viewed as two different sides of the same coin. An improvement in the economy, no doubt, will reduce the rate of poverty. On the other hand, the high incidence of poverty translates to denial of the much-required contributions to move the economy forward. Collapsing and uncompetitive industrial activities, rapid growth in unemployment, underemployment, unstable interest rate, high inflation rate, are just the few features of the Nigerian environment that ought to be solved before the poverty alleviation strategies can effectively work.

A proper understanding of the policies and institutions that lead to sustained and sustainable economic growth is a first step in developing strategies to improve the lot of poor people. The World Bank in her report on attacking poverty 2000/2001(2001:49) brought an entirely different approach to

economic development and poverty by hinging growth on education in general and female literacy and girl education in particular when it holds that “there is evidence that growth depends on education and life expectancy, particularly at lower incomes. For example, it has been shown that female literacy and girls’ education are good for overall economic growth.” The relationship between poverty and economic growth is aptly put thus: “the general relationship between economic growth and poverty reduction is clear. But there are also significant differences across countries and over time in how much poverty reduction occurs at a given rate of economic growth.” - World Bank (2001:52). According to the CBN (1999:7), “it has been generally accepted that although economic growth is a prerequisite for poverty alleviation, it is not by itself a sufficient condition, especially where growth is accompanied by inequity in income distribution.” All these point to the fact that with different levels of economy globally, there exist different categories of poverty and therefore require different approaches.

Economic growth of nations occurs in different ways that can reduce poverty, promote gender equality and enhance viable development to either a greater or lesser degrees. This creates a link between economic growth and poverty reduction, which is usually significant. The depth and incidence of poverty tend to fall with economic growth and therefore create opportunities for poor

people based on the availability of favourable conditions for them to take advantage of those opportunities.

### **3.1 GLOBAL PERSPECTIVE OF POVERTY AND ACTIONS**

The entire world has increasingly become a global village. Ordinarily, some events in one country have significant impact on some other countries, if not the rest of the world. As a result, concerted efforts are always made to appropriately address issues of great consequences. Poverty has assumed a central position in discourse in the last decade. It continues to be pervasive, intractable and attracts attention from all countries, organizations and individuals. Both rich and poor countries are affected by consequences of poverty in the world. Widening gaps between rich and poor countries account for much of the increase in worldwide income inequality across individuals. Therefore, poverty is a global challenge that requires collaborative partnership to evolve sustainable poverty reduction strategies.

The essence of global action on poverty hinges on the need for redistribution of wealth such that distrust, inequity, unrest, eventual civil war and the current pressure for political unrests that only retard development and result in retrogression are reduced to their barest minimum. The rich may not be safe in an area predominantly occupied by the poor, as he or she could be a

subject of attack. This may explain the renewed efforts by the World Bank, for instance, in attacking poverty. In fact, the world in general will benefit from collaborative efforts in attacking poverty as this has the potential impact on regional and global security, sustainable development and prosperity as well as ensuring an enduring international co-operation.

There are significant and identifiable commitments by the international communities in attacking poverty. The World Bank has been consistent in her efforts towards effective poverty reduction. A lot of researches were commissioned and the results put into action. The World Bank Report of 2000/2001 P.6 articulated the essence of global efforts in attacking poverty thus: “faced with this picture of global poverty and inequality, the international community has set itself several goals for the opening years of the century, based on discussions at various United Nations Conferences in the 1990. These international development goals, most for 2015, include reducing income poverty and human deprivation in many dimensions.” It sets itself some benchmarks as follows:

- Reduce by half the proportion of people living in extreme income poverty (living on less than \$1 a day);
- Ensure universal primary education;

- Eliminate gender disparity in primary and secondary education (by 2005);
- Reduce infant and child mortality by two-thirds;
- Reduce maternal mortality by three-quarters;
- Ensure universal access to reproductive health services; and
- Implement national strategies for sustainable development in every country by 2005, so as to reverse the loss of environmental resources by 2015.

The Organisation of Economic Co-operation and Development (OECD) in its report, *DAC Guidelines on Poverty Reduction*, expressed its commitment thus: “beyond our shared moral concerns for those less fortunate, we consider that reducing poverty and global inequalities is essential to our common interest, given the potential impact on regional and global security, international co-operation, sustainable development and prosperity.”

The guidelines were not developed by OECD alone but in consultation with the World Bank, the International Monetary Fund (IMF) and the United Nations Development Programme (UNDP). This represents an emerging international consensus and a shared commitment and understanding of how to work together more effectively to help developing countries reduce poverty.

Though it has been shown that the international communities are involved in efforts towards poverty reduction, poverty on the other hand, has instead, become more intractable. It is argued that emphasis should be shifted from strategies or researches to actions. This is pertinent when it is realized that developing countries cannot on their own produce such things as international financial stability, major advances in health and agricultural research, and international trading opportunities. To this end, actions by the international community and development cooperation will no doubt continue to be essential. The International Development Goals as articulated by OECD using 1990 as the base year are as follows:

### **Economic Well-being**

- A reduction by one-half in the proportion of people living in extreme poverty by 2015.

### **Social Development**

- Universal primary education in all countries by 2015.
- Demonstrated progress toward gender equality and the empowerment of women by eliminating gender disparity in primary and secondary education by 2005.

- A reduction by two-thirds in mortality rates for infants and children under age 5 by 2015.
- A reduction by three-fourths in maternal mortality by 2015.
- Access through the primary health-care system to reproductive health services for all individuals of appropriate ages as soon as possible and no later than the year 2015.

### **Environmental Sustainability And Regeneration**

- The implementation of national strategies for sustainable development in all countries by 2005, so as to ensure that current trends in the loss of environmental resources are effectively reversed at both global and national levels by 2015.

The following international organizations, amongst others, have been consistently involved in projects/programmes directed at poverty alleviation especially in Nigeria through their various activities and programmes:

- World Bank;
- International Fund for Agricultural Development (IFAD);
- United Nations Development Programme (UNDP);
- Ford Foundation;
- Japanese International Cooperation Agency (JICA);
- Organisation of Economic Co-operation and Development (OECD);

- United States Agency for International Development (USAID);
- Department for International Development (DFID);
- International Monetary Fund (IMF); and
- Other agencies (particularly UN agencies).

There is need to examine, at least in a nutshell, their projects and programmes in Nigeria.

### **3.1.1 The World Bank**

The World Bank's poverty reduction activities and programmes are multifarious in nature. It uses its various agencies in the designing and execution of poverty alleviation programmes. In the recent time, it has focused efforts in sponsoring researches on poverty and related issues, which enabled it, design what is currently known as Poverty Reduction Strategies Paper (PRSP). The PRSPs are usually position papers on how to reduce poverty in the world that arose as a result of several researches on poverty conducted in various countries. The researches that identified the actual conditions, extent, feelings, solutions, etc of poverty and its alleviation strategies are mostly tailored to individual countries as well as global approach. Such researches culminated into, for instance, the World

Development Report 2000/2001 on attacking poverty which also resulted in a three volume text book entitled Voice of the Poor:

- a. Can Anyone Hear Us;
  - b. Crying out for Change; and
- (3) From Many Lands.

In acknowledging the efforts of the World Bank, the CBN (1999:63) highlighted the Agricultural Development Projects (ADP), which are designed to assist in raising farm productivity and annual crop production under rain-fed agriculture, thereby raising the incomes and standard of living of farm families all over the country. It summed it up thus: “ADP began in the 1980s and have proved most effective and successful in output and employment generation and consequently, increased income-earning capacity, leading to improved productivity and poverty alleviation in the country, with varying degree of success from one location to the other.”

### **3.1.2 Organisation of Economic Co-operation and Development (OECD)**

In 1996, Development Assistance Committee (DAC) member governments of OECD agreed to focus on achieving what it termed International Development Goals. This was contained in a policy statement titled: Shaping the 21<sup>st</sup> Century: The Contribution of Development Co-operation. Considering them in line with the OECD position could better assess the following principles that underlie these guidelines:

- (a) We share a broad understanding of poverty and its many dimensions;
- (b) We will strive to elevate policy coherence for poverty reduction as a general concern in government policies and develop the means necessary to promote it across our governments and in international fora;
- (c) We will support partner efforts to promote sustainable pro-poor growth, reduce inequality and increase their shares of global trade and investment flows;
- (d) We will support partner country efforts to engage civil society in setting priority poverty reduction goals and measures to reduce inequalities, consistent with their efforts to build democratic institutions;
- (e) We will give priority to poor countries with government commitment to reducing poverty and using aid effectively, but will also target aid,

selectively, to poor people in countries with severe governance problems;

- (f) We will increase the use of coordinated programme, sector and project assistance supporting the implementation of country-led strategies and programmes for reducing poverty;
- (g) We will undertake best efforts to work collaboratively, streamline our administrative requirements where possible, and co-ordinate our approaches and actions with those of our partners;
- (h) We will assess our development co-operation efforts in terms of their effectiveness in promoting genuine partnership and their impact on reducing poverty; and
- (i) We are committed to incorporating poverty reduction and partnership in the policies and operations of our agencies, and will undertake best efforts to adapt our institutional practices, systems and cultures accordingly.

### **3.1.3 United Nations Development Programme (UNDP)**

UNDP has maintained a considerable contribution towards poverty reduction in Nigeria. It largely works through NGOs in efforts towards poverty alleviation. According to the CBN (1999:63), “the UNDP serves as a catalyst in midwifing sustainable human development. It is also involved in technical development of small and medium enterprises (SME) as part of its poverty alleviation programme in collaboration with state and local governments and various communities nationwide.”

The modus operandi of UNDP is to provide a counterpart funding while participating states also provide their own counterpart funding in support of UNDP projects. The following are some schemes through which UNDP presently undertakes its poverty reduction programmes:

- (a) Short Term Advisory Resources (UNISTAR);
- (b) Transfer of Knowledge Through Expatriate Nationals (TOKENS);
- (c) African Project Development Facilities (APDF); and
- (d) Nigerian Project Development Facilities (NPDF)

### **3.1.4 Other Agencies (particularly UN Agencies)**

The United Nations through the following agencies undertakes some poverty reduction programmes in collaboration with the federal, state, and local governments in Nigeria. These agencies include: UNICEF, UNFPA, UNIDO,

UNESCO, UNIFEM, UNAIDS, WHO, etc. Their projects are usually targeted at the poorest in the rural areas.

### **3.2 POVERTY REDUCTION PROGRAMMES IN NIGERIA**

It has earlier been pointed out that the alarming rate of poverty in Nigeria has not come into being as a result of non-challant attitude and non-recognition of the problem at hand. It has also not come by as a result of lack of response to the yearning of the poor people to be emancipated from their rather deplorable and frustrating state of near-despair.

The fact is that no Nigerian Government, be it military or civilian, has come without introducing and leaving behind one form of poverty alleviation or reduction programme meant to reduce the level of poverty, give hope and succour to the poor and, or move towards some sort of wealth creation.

Strategies, policies and plans have been articulated; programmes and projects have been formulated and executed over the years. For instance, at independence in 1960, poverty eradication efforts in Nigeria centered on education, while Operation Feed the Nation (OFN), the Green Revolution, War Against Indiscipline (WAI), Peoples Bank, Community Banks, Directorate of Food Roads and Rural Infrastructure (DFRFRI), Nigerian Agricultural Land Development Authority (NALDA), Family Economic

Advancement Programme (FEAP), Better Life for Rural Women, Family Support Programme (FSP), National Directorate of Employment (NDE), Mass Transit Programme (MTP), Guinea Worm Eradicating Programme (GWEP) and Petroleum (Special) Trust Fund (PTF) existed during the period under review.

These programmes were designed with the following objectives amongst others, training to improve available skills, income generation, increased accessibility to credit, improved health care services including family planning, nutrition and immunization and the provision of greater welfare services to the poor.

An analysis of these programmes will reveal that they cut across all the sectors of the economy. This would explain why the Presidential Panel on Streamlining and Rationalization of Poverty Alleviation Institutions and Agencies in its report of 1999 P. 8 comprehensively listed and classified the programmes thus:

#### Agriculture

- National Agriculture Land Development
- Strategic Grains Reserve
- Small-Scale Fishery
- Small Ruminant Production

- Pasture and Grazing Reserves
- Accelerated Crop Production
- Agricultural Credit Guarantee Scheme

#### Healthcare delivery

- Primary Healthcare Programmes
- Diseases Eradication Schemes
- Expanded Programmes on Immunisation

#### Housing

- Site and Services Scheme
- Prototype Low-Cost Housing Scheme
- State Government's Housing Programmes

#### Education

- Nomadic Education Programme
- Migrant Fishermen Scheme
- Adult and Non-Formal Education Programme
- Family Support Basic Education Programme

#### Resource/Technological Development

- Family Economic Advancement Programme
- Industrial Development Centres

#### Skill Development and Employment Generation

- National Directorate of Employment

#### Environmental Protection

- Federal Environmental Protection Agency
- Food and Soil Erosion Control
- Ecological and Disaster Relief Programme

#### Finance and Micro-Credit

- Nigeria Agricultural and Co-operative Bank
- Nigerian Bank for Commerce and Industry
- Nigerian Industrial Development Bank
- People's Bank of Nigeria
- National Economic Reconstruction Fund
- Community Banks

The FOS (1996:122-123) adopted sectoral classification in assessing the poverty reduction programmes. It grouped the programmes based on Agriculture, Education, Health, Housing and Environment and Manufacturing.

### **2.7.1 Review of Past and Present Programmes and Strategies**

Since this study is an assessment of poverty reduction strategies and efforts in Nigeria, a review of major programmes and strategies in place during the period of assessment is hereunder undertaken:

### **3.2.1.1 National Directorate of Employment (NDE)**

Decree number 24 of October 19, 1986 established this Directorate, which commenced operations in January 1987 with the primary role of promoting skill acquisition, self-employment and labour intensive work schemes. It also collects and maintains a data bank on unemployment and vacancies in the country. It has been concerning itself with designing of employment programmes such as school leaver apprentice scheme, entrepreneurs training programmes for graduates, labour-based work programmes, and resettlement of trained beneficiaries. The NDE has trained more than 2 million unemployed Nigerians, provided business training for not less than 400,000 people, vocational training in up to 90 different trades, assistance to more than 40,000 unemployed to set up their own businesses. The Directorate has organized labour-based groups through which 160,000 people benefited.

The NDE suffers from inadequate funding from the Federal Government. Its predicament is worsened by the fact that it has over stretched itself by

engaging in skills acquisition, granting of loans, procuring and selling agricultural inputs such as fertilizers. It has succeeded in recovering less than 10% of its loans. There is also the problem of duplication of efforts with the statutory roles of the Federal Ministry of Labour and Productivity in the area of compilation of statistics on the unemployed in the country and claims to maintain a data bank of these as well as matching applicants with vacancies.

Despite all the problems enumerated above, the NDE possesses great potentials as an agency for the promotion of skill acquisition and self-employment schemes, given its widespread presence and over 15 years relative experience in the design and execution of employment generating programmes.

#### **2.7.1.2 Peoples Bank of Nigeria (PBN)**

Decree No. 22 of 1990 established the PBN which commenced business in October 1989. It was charged with the responsibility of extending credit to under-privileged Nigerians who could not ordinarily access such loans from the orthodox banking system. Before it was merged with the Nigerian Agriculture and Cooperative Bank (NACB) to form the Nigerian Agricultural, Cooperative and Rural Development Bank (NACRDB), the PBN was

engaged in group lending to cottage industry promoters, agricultural producers, NGOs and cooperative societies. It disbursed up to N1.7 billion as in-house loans from funds derived from the Federal Government, with which it provided support for over 1 million new businesses, with a net saving of about 1 billion Naira. It also disbursed N0.9 billion as loans from funds provided by the Family Economic Advancement Programme (FEAP).

The bank had a high degree of problem loan. Its external audit report showed a huge loss provision of over 80% on its loan portfolio at its close. Some of its funds were also trapped in distressed and liquidated banks due to unwise investment decisions.

### **2.7.1.3 Nigerian Agricultural and Cooperative Bank (NACB)**

This bank, which started operations on March 6, 1973 was established by Decree No. 19 of November 1972. It had responsibility for providing credit for the production, processing, and marketing agricultural produce. Its target groups included individual farmers, cooperative organizations, limited liability companies, states and federal government. Before its merger with the PBN in 2001, the bank had extended credit to 318,000 to the tune of about N5.8 billion.

The bank's statutes, which restricted it from taking deposits from the public was a hindrance to it. It had other problems including its inability to charge market interest rates and high cost of credit administration, huge portfolio of non-performing loans, funds trapped in distressed and liquidated banks etc.

### **3.2.1.2 National Board for Community Banks (NBCB)**

The National Board for Community Banks is a regulatory body set up by Decree No. 46 of 1992, but it started operations in December 1990 with the main purpose of supervising the operations of Community Banks in the country. There are about 1000 Community Banks under the purview of the NBCB. The Community Banks are private sector owned micro-credit banking institutions promoted by the federal government to inculcate savings culture, disciplined banking habit as well as encourage economic development at the grass-root level. These banks are allowed to operate normal banking business except in certain areas such as foreign exchange dealings, direct participation in the clearing system, etc.

The NBCB has encouraged rural banking. It also helped in mobilizing about N4.4 billion deposits for the Community Banks nation-wide and granting of

N2.58billion loans by Community Banks who have a staff strength of about 12,000 people nation-wide. Currently, the Board is having problems, including having no clearing house specifically for the Community Banks who have to go through correspondent banks at a cost, non-issuance of final licenses by the CBN, non-inclusion of Community Banks' deposits under the Nigeria Deposit Insurance Corporation's deposit insurance scheme, under-capitalisation of the Community Banks and government's under-funding of the NBCB.

### **3.2.1.3 National Commission for Mass Literacy, Adult and Non-Formal Education (NCMLAE)**

The functions of the Commission, which came into being through Decree No. 17 of 1990 include establishing links, in cooperation with all stakeholders, to eradicate illiteracy in the country, designing and promoting strategies and programmes for the conduct and implementation of a national mass literacy campaign in concert with relevant government institutions and NGOs. Similarly, it was to organize in-service professional training courses for senior staff from government and capacity building. The Universal Basic Education (UBE) has since subsumed the Commission and its programmes.

#### **3.2.1.4 Family Economic Advancement Programme (FEAP)**

This Programme was established to provide credit for agricultural production and processing, cottage and small-scale industries through cooperative societies; to encourage the design and manufacture of plants, machinery and equipment; and to establish enterprises and pilot projects at village level as a means of providing employment – as provided for in its enabling Decree No. 11 of August 12, 1997 and as amended by Decree 47 of May 10, 1999. Before it was wound up in 2000, FEAP financed 20,382 projects with a total credit of N3.33 billion; trained about 2000 loan beneficiaries in cooperative laws, principles and practice and financial management and basic marketing skills.

The Programme has problems including the non-supervision and monitoring of the loans and projects by the participating banks, fabricators connivance with the beneficiaries to inflate cost of equipment, provision of sub-standard equipment and delays in the fabrication, and poor loan recovery.

The Programme's assets and liability were handed over to the National Poverty Eradication Programme (NAPEP).

#### **3.2.1.5 National Agricultural Land Development Authority (NALDA)**

NALDA started operation in 1993 but was established by Decree No.92 of 1992. It was set up to provide strategic public support for land development; promote and support optimum utilization of rural land resources; encourage and support economic-sized farm holdings and promote consolidation of scattered fragment holdings; and encourage the evolution of economic-size rural settlements. It was also to facilitate appropriate cost effective mechanization of agriculture; and institute strategic land use planning schemes to deal with major allocation problems, the creation and location of forest and grazing reserves and other areas with restricted use, and the re-location of population.

Before NALDA went the same way as FEAP, it was able to acquire suitable tracks of land in various parts of Nigeria for the purpose of development. It parceled out land into economic size farm plots and distributed them to farmers. It also provided extension support services and technical information on soil types and land capability or suitability to farmers. It advised farmers on all aspects of land conservation and land degradation control; assisted them to form cooperatives; provided them with inputs, agricultural processing technologies, and product marketing.

A review of NALDA's activities showed that it was taking more than its statutes allowed and that over-burdened it and made it ineffective. It was also spending more than its income.

### **3.2.1.6 River Basin Development Authorities (RBDAs)**

These Authorities were established in accordance with the amended Decrees No. 87 of 1979 and No.35 of 1987. Their functions include the comprehensive development of both surface and underground water resources for multipurpose uses, with particular emphasis on the provision of irrigation infrastructures and the control of floods, soil erosion and watershed management. They also construct, operate and maintain dams, dykes, poulders, and wells, bore-holes, irrigation and drainage systems and other relevant works. They supply water to all users for a fee. They construct, operate and maintain infrastructure services such as roads, bridges linking projects; and develop and keep up to date comprehensive water resources master plan, as well as identify all water resources requirements in their areas of operation.

The authorities have a poor revenue collection system, poor maintenance of equipment, gross under-utilization of functional plant and machinery and

general neglect of development of irrigation activity down stream. The level of activities of the institutions does not justify the huge investments of the government in them.

### **3.2.1.7 Directorate of Foods, Roads and Rural Infrastructure (DFRRI)**

DFRRI was established in 1986 as an enabling facility management organization to coordinate and streamline all rural development activities in the country and accelerate the pace of integrated rural development. Though now defunct, the Directorate left legacies including rural feeder roads, potable water supply, and electricity. The level of awareness for integrated rural development strategy was raised by the Directorate and has resulted in the draft national policy on rural development. DFRRI carried out a country-wide survey in which it extensively identified and analysed the facilities established in each local government of the federation including the various enabling infrastructure.

However, like other poverty reduction agencies in the country, it was over-ambitious in scope and the programmes were spread too thin; it was grounded in corruption; proper coordination of the entire sector was not achieved; lack

of technical depth in most projects and people at the local government level do not have the opportunity to participate and 'own' the projects.

### **3.2.1.8 Poverty Alleviation Programme (PAP) of Year 2000**

PAP 2000 was introduced to urgently create a menial based 200,000 jobs. The immediate objective was to mop up from the labour market, in the shortest time, some 200,000 unemployed persons in the face of increasingly restive youth. The projects undertaken by the participants of the programme was to stimulate economic activities and improve the environment .It was also to reduce the social vices and stem rural-urban drift. The participants were paid N3,500 monthly each for a period of twelve months as they engaged in direct labour activities such as patching of potholes, vegetation control along highways, afforestation, environmental sanitation, maintenance of public buildings, among others.

Just after about four months of implementation of the PAP 2000, the public roundly criticized it such that the government had to institute a panel to review it. The panel had to recommend its discontinuation in the way it was after the 12 month first phase. Part of the problems identified with the programme included over centralization, unsustainable design, uncoordinated

management, over-politicisation, irregular payment, lack of monitoring logistics and high-level and low-level corruption.

In view of the afore-mentioned problems, reviews and current status of the various strategies, their relevant programmes and implementing agencies, the Joda Review Panel and the Anjo Review Committee variously tabulated the agencies/programmes to reflect their findings as in tables 2.9 to 2.11 below:

**Table 2.9: SOME AGENCIES INVOLVED IN PREVIOUS INTERVENTIONS**

<b>Name of Agency/Organisation</b>	<b>Date Established</b>	<b>Mandate</b>	<b>Constraints</b>	<b>Lesson Learnt</b>
National Directorate of Employment (NDE)	1986	Promotion of skill-acquisition, self-employment and labour intensive work schemes.	<ul style="list-style-type: none"> <li>• Lack of complementarity with micro-finance and other poverty alleviation institutions.</li> <li>• Inadequate</li> </ul>	<ul style="list-style-type: none"> <li>• Low level of funding has led to inadequate coverage of target groups.</li> <li>• There is a need to coordinate the activities of</li> </ul>

			funding	poverty alleviation Institutions to encourage complementarity and networking.
Nigerian Agricultural Cooperative Bank (NACB)	1972	Provision of credit for the production, processing and marketing of agricultural produce.	<ul style="list-style-type: none"> <li>• Lack of access to customer's deposits.</li> <li>• Unstable exchange rate leading to inability to meet up with foreign loan repayment obligations.</li> <li>• Political interference leading to overstaffing, inadequate professional capacity and overstretching of resources.</li> <li>• It was not specifically targeted at the poor</li> </ul>	<ul style="list-style-type: none"> <li>• Customer's savings are an important source of funding for development finance institutions (DFIs).</li> <li>• Exclusive public sector ownership of Development Finance Institutions is inadvisable.</li> <li>• For poverty alleviation, effective targeting of the poor is necessary.</li> </ul>
Peoples Bank of Nigeria (PBN)	1989	Charged with the responsibility of extending credit to under-privileged Nigerians who could not ordinarily access such loans from the orthodox banking system.	<ul style="list-style-type: none"> <li>• Inadequate funding</li> <li>• High administrative costs.</li> <li>• Unsustainable without government funding.</li> </ul>	<ul style="list-style-type: none"> <li>• It has been more effective than commercial Banks in targeting the poor.</li> </ul> <p>Need to incorporate sustainability considerations in design of micro-finance delivery institutions.</p>
National Board for Community Banks (NBCB)	1991	To facilitate the setting up of Community Banks, supervise their functions and provide capacity development	<ul style="list-style-type: none"> <li>• Lack of clearing house for Community Banks.</li> </ul>	<ul style="list-style-type: none"> <li>• Need for an effective regulatory framework for micro-finance</li> </ul>

		to them.	<ul style="list-style-type: none"> <li>• Non-issuance of final operational licences to deserving Community Banks</li> <li>• Inadequate professional staff and technical capacity.</li> </ul>	<p>delivery institution.</p> <ul style="list-style-type: none"> <li>• Need for capacity building for practitioners of micro-finance.</li> </ul>
Nigerian Industrial Development Bank (NIDB)	1964	To facilitate and enhance the flow of financial and development assistance to small, medium and large scale industrial projects.	<ul style="list-style-type: none"> <li>• Foreign denominated debts have not been serviced regularly due to inability of project promoters to repay their outstanding obligations.</li> <li>• Access of small operators and the poor to its funds is very limited due to collateral requirements and lack of presence in needy areas.</li> </ul>	<ul style="list-style-type: none"> <li>• May not be able to fulfil the needs of the poor. Need to collaborate with more grass-roots based financial institutions.</li> <li>• Funds meant for poverty alleviation should be distinguished from other developmental funds and targeted specifically at the poor.</li> </ul>
Nigerian Bank for Commerce and Industry (NBCI)	1973	Provision of equity capital and funds by way of loans to indigenous persons, institutions and organisations for medium and long term investments in industry and commerce.	<ul style="list-style-type: none"> <li>• Harsh economic environment within which the projects operate.</li> <li>• Fluctuating value of the Naira.</li> <li>• Inadequate access to funds.</li> <li>• Inaccessibility to the poor.</li> </ul>	<ul style="list-style-type: none"> <li>• The Bank possesses the potential to positively contribute to SME development through funding of employment generation enterprises.</li> <li>• Need for effective targeting and</li> </ul>

				segmentation of the poor by DFIs for poverty alleviation.
National Economic Reconstruction Fund (NERFUND)	1989	To correct any observed inadequacies in the provision of medium to long term financing to small and medium scale industrial enterprises.	<ul style="list-style-type: none"> <li>• Unstable value of the Naira.</li> <li>• Commercial and Merchant Banks are showing lack of interest in brokering new loans on behalf of customers.</li> </ul>	<ul style="list-style-type: none"> <li>• Mandate similar to NBCI, which existed longer.</li> <li>• Need for coordinating of activities to avoid duplicating functions and to identify appropriate areas of government intervention.</li> </ul>
Nigerian Agricultural Insurance Cooperation (NAIC)	1987	Provision of insurance cover to farmers engaged in agricultural production.	<ul style="list-style-type: none"> <li>• Inadequate funding.</li> <li>• Late disbursement of subsidies from the Federal Government.</li> <li>• Poor record of claims payment to farmers little or no awareness education of the poor farmers to enable them take advantage of their claims.</li> </ul>	<ul style="list-style-type: none"> <li>• The role of NAIC in poverty alleviation is very important due to poverty intensity in the agrarian sector and susceptibility of agriculture sector to unforeseen circumstances.</li> </ul>
Family Economic Advancement Programme (FEAP)	1997	Provision of access to credit for micro entrepreneurs at grassroots level, encouragement of job creation, local raw materials utilization and development of indigenous technology.	<ul style="list-style-type: none"> <li>• Wide-scope of activities.</li> <li>• Taking on of functions that were already being performed by other institutions.</li> <li>• Other stakeholders in the programme</li> </ul>	<ul style="list-style-type: none"> <li>• There is need for coordination of activities among poverty alleviation institutions, to avoid inter-institutional rivalry and dissipation of government resources.</li> </ul>

			did not devote the required time and resources to its success.	
Agricultural Development Programmes (ADP's)	1975	Provision of decentralized opportunities and resources in agriculture to the small holder farmers.	<ul style="list-style-type: none"> <li>Lack of continuous funding due to expiration of external funding from World Bank.</li> </ul>	Local ownership of donor- supported projects is necessary for sustainability of programmes and gains there-from.
Directorate of Foods, Road and Rural Infrastructure (DFRRI)	1986	To coordinate and streamline all rural development activities in the country and accelerate the pace of integrated rural development.	<ul style="list-style-type: none"> <li>Lack of technical depth in most projects</li> <li>Adequate arrangement was not made for the maintenance and sustenance of the facilities provided.</li> <li>Wide-scope of activities leading to thin spread on the ground.</li> <li>DFRRI projects were designed and packaged as gifts from the government to the people.</li> </ul>	<ul style="list-style-type: none"> <li>It carried out a country-wide survey in which it extensively identified and recorded the facilities established in each local government. This should be preserved for future projects.</li> <li>Identification of ownership by communities and other target beneficiaries of rural development programmes as a condition for sustainability.</li> </ul> <p>Need for a body to coordinate poverty alleviation activities, so as to ensure continuity of laudable achievements of past agencies and avoid future duplication.</p>
National Agricultural Land Development Authority	1992	To provide strategic public support for land development, promote and support optimum utilization of rural land	<ul style="list-style-type: none"> <li>Institutional set-up was considered too large.</li> </ul>	<ul style="list-style-type: none"> <li>NALDA was well intended, but had an unwieldy scope. The need for subsidized</li> </ul>

(NALDA)		resources, encourage and support economic-sized farm holdings.	<ul style="list-style-type: none"> <li>• Selection of farmers for participation in the programmes was discriminatory.</li> <li>• Mobilisation strategy for farmer cooperatives was not effective.</li> <li>• Late release of operational funds.</li> <li>• Frequent communal clashes.</li> </ul>	land preparation for small holders is still a priority for agricultural productivity, hence government should strengthen the ADP's to accomplish this task.
---------	--	--	--	---

**Source:** Main Report of the Technical Committee on the Poverty Alleviation Programmes in Nigeria (2000)

**Table 2.10 AGENCIES AREAS OF STRENGTH AND OVER-LAPS**

<b>ACTIVITY SECTOR</b>	<b>IMPLEMENTING ORGANISATION</b>	<b>AREAS OF STRENGTH</b>
1. Financial/Credit	i. Nigerian Agricultural and Co-operative Bank;	Micro-Credit
	ii. Peoples Bank of Nigeria;	“
	iii. Family Economic Advancement Programme;	“
	iv. National Directorate of Employment; and	“
	v. Community Banks	“
2. Healthcare Delivery	i. National Primary Healthcare Development Agency;	Health Care
	ii. National Population Activities Scheme;	“
	iii. Family Support Trust Fund.	“
3. Education	i. Commission for Adult and Non-Formal Education;	Education
	ii. Nomadic Education Commission; and	“
	iii. National Centre for Women Development	Training
4. Agriculture	i. National Agricultural Land Development Authority;	Agriculture
	ii. Federal Agricultural Co-ordinating Unit.	“
	iii. River Basins Development Authorities; and	Agriculture
	iv. National Centre for Women Development.	Research, Training and Skills Acquisition in all Vocations.
5. Infrastructure/	i. Ministry of Agriculture and	Agriculture, rural roads,

Rural Development	Rural Development	rural water supply, rural communication, rural health, rural power supply and rural education.
	ii. Ministry of Water Resource;	Rural Water Supply
	iii. Ministry of Power and Steel; and	Rural Electrification
	iv. Ministry of Health	Healthcare delivery
	v. Ministry of Education	Rural Education
6. Industrial	i. Family Economic Advancement Programme	Resource Development through promotion of improved production technology.
	ii. Industrial Development Centres.	
7. Skills Acquisition and Employment	National Directorate of Employment	Training and Skills Acquisition in the productive sector.
8. Women/Family	i. Family Support Trust Fund;	Healthcare Delivery, eradication of negative social and natural practices, income generation, agriculture, guidance/counselling, housing and education.
	ii. Family Support Programme/Better Life Programme; and	Women Mobilisation and empowerment.
	iii. National Centre for Women Development	Research, Training and skill acquisition in all vocations.

**Source:** Main Report of the Technical Committee on the Poverty Alleviation Programmes in Nigeria (2000)

### **2.7.2 The Poverty Reduction Strategy Paper (PRSP)**

This is a position paper introduced by the World Bank that is a development plan borne out of collaborative efforts of a broad range of stakeholders' poverty alleviation. It is normally designed and implemented through the participation of all involved in one way or the other in poverty and its related issues. In the case of Nigeria, such development plan should be conceived, designed and implemented by such stakeholders as Federal, State, Local Governments, Private Sectors, Civil Society Organisations and Communities.

According to Aliyu (2003:33), "it is a development plan that emphasizes:

- Open-ended participation by a broad range of stakeholders, in the design and implementation of the country antipoverty strategies and programmes;
- Country owned by people and Government;
- Internally driven process by the citizenry and public policy authorities;
- Focusing on outcomes or outputs rather than inputs;
- It strictly adheres to the principles of prioritization;
- Casting antipoverty strategies and programmes within a medium to long term framework; and
- Focus on 'bottom-up' approaches.

Unfortunately in Nigeria such a position development plan has not been made. Efforts made at developing one has been confronted with serious fundamental problems. Aliyu (2003:33) vividly captured the situation and problems encountered in the development of PRSP in the following perspectives: “in Nigeria, we are currently having problems in producing PRSP simply for the following reasons:

- We never have any reliable and acceptable National Development Plan or National Rolling Plan, which is being implemented religiously. If we are serious, the PRSP cannot be an isolated document. It must be part of the overall National Development Plan or National Rolling Plan;
- We operate a three-tier Federal system of Governance. Each tier of Government has constitutional powers to implement its desired development projects and programmes. There are currently no existing structures to ensure proper and effective complementation of these activities by the three tiers of Government;
- The Federal Government should not assume that it can alone produce the PRSP for Nigeria. The States and Local Governments should be allowed to produce their PRSPs, which will be integrated into **ONE PRSP** for the Nation; and

- The PRSP is a medium and long-term development plan for which we hardly have respect in this country. Whenever there are changes in Government, the new administration always changes focus and direction.”

### **2.7.3 Constraints to Effectiveness of Poverty Reduction Programmes in Nigeria**

Although analyzing each of the Poverty Reduction Strategies in Nigeria looks ideal, such exercise has been done by several studies and they seem to agree substantially on the reasons for the failure of the numerous poverty intervention measures. Jega (2003:6) was unequivocal in his agreement with problems identified by Ajakaiye (2003) as the bane of poverty alleviation/eradication programmes in Nigeria. He stated that “Professor Ajakaiye has identified the following problems associated with the successive poverty reduction programmes, which I wholly agree with:

- Policy inconsistency and poor governance;
- Ineffective targeting of the poor (leading to leakage of benefits to unintended beneficiaries);
- Unwieldy scope of the programmes resulting in resources being thinly spread among projects;

- Overlapping of functions which ultimately led to institutional rivalry and conflicts;
- Lack of complementarities from beneficiaries;
- Uncoordinated sectoral policy initiatives;
- Lack of involvement of social partners and other stakeholders in planning, implementation and evaluation; and
- Poor human capital development and inadequate funding.”

The Presidential Panel on Streamlining and Rationalization of Poverty Alleviation Institutions and Agencies in its main report of 1999 P. 10 listed some reasons it considered most relevant that account for the failure of the wide array of Nigeria’s poverty intervention measures. The reasons accord substantially to those above with the following as additions:

- i. Gross mismanagement and lack of financial discipline;
- ii. Poor and inconsistent funding;
- iii. Policy inconsistencies occasioned by frequent changes in Government and absence of in-built sustainability mechanism; and
- iv. Absence of a co-ordinating body necessary for effective implementation, co-ordination, planning, monitoring and evaluation of achievements and constraints.

The Poverty Reduction Programmes of Nigeria, like many other programmes in the nation, are always brilliant in conception but their implementation are anything but effective thereby vitiating the objectives. While some of the poverty reduction programmes are vague in scope as a result of the weak and ad-hoc nature of their conception, design and identification, some are conceived ab initio to fail as they were only designed for the benefit of just very few privileged instead of the target poor. In addition, their targets were vaguely and loosely stated thereby giving room for lack of clear focus. Moreover, corruption, nepotism, unnecessary politicization, over-centralization, uncoordinated management, ineffective or poor monitoring mechanisms, etc characterized most of the programmes.

Failure to insulate the poverty reduction programmes from instability within the political, macroeconomic and policy environments significantly contributed to the ineffectiveness of poverty alleviation programmes in Nigeria.

As it has earlier been pointed out, poverty is a multidimensional phenomenon that must be attacked with a multidirectional and integrative approach. However, the approaches had been so unidirectional that little achievements

made in one direction, if any, are usually eroded by problems emanating from other dimensions.

The conception and implementation of most of the poverty alleviation programmes were not hinged on research. Where some are based on research, they are not usually based entirely on the result of the said research efforts but are whittled down to the extent that the main thrust of the research would have been lost before its implementation.

The FOS (1996:124) summarized the constraints thus: “perhaps worst of all, is the administrative nightmare in terms of bureaucracies in the provision of some services such as rural credit, credit to SSEs, rural electrification, education and health.”

Even the recently established poverty reduction coordinational monitoring institution, National Poverty Eradication Programme (NAPEP) is fraught with problems associated with the implementation as has been identified by Aliyu (2002:59). They include:

- Weak response and commitment of the Federal Ministries on the roles of members of the State Coordination Committee (SCC) and contributions to the SCC;
- Weak capacities of the State and LGA offices of the ministries in generating and processing the required data in their field operations;
- Weak facilities and logistical support for NAPEP to effectively monitor all poverty related operations in the LGAs; and
- Lack of a compendium of information on all operational NGOs sorted out by States and Local Government Areas.

#### **2.7.4 Measures Towards Enhancing Poverty Reduction Programmes in Nigeria.**

Efforts made towards reducing poverty would be more effective if appropriate definition of the main issue – Poverty - is made. Most views of poverty on which institutional frameworks were established were based on myopic view of poverty. Poverty should be viewed, and rightly too, from a multidimensional point. The World Bank and all the International agencies concerned with this have indeed been stressing on the need to view poverty in

this direction as it would enable a comprehensive approach rather than piecemeal or ‘one-off’.

The World Bank’s opinion on sustainable poverty reduction programmes become most relevant for effective poverty alleviation programmes in Nigeria: “countries should invest in basic social services, promotion of efficient and sustainable distortions that prejudice the poor’s interest”. To lend credence to the World Bank’s opinion, the FOS (1996:124) proffers, “sustainable poverty reduction anchored on three approaches:

- policies that promote efficient growth and which make use of the poor’s most abundant asset, labour;
- public expenditure on institutions that provide equitable access to education, health care, and other social services. These should properly integrate social-safety net for the most vulnerable groups in the society e.g. old age, disabled and chronically poor rural dwellers; and
- stable macroeconomic policy environment is also considered very imperative and vital.”

From various studies, mostly those conducted by the World Bank, it is clearly revealed that poverty reduction problems are not based on the correct identification of the poor. Worse still is that the poor hardly benefit from the

programmes meant to reduce their poverty. Therefore, the poor should be involved in the design and most importantly in the implementation of any programme meant for them.

Unfortunately, up till now the very first thing in poverty reduction efforts – Poverty Reduction Strategies Paper (PRSP) is just being articulated. It is yet to be concluded and adopted in Nigeria. To this effect, it is obvious that serious difficulties will continue to be experienced in implementing any meaningful poverty reduction programme in the Country until such an important position paper is properly articulated and adopted.

Albeit, no matter how well intentioned any poverty reduction programme may be in Nigeria, the target beneficiaries will continue to lose until corruption is reduced to its barest minimum. Nigeria's President has held that position at several fora without any pretence. Who should know the country better?

## **REFERENCE**

**Ajakaiye, O. (2003)** “Public Service and the Challenges of Managing Poverty Eradication in Nigeria” A paper presented at the 2003 Retreat for Permanent Secretaries and Directors in the Federal Civil Service of the Federation June 18, 2003 at NICON HILTON Hotels.

**Aliyu, A. (2000)** “Implementation Progress Report: Background, Structure, Achievements and Problems” A paper presented at a one-day special Presidential Retreat for Permanent Secretaries.

**Aliyu, A.(2002), Re-Structuring of the Poverty Alleviation Activities of**

the Federal Government of Nigeria National Poverty Eradication Programame Abuja.

**Brock, K and Mcgee, R.(2002)** Knowing Poverty: Critical Reflections on Participatory Research and Policy, Earthscan Publications Ltd. London.

**Canagarajah, S (1999).** Poverty And Welfare in Nigeria Federal Office of Statistics and World Bank.

**Central Bank of Nigeria (1999)**, Nigeria's Development Prospects: Poverty Assessment And Alleviation Study Central Bank of Nigeria in Collaboration with the World Bank.

**Federal Office of Statistics (1996)**, Socio-Economic Profile of Nigeria 1996 FOS Lagos.

**Hodges, A. (2001)**, Children's and Women's Rights in Nigeria: A wake-up Call Situation Assessment and Analysis 2001 National Planning Commission and UNICEF Abuja, 2001.

**Jega, A. M. (2003)**, "Public Service and the Challenges of Managing Poverty Eradication in Nigeria" A paper presented at the 2003 Retreat for Permanent Secretaries and Directors in the Federal Civil Service of the Federation June 18, 2003 at NICON HILTON Hotels.

**National Poverty Eradication Council (2000)**, "Nigeria: Poverty Reduction Plan, 2001 to 2004" \_A Report of Inter-Ministerial Group of Officials, Coordinated by the Economic Policy Coordinating Committee Abuja.

**Narayan, D. et al (2000)**, Voices of the Poor: Can Anyone Hear Us? World Bank, New York.

**Narayan, D. et al (2000)**, Voices of the Poor: Crying Out for Change World Bank, New York.

**Narayan, D. and Petesch P. (2002)**, Voices of the Poor: From Many

Lands World Bank, New York.

**Organisation for Economic Co-operation and Development (2001)**, “Development Assistance Committee (DAC) Guidelines on Poverty Reduction” Policy Statement by the DAC on Poverty Reduction. Paris.

**Oyemomi, E. O. (2003)**, “Poverty Eradication of the Federal Government: Roles of States, Local Governments and NGOs.” A paper presented at National Workshop on International Currency Reform And Economic Management for Sustaining Profitability Under 2003 Monetary Policy for Sustainable Development at Merit House Abuja.

**United Nations Development Programme (2001)**, Nigerian Human Development Report 2000/2001 Millennium Edition. UNDP Lagos.

**World Bank (1999)**, “Nigerian Consultations with the Poor”. Report of the Global Synthesis Workshop Septmber 22-23, 1999.

**World Bank (2001)**, World Development Report 2000/2001 Attacking Poverty. Oxford University Press Inc. New York

**World Bank (2002)**, Poverty Reduction and the World Bank Progress in Opertionalizing the WDR 2000/2001 World Bank Washington.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY AND PROCEDURE**

#### **3.0 INTRODUCTION**

Research method is concerned with the process utilized in the collection and analysis of data for the research. Since data is the life-wire of an empirical study, this chapter presents the structural

framework, which deals with generation of data. They are discussed under the following:

- a) Research design;
- b) Sample size and sampling technique;
- c) Data collection; and
- d) Data analysis method.

### 3.1 **RESEARCH DESIGN**

This research design is the framework that guided me in the process of collecting, analyzing and interpreting my observations. In actual fact, it reveals inferences concerning causal relations and defines the domain of generalisability. It is the research design that brought the fundamental questions – how would the study subject be brought into scope of the research? And more importantly how they (the study subjects) would be employed within the research setting. (Abdellah and Levine 1979).

Poverty Reduction Strategies in Nigeria are institutionalized. As it had earlier been pointed out, some of such institutions are no longer in existence while some are functional. However, not every staff in these institutions is involved in the design and implementation of programmes. Therefore, the research utilized all departments but concentrated on those that are involved in budget preparation and execution.

It is a basic fact that the design of research is the drawing board as well as the basic plan that give directives as to data collection, and analysis stages of the research work. Thus it was the framework that stated the type of information to be collected, data collection procedure and sources of data.

There were two basic approaches open to this study:

- a) The survey approach; and
- b) The case study approach.

The choice of any approach could only be appreciated by a brief appraisal of the approaches mentioned, hence the essentiality of such an exercise. The case study approach entails the study of a specific group at a time and drawing conclusion based on prevailing circumstance of the group studied. A good (and the main) advantage is the control of variables other than those contingent on that

particular situation, bringing into consideration all the pertinent aspects of the situation. However, serious demerits of the case study approach are that results obtained cannot be generalized and not all studies are susceptible to case study as well as time involved.

Based on the above serious drawbacks, I had to choose and utilize the survey method as the basic approach of the study. The method attempts to be fairly representative of the population of interest in its selection of its sample of study. A survey according to Ezejule and Ogwo (1990:72) “simply consists of collecting data or information about a large number of people by interviewing or contacting a representative sample of them.” They further attested to its popularity amongst researchers that “the survey as pointed out is so popular amongst researchers, that it is often mistaken as being synonymous with all descriptive research.” Its major attractions are its relatively low cost considering the fact that useful information was collected about a large number of people from a relatively small number (representative sample); it was easy to generalize the findings to larger populations once representativeness of the sample was assured; and the flexibility of surveys meant that a variety of

data collection instruments – observation, interviews, questionnaires, could be used. This allowed one instrument to serve as a check on the other.

Questionnaire, structured interview and secondary data were the tools I used in my descriptive survey approach to obtain desired information.

### **3.2 SAMPLE SIZE AND SAMPLING TECHNIQUE**

Essentially, this study sought to assess the procedures, processes and the effectiveness of institutional frameworks as well as policies adopted in attacking poverty in Nigeria. At first instance, one would think that this implies that all citizens, particularly staff of the agencies charged with poverty reduction strategies, qualify as possible respondents to this study. Although the results of this study were to be generalized, it was not designed that all citizens or all staff of the poverty reduction agencies would participate in the study, given the nature of the topic. The target population was therefore limited to:

- (i) Selected management and staff of the existing and defunct poverty reduction agencies;

- (ii) Selected members of review panels/committees on poverty reduction efforts (1999 – 2000);
- (iii) Selected management staff of the National Poverty Eradication Programme (NAPEP);
- (iv) Selected beneficiaries of various poverty reduction programmes (past and present); and
- (v) Selected staff of the World Bank and UNDP.

From the above target population, simple random sampling technique was used to select samples for the study. This involved consideration of nominal roll of management staff of all the selected agencies as well as list of the beneficiaries. Two hundred and thirty respondents were randomly sampled through the use of table of random numbers, which involved the following sequence: first, the management staff of each of the affected agencies were serially numbered from 01; secondly, since I was using two-digit random table, starting point was arbitrarily picked and the position of the 11<sup>th</sup> row and second column were pointed; and finally, moving along the row, random numbers 01, 07, 01 etc were chosen. The procedure was repeated until the 230 respondents required were

selected. According to Taylor and Dinner (1983), this method ensures adequate selection of a representative sample. This approach facilitated the selection of the following:

- Policy Makers;
- Implementers/Coordinators; and
- Beneficiaries

of poverty reduction strategies and related efforts. These are people truly capable of providing all the responses required to be able to prove or disprove my hypotheses and/or measure the effectiveness or otherwise of the strategies.

### **3.3 DATA COLLECTION**

Data collection was effected through two major sources – secondary and primary sources and were streamlined to meet the information requirements of this study.

#### **3.3.1 Primary Sources**

According to Francis (1978) primary data are those data obtained for the solution of the specific problem at hand. This source of data is very useful because the data arising there from are usually target-tailored. Since certain kinds of information can be obtained only by direct contact with the persons who possess the desired information, this source of data is indispensable to any original research. Hence, my primary source of data was a field survey using questionnaires as the main instrument. Informal but structured interviews were also conducted to augment and authenticate the information gathered from the questionnaires.

### **3.3.2 Secondary Sources**

Secondary data are those data compiled by other people for differing purposes. They may include structured information produced either for previous investigations or research, census table etc. (Francis 1978). An intensive review of literature in libraries, reports, journals, magazines, materials from the internet and elsewhere is my main secondary source of gathering information that enabled me to obtain background information as well as bring out pertinent experiences of other people with regard to the kind of problem under

consideration. For this study, the secondary data source can be summarized to include:

- Study of relevant information contained in textbooks, newspapers, magazines, seminar papers, journals, periodicals, management and panel reports.

It is noteworthy to mention that questionnaires were articulated in such a way that they contained open-ended multiple-choice questions. The questions in the questionnaires required the respondents to circle or tick their choices amongst the options provided or to give their free answer where necessary. Notwithstanding, care was exercised to minimize ambiguity and bias while drafting the questionnaires.

### **3.4 DATA ANALYSIS TECHNIQUE**

One purpose of statistical analysis as stated by Dickinson (1977) is to reduce a mass of data into a more compact form that shows general trends and relationships between variables. He maintained that the objective of statistical analysis is to provide a quantitative way of distilling the essential features from the data.

### 3.4.1 The Chi-Square ( $X^2$ )

Chi-square, as a method for testing hypotheses, measures the reliability and significance of data to see whether deviations of the actual observations (observed frequency) from the expected is significant so that it may lead to the acceptance or rejection of the null hypothesis. Chi-square may be defined as the sum of the ratio of difference between observed and expected values (Hoel 1974). Its use involves the determination of the observed (actual) and the expected frequencies, the deviation squared, and the summations of the deviations squared divided by the summations of the deviations squared divided by the summations of the expected frequencies thus:

$$\text{Chi-Square } (X^2) = \frac{(O-E)^2}{E}$$

Where O = Observed value (frequency); and

E = Expected value (frequency)

Therefore Chi-Square test was used to evaluate whether or not the frequencies that have been empirically obtained differ significantly from those which would be expected under a certain set of theoretical assumptions.

### 3.5 Presentation of Data

The data collected and collated in the course of the study, especially those inform of responses from questionnaires, were presented in Tables, using absolute figures and the comparative percentages capable of self explanation and further analyses. The tables were structured in line with the particular items(s) or group of items relevant to the issue being tested or highlighted towards the proving or disproving of the hypotheses. Issues to further confirm findings, reinforce conclusions and assist in the recommendations were also tabulated from the questionnaires responded to accordingly.

## **REFERENCE**

**Ezejule, A.C. and Ogwo, O. E. (1990) Basic Principles in Managing Research Projects Africana-FEP Publishers Ltd, Okigwe.**

**Joe, A. I. (1992) Fundamental Statistics for Education and the Behavioural Sciences Kraft Books Ltd Ibadan.**

## **CHAPTER FOUR**

### **PRESENTATION AND ANALYSES OF DATA**

This chapter deals with the presentation of the data collated during the course of study. The responses from the questionnaires are analyzed based on percentages and are subjected to a statistical tool to enable the hypotheses to be tested. There are two sections in this chapter: The first section consists of presenting and analyzing data that relate specifically to hypotheses testing, while the second section presents and analyses the rest of the responses.

At the end of this chapter, the major findings of the study were highlighted based on hypothesis testing with the statistics within the specified limits of significance. This, of course, afforded a good basis for discussing the results and drawing inferences and conclusions in subsequent chapters.

The distribution and return of the questionnaires are analyzed in the table below:

**TABLE 4.1 DISTRIBUTION AND COLLECTION OF QUESTIONNAIRES**

<b>Institutions/ Agencies</b>	<b>Number Distribute d</b>	<b>Number Returned</b>	<b>Number not Returned</b>	<b>% of Total Returned</b>	<b>% of Total Unreturned</b>
Beneficiaries	144	89	55	38.7	23.9
Govt. Agencies	50	31	19	13.5	8.3
Int. Organisations	20	12	8	5.2	3.5
Local NGOs	16	10	6	4.3	2.6
	230	142	88	61.7	38.3

*Source:* Questionnaires distributed and returned.

Table 4.1 shows that out of two hundred and thirty questionnaires distributed, one hundred and forty-two were returned representing about 61.7% of the entire distribution. While eighty-eight or about 38.3% were not returned.

## **6.1 TESTING OF HYPOTHESES**

The hypotheses stated earlier in chapter one is tested in this section, using the chi-square ( $X^2$ ) as a statistical tool. A table of frequency is constructed first to enable the computation of the expected frequency.

The hypotheses being tested are:

HO: Poverty Reduction Strategies in Nigeria have not succeeded in reducing poverty; and

H1: Poverty Reduction Strategies in Nigeria have succeeded in reducing poverty.

Table 4.2 **SUCCESS OF POVERTY REDUCTION STRATEGIES IN REDUCING POVERTY IN NIGERIA**

RESPONSE	BENEFICIARIES	GOVT. AGENCIES	INT. ORGS	LOCAL NGOs	TOTAL
STRONGLY AGREED	14	2	0	1	17
AGREED	20	5	2	1	28
DISAGREED	23	15	6	6	50
STRONGLY DISAGREED	37	9	4	2	47
TOTAL	89	31	12	10	142

**Source:** Responses to Questions 24 and 16 on questionnaires to agencies and beneficiaries respectively.

In their responses on whether poverty reduction strategies in Nigeria have succeeded, 14 and 20 beneficiaries strongly agreed and agreed respectively while 23 and 37 disagreed and strongly disagreed respectively. Only 2 and 5 respondents from Government Agencies strongly agreed and agreed respectively while 15 and 9 of their colleagues disagreed and strongly disagreed respectively. None of the respondents from the International Agencies strongly agreed but only 2 of them agreed. However 6 and 4 respondents from the International Agencies disagreed and strongly disagreed. One respondent apiece strongly agreed and agreed, while 6 and 2 respondents disagreed respectively from the Local NGOs.

On the whole, a total of 17 and 28 respondents strongly agreed and agreed respectively while 50 and 47 disagreed and strongly disagreed respectively with the above assertion. A total of 45 people strongly agreed and agreed are not even up to half of the 97 respondents that either disagreed or strongly disagreed with the assertion.

**TABLE 4.3: COMPUTED EXPECTED FREQUENCIES**

Responses	Beneficiaries	Govt. Agencies	Int. Organisations	Local NGOS	Total
Strongly Agreed	10.65	3.71	1.44	1.2	17
Agreed	17.55	6.11	2.37	1.97	28
Strongly Disagreed	31.34	10.92	4.23	3.52	50
Disagreed	29.46	10.26	3.97	3.31	47
<b>Total</b>	<b>89</b>	<b>31</b>	<b>12</b>	<b>10</b>	<b>142</b>

Source: Compiled from returned Questionnaires

**TABLE 4.4: COMPUTATION OF  $\chi^2$**

Organisations	Response	O	E	O-E	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E
Beneficiaries	Strongly Agreed	14	10.65	3.35	11.22	1.05
	Agreed	20	17.55	2.45	6	0.34
	Strongly Disagreed	23	31.34	-8.34	69.56	2.22
	Disagreed	32	29.46	2.54	6.45	0.22
Govt. Agencies	Strongly Agreed	2	3.71	1.71	2.92	0.79
	Agreed	5	6.11	-1.11	1.23	0.2
	Strongly Disagreed	15	10.92	4.08	16.65	1.52
	Disagreed	9	10.26	-1.26	1.59	0.16
Int. Organisations	Strongly Agreed	0	1.44	-1.44	2.07	1.44
	Agreed	2	2.37	-0.37	0.14	0.6
	Strongly Disagreed	6	4.22	1.78	3.17	0.75
	Disagreed	4	3.97	0.03	0	0
Local NGOs	Strongly Agreed	1	1.2	-0.2	0.04	0.03
	Agreed	1	1.97	-0.97	0.94	0.48
	Strongly Disagreed	6	3.52	2.48	6.15	1.75
	Disagreed	2	3.31	-1.31	1.72	0.52

<b>Total</b>		<b>142</b>		<b>0</b>		<b>12.07</b>

Source: Computed from tables 4.2 and 4.3

Formula for Degree of freedom  $(R-1)(C-1)$

Where:

R = Row

C = Column

Thus =  $(4-1)(4-1)$   
=  $3 \times 3$   
= 9

**Level of Significance is at 5%**

Thus: The value of  $x^2$  from the table (refer to appendix C) at degree of freedom 9 on a 5% level of significance is 14.68.

**DECISION RULE**

If the calculated  $x^2$  is less than  $x^2$  critical (i.e. value of  $x^2$  from the table), accept the null hypothesis and reject the alternative hypothesis.

**DECISION**

Since from my computation,  $x^2$  is 12.07, which is less than the  $x^2$  critical 14.68, I

therefore accept the null hypothesis, which states “Poverty Reduction Strategies in

Nigeria have not succeeded in reducing poverty.”

## 6.1 ANALYSES OF OTHER RESPONSES

This section compiles some responses relating to some questions in the questionnaires.

**Table 4.5 CORE RESPONSIBILITIES OF POVERTY REDUCTION INSTITUTIONS**

Responsibilities	Govt. Agencies	International Organisations	Local NGOs	Total	% of Respondents
A Provision of Micro-Credit	22	13	7	42	48
B Healthcare Delivery	8	3	3	14	16
C Training and Skills Development	7	2	3	12	14
D Capacity Building	5	3	2	10	11
E Basic Infrastructure	5	2	1	8	9
F Resource Development	1	1	0	2	2
Total	48	24	16	88	100

**Source:** Responses to question No. 1 on the questionnaire for Agencies

Table 4.5 above reveals that 42 respondents or about 48% identified provision of micro credit as their core responsibilities, while 14 respondents or about 16% of the respondents chose healthcare delivery as their core responsibilities. Training for skills acquisition in the productive sector was chosen by about 14% of the respondents as their core responsibilities; 10 respondents or about 11% of respondents identified

capacity building as their core responsibilities. Provision of basic infrastructure and resource development through promotion of improved technology were listed by about 9% and 2% of the respondents respectively as their core responsibilities.

Table 4.6 AREAS OF GREATER CAPACITY AND COMPETENCE

Activity	Govt. Agencies	International Organisations	Local NGOs	Total	% of Respondents
A Provision of Micro-Credit	12	5	4	21	40
B Healthcare Delivery	4	2	2	8	15
C Training and Skills Development	3	1	2	6	11
D Capacity Building	5	2	1	8	15
E Basic Infrastructure	6	1	1	8	15
F Resource Development	1	1	0	2	4
Total	31	12	10	53	100

**Source:** Responses to question No. 2 on the questionnaire for agencies.

Table 4.6 shows that 21 respondents or about 40% of the respondents listed provision of micro credits as the area they have greater capacity and competence. 8 respondents or about 15% of the respondents singled out healthcare delivery as the area they have greater capacity and competence. Training for skills acquisition in the productive sector and capacity building were identified by 6 and 8 respondents respectively as their areas of greater capacity and competence. While 8 respondents or about 15% listed provision of basic infrastructure as their area of greater capacity or competence. Resource development through promotion of improved

technology was identified by 2 respondents or about 4% of respondents as the area they have greater capacity and competence.

Table 4.7 **PERFORMANCE OF POVERTY REDUCTION AGENCIES**

<b>Responses</b>	<b>Govt. Agencies</b>	<b>International Organisations</b>	<b>Local NGOs</b>	<b>Total</b>	<b>% of Respondents</b>
Very Effective	10	2	4	16	30
Effective	17	5	3	25	47
Ineffective	3	4	2	9	17
Very Ineffective	1	1	1	3	6
<b>Total</b>	<b>31</b>	<b>12</b>	<b>10</b>	<b>53</b>	<b>100</b>

**Source:** Responses from question No. 3 on the questionnaire for agencies.

Table 4.7 above reveals that 16 respondents or about 30% of respondents and

25 respondents or about 47% of the respondents stated that the poverty reduction agencies are very effective and effective respectively in reducing poverty. While 9 respondents or about 17% and 3 respondents or about 6% of the respondents indicated that the poverty reduction agencies are ineffective and very ineffective respectively in reducing poverty.

Table 4.8 **THE POOR AS THE TARGET FOR IMPLEMENTING POVERTY**

**REDUCTION PROGRAMMES**

<b>Responses</b>	<b>Beneficiaries</b>	<b>Govt. Agencies</b>	<b>International Organisations</b>	<b>Local NGOs</b>	<b>Total</b>	<b>% of Respondents</b>
Strongly Agreed	15	9	2	2	28	20
Agreed	43	4	3	4	54	38
Disagreed	17	14	4	2	37	26
Strongly Disagreed	14	4	3	2	23	16
<b>Total</b>	<b>89</b>	<b>31</b>	<b>12</b>	<b>10</b>	<b>142</b>	<b>100</b>

**Source:** Responses to question Nos. 4 and 15 of the questionnaires for agencies and beneficiaries respectively.

Table 4.8 indicates that 28 respondents representing 20% of the respondents strongly agreed that the poor are the target for implementing poverty reduction programmes while 45 or 38% agreed that the poor are the target for implementing poverty reduction programmes. Of the 60 respondents opposed to this assertion, 37 respondents representing 26% and 23 representing 16% of respondents disagreed and strongly disagreed respectively.

Given the total number of 80 respondents that strongly agreed and agreed, the drift was more towards the assertion that the poor were well targeted by the programme implementation.

**Table 4.9 WIDELY ACCEPTED POVERTY REDUCTION STRATEGIES**

<b>Responses</b>	<b>Beneficiaries</b>	<b>Govt. Agencies</b>	<b>International Organisations</b>	<b>Local NGOs</b>	<b>Total</b>	<b>% of Respondents</b>
Yes	23	22	6	4	55	39
No	66	9	6	6	87	61
Total	89	31	12	10	142	100

**Source:** Responses to question Nos. 5 and 8 of the questionnaires for agencies and beneficiaries respectively.

Table 4.9 shows that 55 respondents or about 39% of the respondents stated 'Yes' to the existence of widely accepted poverty reduction

strategies while 87 responses or about 61% of the respondents indicated 'No'.

**Table 4.10 DESIGNING POVERTY REDUCTION STRATEGIES IN A PARTICIPATORY MANNER**

Responses	Beneficiaries	Govt. Agencies	International Organisations	Local NGOs	Total	% of Respondents
Yes	18	15	4	1	38	69
No	5	7	2	3	17	31
Total	23	22	6	4	55	100

**Source:** Responses to question Nos. 6 and 9 of the questionnaires for agencies and beneficiaries respectively.

38 respondents representing 69% of respondents stated that the designing of poverty reduction strategies is participatory while only 17 respondents representing 31% of respondents dissented.

**Table 4.11 REPRESENTATIVENESS OF STAKEHOLDER CONSULTATION IN DESIGNING AND IMPLEMENTING POVERTY REDUCTION PROGRAMMES**

Responses	Beneficiaries	Govt. Agencies	International Organisations	Local NGOs	Total	% of Respondents
Adequate	10	9	0	0	19	34
Fairly Adequate	4	4	2	1	11	20
Inadequate	3	2	2	0	7	13
None	6	7	2	3	18	33
Total	23	22	6	4	55	100

**Source:** Responses to question Nos. 7 and 10 of the questionnaire for agencies and beneficiaries.

19 respondents or 34% of the respondents said that representativeness of stakeholder consultation in designing and implementing poverty reduction programmes is adequate while 11 respondents or about 20% of the respondents supported that they were fairly adequate. However, some 7 respondents or just about 13% of the respondents opined that consultation was inadequate. On the extreme end are 18 respondents or 33% of respondents who believe that no consultation has been infused into the design and implementation of poverty reduction programmes in Nigeria.

**Table 4.12 POVERTY REDUCTION STRATEGIES IN NIGERIA AND MULTI-DIRECTIONAL NATURE OF POVERTY.**

<b>Responses</b>	<b>Beneficiaries</b>	<b>Govt. Agencies</b>	<b>International Organisations</b>	<b>Local NGOs</b>	<b>Total</b>	<b>% of Respondents</b>
Strongly Agreed	22	14	4	2	42	30
Agreed	36	6	3	4	47	33
Disagreed	14	9	2	2	27	19
Strongly Disagreed	17	4	3	2	26	18
Total	89	31	12	10	142	100

**Source:** Responses to question Nos. 8 and 11 of the questionnaires for agencies and beneficiaries respectively.

42 respondents made up of Beneficiaries, Government Agencies, International Organisations and Local NGO or 30% of the respondents strongly agree that poverty reduction strategies in Nigeria do not address

the multi-directional aspects of poverty while only 47 respondents or about 33% of respondents agreed to the assertion. Of the dissenting respondents, 27 representing 19% of the total and 26 representing 18% disagreed and strongly disagreed respectively that the strategies are multidirectional in nature.

**Table 4.13 TARGETS FOR IMPLEMENTING POVERTY REDUCTION**

<b>Responses</b>	<b>Beneficiaries</b>	<b>Govt. Agencies</b>	<b>International Organisations</b>	<b>Local NGOs</b>	<b>Total</b>	<b>% of Respondents</b>
Yes	52	16	10	9	87	61
No	37	15	2	1	55	39
Total	89	31	12	10	142	100

**Source:** Responses to question No. 9 and 12 of the questionnaires for agencies and beneficiaries respectively.

Table 4.13 reveals that 87 respondents agreed that there are established acceptable targets by Government in implementing the national poverty reduction strategies while 55 respondents representing only 39% of the total respondents answered in the negative.

**Table 4.14 AVOIDANCE OF DUPLICATING POVERTY REDUCTION PROGRAMMES**

<b>Responses</b>	<b>Govt. Agencies</b>	<b>International Organisations</b>	<b>Local NGOs</b>	<b>Total</b>	<b>% of Respondents</b>
Strongly Agreed	13	4	2	19	36
Agreed	5	3	4	12	23
Disagreed	9	2	2	13	25

Strongly Disagreed	4	3	2	9	17
Total	31	12	10	53	100

**Source:** Responses to question No. 13 of the questionnaires for the agencies.

19 respondents or 36% of respondents strongly agreed that sufficient care has been taken to avoid duplication of efforts and to build complementarities across the agencies involved in poverty reduction activities. 12 respondents representing 23% of respondents agreed to this assertion. Of the 21 ‘dissenting voices’, 13 respondents or 25% of respondents disagreed while only 9 representing just 17% of respondents strongly disagreed that sufficient care has been taken to avoid duplication of efforts and to build complementarities across the agencies.

Table 4.15 **POVERTY REDUCTION STRATEGY PAPER (PRSP) AND EFFECTIVENESS OF POVERTY REDUCTION PROGRAMMES IN NIGERIA**

<b>Responses</b>	<b>Govt. Agencies</b>	<b>International Organisations</b>	<b>Local NGOs</b>	<b>Total</b>	<b>% of Respondents</b>
Strongly Agreed	15	7	2	24	45
Agreed	7	2	2	11	21
Disagreed	7	2	4	13	25

Strongly Disagreed	2	1	2	5	9
Total	31	12	10	53	100

**Source:** Responses to question No. 14 of the questionnaires for the agencies.

The table shows that 24 respondents or 45% strongly agreed that the lack of PRSP would make effective poverty reduction difficult in Nigeria. Some other 11 respondents or about 21% of respondents agreed that the lack of PRSP would make poverty reduction difficult. 9% of the respondents or just 5 respondents strongly disagreed while 13 others representing about 25% of respondents disagreed with the assertion.

**Table 4.16 SUFFICIENCY OF FUND TO IMPLEMENT POVERTY REDUCTION PROGRAMMES**

Responses	Govt. Agencies	International Organisations	Local NGOs	Total	% of Respondents
Strongly Agreed	4	3	2	9	17
Agreed	9	2	2	13	25
Disagreed	5	3	4	12	22
Strongly Disagreed	13	4	2	19	36
Total	31	12	10	53	100

**Source:** Responses to question No. 15 of the questionnaires for the agencies.

In their responses as to whether sufficient fund is available to implement poverty reduction programmes of their agencies, only 9 respondents representing 17% of respondents from Government Agencies, International Organisations and Local NGOs strongly agreed while 13 others or 25%

agreed. 12 respondents representing 22% disagreed while 19 respondents or 36% of respondents strongly disagreed with the assertion.

**Table 4.17 ADEQUACY OF BUDGETARY PROVISIONS FOR POVERTY REDUCTION EFFORTS**

<b>Responses</b>	<b>Govt. Agencies</b>	<b>International Organisations</b>	<b>Local NGOs</b>	<b>Total</b>	<b>% of Respondents</b>
Strongly Agreed	10	2	4	16	30
Agreed	17	5	3	25	47
Disagreed	3	4	2	9	17
Strongly Disagreed	1	1	1	3	6
<b>Total</b>	<b>31</b>	<b>12</b>	<b>10</b>	<b>53</b>	<b>100</b>

**Source:** Responses to question No. 16 of the questionnaires for the agencies.

Of those who answered in the affirmative that adequate budgetary provisions are not made for poverty reduction programmes of their organisations, 16 respondents or 30% strongly agreed while 25 respondents representing 47% of total respondents agreed. Some other 9 respondents or 17% believed otherwise. On the extreme end are those who strongly disagreed. They are just 3 respondents, who are only 6% of respondents.

**Table 4.18 EQUAL OPPORTUNITY FOR BOTH MALE AND FEMALE**

<b>Responses</b>	<b>Govt. Agencies</b>	<b>International Organisations</b>	<b>Local NGOs</b>	<b>Total</b>	<b>% of Respondents</b>
------------------	-----------------------	------------------------------------	-------------------	--------------	-------------------------

Yes	20	9	8	37	70
No	11	3	2	16	30
Total	31	12	10	53	100

**Source:** Responses to question No. 22 of the questionnaires for the agencies

This table reveals that 37 respondents or 70% of the respondents answered in the affirmative to the question on whether females are given equal opportunity with their male counterparts in the poverty reduction activities of the various organizations. 16 other respondents or 30% of respondents answered in the negative.

**Table 4.19 PARTICIPATION OF WOMEN IN POVERTY REDUCTION PROGRAMMES**

<b>Responses</b>	<b>Govt. Agencies</b>	<b>International Organisations</b>	<b>Local NGOs</b>	<b>Total</b>	<b>% of Respondents</b>
Strongly Agreed	16	6	4	26	49
Agreed	4	3	2	9	17
Disagreed	7	2	2	11	20
Strongly Disagreed	4	1	2	7	14
Total	31	12	10	53	100

**Source:** Responses to question No. 23 of the questionnaires for the agencies.

On the assertion that women participation in poverty reduction programmes of their organizations is considerably low, 26 respondents or

about 49% and 9 respondents or 17% strongly agreed and agreed respectively. Of the 18 that answered in the negative, 11 respondents or 20% and 7 respondents or 14% of respondents disagreed and strongly disagreed respectively with the assertion.

#### 4.20 PROBLEMS CONFRONTING POVERTY REDUCTION ACTIVITIES IN NIGERIA

Responses	Beneficiaries	Govt. Agencies	International Organisations	Local NGOs	Total	% of Respondents
Inadequate Funding	22	14	1	2	39	28
Unwieldy scope	3	2	1	0	6	4
Policy inconsistency	8	2	2	2	14	10
Ineffective targeting of the poor	17	3	2	2	24	17
Lack of complementarities	7	3	1	0	11	8
Ineffective coordination	11	2	1	2	16	11
Inadequate consultation with all stakeholders	9	3	1	0	13	9
Mismanagement and financial indiscipline	12	2	3	2	19	13
Total	89	31	12	10	142	100

**Source:** Responses to question Nos. 25 and 20 of the questionnaires for agencies and beneficiaries respectively.

In ranking of problems confronting poverty reduction activities in order of severity in Nigeria, Table 4.20 shows that Inadequate funding, Ineffective targeting of the poor and Mismanagement and financial indiscipline were listed first, second and third with 39, 24 and 19 respondents representing

about 28%, 17% and 13% of the respondents respectively. Ineffective coordination, Policy inconsistency, Inadequate consultation with stakeholders with 16, 14 and 13 respondents were fourth, fifth and sixth representing about 11%, 10% and 9% of respondents respectively.

Table 4.21 **SUGGESTED SOLUTIONS**

<b>Responses</b>	<b>Beneficiaries</b>	<b>Govt. Agencies</b>	<b>International Organisations</b>	<b>Local NGOs</b>	<b>Total</b>	<b>% of Respondents</b>
Adequate Funding	31	14	2	2	49	34
Sustainable Policies	8	3	2	2	15	11
Adequate and effective targeting of the poor	17	4	3	2	26	18
Adequate and effective coordination	12	3	1	2	18	13
Wider consultation with the stakeholders	9	4	1	1	15	11
Stable macroeconomic policies	12	3	3	1	19	13
<b>Total</b>	<b>89</b>	<b>31</b>	<b>12</b>	<b>10</b>	<b>142</b>	<b>100</b>

**Source:** Responses to question Nos. 26 and 21 of questionnaires for agencies and beneficiaries.

In their attempts to suggest ways of ameliorating the problems in their earlier responses, respondents listed that Adequate funding, Adequate and effective targeting of the poor and stable macroeconomic policies were first, second and third 49, 26, and 19 respondents respectively, representing about 34%, 18% and 13% of the respondents respectively so

listed. Adequate and effective coordination, Sustainable policies and Wider consultation with the stakeholders were listed as fourth, fifth and sixth by 18, 15 and 15 respondents representing about 12%, 11% and 11% of the respondents respectively.

## **CHAPTER FIVE**

### **DISCUSSION OF THE RESULTS**

This chapter deals with the discussion and interpretation of the data presented and analysed in the last chapter. It provides the basis for the next chapter. The chapter is discussed under the following headings:

- Poverty Reduction Strategies,
- Understanding the multi-dimensional nature of poverty;
- Funding;
- Gender;
- Consultation/Complementarities;
- Effectiveness/Success of the poverty reduction programmes;
- Problems; and
- Suggestions.

#### **5.1 Poverty Reduction Strategies**

The findings reveal that poverty reduction strategies currently adopted in Nigeria include:

- Provision of micro credits
- Healthcare delivery;
- Capacity building;
- Provision of basic infrastructure such as water, electricity, rural roads, etc.
- Training citizens for skills acquisition in the productive sector;
- Resource development through promotion of improved production technology;
- Provision of agricultural supports such as seedlings, fertilizers, etc.
- Education in form of mass literacy, Adult and non-formal Education, Nomadic Education, etc.,
- Mass transit;
- River Basins – provision of irrigation and other related items; and
- Land provision and preparation through the NALDA, etc.

Micro credits is the core responsibility of most poverty reduction agencies as about 48% of the institutions surveyed identified it as such. It was also identified as an area in which most poverty reduction agencies claim to

have greater capacity and competence. This is buttressed by the fact that about 39% of the poverty reduction agencies surveyed indicated so.

If we relate this finding to the fact that about 60% of the beneficiaries surveyed identified micro credits financing as the nature of assistance received, then there appears to be some consistency.

## **5.2 Understanding the multi-dimensional nature of poverty**

Poverty reduction strategies in Nigeria do not address the multi-dimensional aspects of poverty considering the fact that 63% of the survey attested to this by stating so. This could explain the reason why in spite of the existence of the various poverty reduction agencies and their programmes, there is still high incidence of poverty.

## **5.3 Funding**

Sufficient fund is not available to poverty reduction agencies to implement their programmes as the findings reveal that insufficient funding was listed as the severest problem by about 28% of respondents.

If we relate this finding to the fact that about 59% collectively strongly agreed or agreed while 41% collectively disagreed or strongly disagreed

that sufficient care has been taken to avoid duplication of efforts and to build complementarities across the agencies, there tends to be some consistency. It was further revealed that such insufficient funding is even aggravated by duplication of efforts. In effect, funds available were spread too thin amongst the agencies and programmes.

#### **5.4 Gender**

There is seeming equality in the distribution of poverty reduction activities as indicated by the fact that 70% of the survey attested to this when they answered “yes” to the question on whether female are given equal opportunity with their male counterpart in the poverty reduction activities of the agencies. This was contradicted by the fact that about 66% of the agencies surveyed reported that women participation in their poverty reduction activities is considerably low. This contradiction was further portrayed when the analysis of beneficiaries revealed that 75% of the beneficiaries are all males.

#### **5.5 Consultation/Complementarities**

The poverty reduction strategies are designed in a participatory manner as stated by the fact that about 69% of the agencies and beneficiaries

surveyed agreed to the statement that the strategies were drawn up in a participatory manner, i.e. involving all tiers of government, non-governmental agencies and the representatives of the poor. Another finding confirms that about 56% of agencies and beneficiaries surveyed indicated that there is adequate representation of stakeholder consultation in designing and implementing poverty reduction programmes.

However, a look at the above findings and the position of two eminent personalities who were at various times part of review of poverty reduction efforts, Professors Jega and Ajakaiye, especially as listed on page 89, would bring out a clear inconsistency. A closer look would reveal that it was either that the officials of the Agencies were responding in such a manner as to protect their Agencies or positions or that the beneficiaries are afraid of possible reprisals. The position of the above eminent persons, who had no reason to hide anything seem more credible to hold, that is, there is lack of involvement of social partners and other stakeholders in planning, implementing and evaluating poverty reduction programmes.

## **5.6 Effectiveness of Poverty Reduction Agencies**

The poverty reduction agencies are effective in reducing poverty in Nigeria, considering the fact that about 77% of the agencies surveyed scored the agencies high. There appears to be some inconsistency in the above assertion especially when related to the fact that in 5.2 above it has been established that the strategies are not multi-dimensional in approach.

Poverty reduction programmes of the federal government are not strictly directed at the poor as about 58% of the survey agreed to the statement. This is inconsistent with the responses on effectiveness of the programmes. The inconsistency of this finding is better understood if considered along with the preceding paragraph. Furthermore, if we relate the findings to the fact that about 66% agreed that the absence of Poverty Reduction Strategy Paper (PRSP) would make effective poverty reduction difficult in Nigeria, it becomes glaring that there seems to be some inconsistency in this respect.

It should not be far-fetched that the inconsistencies could be traced to the human factor inherent in the respondents to the questions. As officials of

these agencies, they could be protecting their positions and indirectly protecting and defending their Agencies' actions or lack of it. Their inability to see that their responses in other sections could explain their insincerity was enough for this disclosure as is shown in the issue of Poverty Reduction Strategy Paper (PRSP) which essentially emphasizes targeting, complementarity and effectiveness.

### **5.7 Problems**

Many problems were listed as confronting both organizations and beneficiaries in achieving the objective of poverty reduction in Nigeria. There seems to be consistency in identifying funding as the severest of all the problems as about 28% of both the agencies and beneficiaries surveyed stated so. Other problems listed in descending order of severity include:

- ineffective targeting of the poor;
- mismanagement and financial indiscipline;
- lack of adequate and effective coordination;
- policy inconsistency;
- lack of wider consultation with the stakeholders; and
- lack of stable macroeconomic policies, etc.

If we relate the problems listed in the order of magnitude with other findings, it will be discovered that there seems to be a lot of inconsistencies as the result is consistent with some findings and inconsistent with others. For instance, in 5.5 above, the survey showed that there was adequate consultation with the stakeholders, while in area of funding, it is very consistent with the earlier result as stated in paragraph 5.3 above. These can be further explained thus:

- If ineffective targeting of the poor is a big problem, then it follows that the responses that the agencies are effective could only be a function of the imagination of the officials of the agencies and not that of the real situation on ground;
- If lack of wider consultation, lack of adequate and effective coordination and policy inconsistency could get listed amongst problems afflicting the programmes, then the respondents (Agencies and Beneficiaries) had no sincere reasons for their responses analysed in paragraph 5.5 and first section of paragraph 5.6 above. They must either be hiding the truth, protecting themselves or defending the Agencies.

## 5.8 The Valid Position

The above explained consistencies and inconsistencies notwithstanding, the hypothesis that Poverty Reduction Strategies in Nigeria have not succeeded in reducing poverty is by and large validated in that:

- The Programmes are not multi-dimensional in approach and therefore cannot be said to be effective (paragraphs 5.1, 5.2);
- Sufficient fund is not available to poverty reduction agencies (paragraphs 5.3);
- The programmes are discriminatory against women (paragraph 5.4);
- Different prior reviews by panels, committees and eminent persons have confirmed the absence of complimentaries and consultations with all relevant parties to poverty and poverty reduction efforts (pages 89-90);
- The programmes are not strictly targeted at the poor (paragraph (5.6);
- The agreement that the absence of PRSPs will make poverty reduction difficult in Nigeria is a good indication that the present efforts have failed (paragraph 5.6);
- All the problems listed in paragraph 5.7 are quite indicative of the failure or ineffectiveness of the present poverty reduction strategies

in actually reducing poverty. The weight (severity) given to very prime items like funding, effective targeting, etc. as on page 127 are grievous issues attesting to ineffectiveness of the strategies.

## **CHAPTER SIX**

### **SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

#### **6.1 SUMMARY OF FINDINGS**

Effective reduction of poverty in Nigeria is a daunting task that seems to be a mirage as efforts so far exerted, instead of reducing the poverty level, aggravate it. No issue in Nigeria has occupied so much a prominent

position in national discuss as the issue of poverty and its ‘alleviation’, ‘eradication’ or more appropriately reduction. For effective and adequate study of the problem, hypotheses were formulated on the effectiveness of poverty reduction strategies. The research findings clearly portray the following:

- 1) There is high incidence of poverty in Nigeria;
- 2) The target objective of poverty reduction strategies “to eradicate poverty” is an ambitious one that may remain unattainable;
- 3) The following strategies for reducing poverty in Nigeria were identified in the course of the study:
  - Micro credits;
  - Provision of Infrastructure;
  - Agricultural Production;
  - Capacity Building;
  - Healthcare delivery;
  - Training of citizens for skills acquisition in the productive sector;
  - Resource development through promotion of improved production technology; etc.
- 4) The following causes of poverty in Nigeria were identified:

- Inadequate access to employment opportunities occasioned by stunted growth of economic activities;
  - Corruption;
  - Inadequate access to assistance by those who are the victims of transitory poverty such as drought, floods, pests and war;
  - Debt burden;
  - Inadequate funding of existing poverty reduction programmes;
  - Inappropriate understanding of poverty;
  - Policy inconsistency and poor governance;
  - Unwieldy scope of the poverty reduction programmes;
  - Inadequate consultation with all Stakeholders; and
  - Lack of complementarities between and among poverty reduction agencies.
5. Poverty reduction programmes of the government are not effectively directed at the poor.
  6. Poverty reduction programmes in Nigeria do not address the multi-dimensional aspects of poverty.
  7. There is gender bias of poverty reduction assistance in Nigeria.
  8. Poverty reduction programmes in Nigeria have not been effective in reducing poverty.

## **6.2 CONCLUSIONS**

Most government activities are poverty reduction based. For instance, each Ministry has elements of poverty reduction embedded in their programmes/projects. Therefore, if these government ministries are empowered and are well focused, there may not have been any need to establish any special agency for poverty reduction.

Poverty has various dimensions such as lack of adequate food and shelter, education and health, vulnerability to ill health, natural disasters and economic dislocation as well as lack of voice in matters concerning them.

Until the adequate understanding of all the multi-dimensional nature of poverty is put into place and brought into play, all strategies may end up addressing only one dimension or, at best, some dimensions of poverty.

To be able to effectively achieve the objective of reducing poverty to a considerable low level, efforts or strategies formulated and directed towards poverty reduction need to be holistic in nature. Poverty issues cannot effectively be addressed in isolation of social norms, values, and

customary practices at different levels of the family, community, state, region or nation.

The poverty reduction institutions of the government should be seen as an integral part of agencies responsible for the realization of good governance and provision of basic social amenities, especially enhancing security and providing means of cushioning vulnerability of the citizens to external and mostly uncontrollable events such as violence, economic shocks, natural disasters, etc.

### **6.3 RECOMMENDATIONS**

In view of the reviews, surveys conducted and findings drawn from it, suggestions made by respondents and review panels, above conclusions and the need to move Nigeria forward in its poverty reduction efforts, the following recommendations are put forward:

1. Government and its agencies should develop a multi-dimensional approach to poverty reduction strategies and implement along that line;

2. Poverty reduction programmes should be given its pride of place through adequate budgeting and prompt release of funds to them;
3. Efforts should be made to effectively target the poor in all considerations and at all levels of articulation, implementation, monitoring and review of the poverty reduction strategies;
4. The government's anti-corruption efforts should be stepped up and seriously upheld in dealing with matters concerning poverty reduction programmes/agencies and even beneficiaries;
5. The National Poverty Eradication Programme should be strengthened for its coordination and monitoring mandate;
6. Issues concerning policy inconsistency should be resolved through the approval and faithful implementation of the National Policy on Poverty Reduction;
7. No strategies, programmes or projects on poverty reduction should be articulated and implemented without the proper

consultation with the stakeholders on a bottom-up approach basis;

8. A stable macro-economic policy formulation and honest implementation should be a sine qua-non to government for effective poverty reduction efforts;
9. Everything possible and practicable should be done to bring about good governance, sustainability of policies and programmes and good leadership generally and specifically into poverty reduction efforts; and
10. A complete re-orientation package in the form of campaigns, publicity, talks and seminars should be embarked upon in order to change the attitudinal disposition of the poor towards government programmes, employment and empowerment drives, etc.

## **REFERENCE**

**Aliyu, A. (2002)** “Implementation Progress Report: Background, Structure, Achievements and Problems” A paper presented at a one-day special Presidential Retreat for Permanent Secretaries.

**Central Bank of Nigeria (1999), Nigeria’s Development**

Prospects: Poverty Assessment And Alleviation Study  
Central Bank of Nigeria in Collaboration with the World  
Bank.

**Federal Republic Of Nigeria(2000)** “Main Report by  
Technical  
Committee on The Poverty Alleviation Programmes in  
Nigeria”.

**Federal Republic of Nigeria(1999)**, “Report of Presidential  
Panel on Streamlining And Rationalization of Poverty  
Alleviation Institutions And Agencies”.

**Gemade, B. (2003)** “Our Hope For A Better Nigeria” The  
Manifesto of Barnabas Gemade PDP Presidential Aspirant.

**Mohammad, B.Y. and Amuta, C. (2002)** IBB: A heritage of  
Reform Perspectives and Interpretations, The Open Press  
Ltd. Zaria.

## **BIBLIOGRAPHY**

### **A. BOOKS**

- Canagarajah, S. (1999)** Poverty And Welfare in Nigeria\_Federal Office of Statistics and World Bank.
- Ezejule, A.C. and Ogwo, O. E. (1990)** Basic Principles in Managing Research Projects Africana-FEP Publishers Ltd, Okigwe.
- Hodges, A. (2001)** Children's and Women's Rights in Nigeria: A wake-up Call Situation Assessment and Analysis 2001, National Planning Commission and UNICEF, Abuja.
- Gemade, B. (2003)** "Our Hope For A Better Nigeria" The Manifesto of Barnabas Gemade PDP Presidential Aspirant.
- Joe, A. I. (1992)** Fundamental Statistics for Education and the Behavioural Sciences Kraft Books Ltd. Ibadan.
- Mohammad, B.Y. and Amuta (2002)** C. IBB: A heritage of Reform: Perspectives and Interpretations The Open Press Ltd. Zaria.
- Narayan, D. et al (2000)** Voices of the Poor: Can Anyone Hear Us? World Bank, New York.
- Narayan, D. et al (2000)** Voices of the Poor: Crying Out for Change World Bank, New York.
- Narayan, D. and Petesch P. (2002)** Voices of the Poor: From Many Lands World Bank, New York.
- Central Bank of Nigeria (1999)** Nigeria's Development Prospects: Poverty Assessment And Alleviation Study Central Bank of Nigeria in Collaboration with the World Bank.
- Federal Office of Statistics (1996)** Socio-Economic Profile of Nigeria 1996 FOS Lagos, 1996.
- United Nations Development Programme (2001)** Nigerian Human Development Report 2000/2001 Millennium Edition, UNDP Lagos.

**World Bank (2001)** World Development Report 2000/2001 Attacking Poverty. Oxford University Press Inc. New York.

**World Bank (2002)** Poverty Reduction and the World Bank Progress in Operationalizing the WDR 2000/2001 World Bank Washington.

## **B. JOURNALS**

### **Organisation for Economic Co-operation and Development**

**(2001)**“Development Assistance Committee (DAC) Guidelines on Poverty Reduction” Policy Statement by the DAC on Poverty Reduction. Paris.

## **C. GOVERNMENT DOCUMENTS**

**Federal Republic Of Nigeria (2000)**, “Main Report by Technical Committee on The Poverty Alleviation Programmes in Nigeria”.

**Federal Republic of Nigeria (1999)** “Report of Presidential Panel on Streamlining And Rationalization of Poverty Alleviation Institutions And Agencies”.

**National Poverty Eradication Council (2000)**, “Nigeria: Poverty Reduction Plan, 2001 to 2004” \_A Report of Inter-Ministerial Group of Officials, Coordinated by the Economic Policy Coordinating Committee Abuja.

**World Bank (1999)**“Nigerian Consultations with the Poor”. Report of the Global Synthesis Workshop Septmber 22-23, 1999.

## **D. ARTICLES, PAPERS E.T.C.**

**Ajakaiye, O. (2003)** “Public Service and the Challenges of Managing Poverty Eradication in Nigeria” A paper presented at the 2003 Retreat for Permanent Secretaries and Directors in the Federal Civil Service of the Federation June 18, 2003 at NICON HILTON Hotels.

**Aliyu, A. (2002)** Re-Structuring of the Poverty Alleviation Activities of the Federal Government of Nigeria\_ National Poverty Eradication

Programame Abuja.

**Aliyu, A. (2002)** “Implementation Progress Report: Background, Structure, Achievements and Problems” A paper presented at a one-day special Presidential Retreat for Permanent Secretaries 2002. Brock, K and Mcgee, R. Knowing Poverty: Critical Reflections on Participatory Research and Policy, Earthscan Publications Ltd. London.

**Jega, A. M. (2003)** “Public Service and the Challenges of Managing Poverty Eradication in Nigeria” A paper presented at the 2003 Retreat for Permanent Secretaries and Directors in the Federal Civil Service of the Federation, June 18, 2003 at NICON HILTON Hotels.

**Oyemomi, E. O. (2003)** “Poverty Eradication of the Federal Government: Roles of States, Local Governments and NGOs.” A paper presented at National Workshop on International Currency Reform And Economic Management for Sustaining Profitability Under 2003 Monetary Policy for Sustainable Development at Merit House Abuja, March 26, 2003.

## **APPENDIX A**

Dear Respondent,

In fulfillment of the requirements for the award of Doctor of Philosophy (Ph.D), I am currently carrying out a study on “An Assessment of Poverty Reduction Strategies in Nigeria (1983-2002)”. You are therefore, requested to please respond accurately to the questions contained in the attached questionnaire.

Please note that this is strictly an academic exercise towards the attainment of the above purpose. You are hereby assured that the information will be treated with the strictest confidence required of me.

Thank you for your anticipated kindest response.

**Yours Sincerely,**

**Ezekiel Oyebola Oyemomi**

## **APPENDIX B**

# **AGENCIES**

## **QUESTIONNAIRE**

### ***INSTRUCTIONS***

Please you are requested to tick (v) in the appropriate box that contains the option you consider appropriate.

1. Which of the following areas of activity is your organization's core responsibility?
  - a) Provision of Micro-Credit to the poor ( )
  - b) Health Care Delivery ( )
  - c) Training and Skills acquisition in the productive sector in particular and in all vocations in general ( )
  - d) Capacity Building ( )
  - e) Provision of basic infrastructure (water, electricity, rural roads, etc) ( )
  - f) Resource Development through promotion of improved production Technology ( )

g) Others (please specify)

1. In which area of activity would you rate your organization as having greater capacity and competence?

a) Provision of Micro-Credit to the poor ( )

b) Health Care Delivery ( )

c) Training and Skills acquisition in the productive sector in particular and in all vocations in general ( )

d) Capacity Building ( )

e) Provision of basic infrastructure (water, electricity, rural roads, etc) ( )

f) Resource Development through promotion of improved production Technology ( )

g) Others (please specify)

1. How would you rate the performance of your organization in reducing poverty?

Very Effective ( ) Effective ( ) Ineffective ( ) Very Ineffective ( )

2. The implementation of the poverty reduction programmes of the federal government is not strictly directed at the poor.

Strongly Agreed ( ) Agreed ( ) Strongly Disagreed ( )  
Disagreed ( ).

3. Are there broadly agreed strategies for reducing poverty in Nigeria?

Yes ( ) No ( )

4. If your answer to question No. 5 above is “yes”, were these strategies for reducing poverty drawn up in a participatory manner, i.e. involving all tiers of government, Non-governmental agencies and the representatives of the poor?

Yes ( ) No ( )

5. How representative is stakeholder consultation outside government in developing and implementing strategies for poverty reduction?

Adequate ( ) Fairly ( ) Inadequate ( ) None ( )

6. The strategies for poverty reduction in Nigeria do not address the multi-dimensional aspects of poverty.

Strongly Agreed ( ) Agreed ( ) Disagreed ( ) Strongly  
Disagreed ( )

7. Are there established and acceptable targets by government in implementing the national poverty reduction strategies?

Yes ( ) No ( )

8. If your answer to question No. 10 above is yes, have these targets been achieved?

Yes ( ) No ( )

9. The programmes or activities of your organization are in conflict with or are being performed by another poverty reduction agency (ies).

Strongly Agreed ( ) Agreed ( ) Disagreed ( ) Strongly Disagreed ( )

10. Would you agree to the statement that all poverty reduction programmes of the nation were conceived based on perceiving poverty to be unidimensional instead of multidimensional?

Strongly Agreed ( ) Agreed ( ) Strongly Disagreed ( ) Disagreed ( )

11. Sufficient care has been taken to avoid duplication of efforts and to build complementarities across the agencies involved in poverty reduction activities.
- Strongly Agreed ( ) Agreed ( ) Disagreed ( ) Strongly Disagreed ( ).
12. Lack of Poverty Reduction Strategy Paper (PRSP) would make effective poverty reduction difficult in Nigeria.
- Strongly Agreed ( ) Agreed ( ) Disagreed ( ) Strongly Disagreed ( )
13. Sufficient fund is available to implement the poverty reduction programmes of my organization.
- Strongly Agreed ( ) Agreed ( ) Disagreed ( ) Strongly Disagreed ( )
14. Adequate budgetary provisions are not made for poverty reduction programmes of my organization.
- Strongly Agreed ( ) Agreed ( ) Disagreed ( ) Strongly Disagreed ( )
15. The release of budgetary allocation for my organization is very irregular and untimely.

Strongly Agreed ( ) Agreed ( ) Disagreed ( ) Strongly  
Disagreed ( )

16. Poverty reduction policies in Nigeria have not been consistent over the years and across the institutions.

Strongly Agreed ( ) Agreed ( ) Disagreed ( ) Strongly  
Disagreed ( )

17. Poverty reduction policies so far designed are in conflict with the international poverty reduction objectives.

Strongly Agreed ( ) Agreed ( ) Disagreed ( ) Strongly  
Disagreed ( )

18. There is inherent conflict between poverty reduction policies and socioeconomic policies of the federal government.

Strongly Agreed ( ) Agreed ( ) Disagreed ( ) Strongly  
Disagreed ( )

19. Various institutions for poverty reduction rarely work together in formulating and implementing poverty reductions policies in Nigeria.

Strongly Agreed ( ) Agreed ( ) Disagreed ( ) Strongly  
Disagreed ( )

20. Are female given equal opportunity with their male counterpart in the poverty reduction activities of your organization?

Yes ( )                      No ( )

21. Women participation in the poverty reduction programmes of your organization is considerably low

Strongly Agreed ( ) Agreed ( ) Disagreed ( ) Strongly Disagreed ( )

22. Poverty Reduction Strategies in Nigeria have been successful in reducing poverty.

Strongly Agreed ( ) Agreed ( ) Disagreed ( ) Strongly Disagreed ( )

23. Kindly list, in order of severity, the problems confronting your organization in achieving her objectives.

.....  
.....  
.....  
.....

24. In your own opinion, state the ways of ameliorating the problems enumerated in your response to question No. 23 above.

.....  
.....  
.....  
.....

What is your sex?

Male ( )      Female ( )

What is your highest educational qualification?

Tertiary (Polytechnic, University, etc) ( )

Secondary School ( )

Primary School ( )

Arabic School ( )

Others (please specify) ( )

None ( )

Job Title:

.....

Name of your organization:

.....

APPENDIX C

**BENEFICIARIES**

**QUESTIONNAIRE**

1. Have you benefited from any poverty reduction programme?

Yes ( )                      No ( )

2. If your answer to question No1 above is “yes”, kindly state the poverty reduction agency you benefited from?

.....  
.....  
.....

3. In what year was the assistance rendered to you?

.....  
.....

4. What is the nature of the assistance rendered to you by the agency?

- Micro Credit Financing ( )
- Rural Development ( )
- Skill Acquisition ( )
- Self-Employment ( )
- Education ( )

Agriculture Support Programme ( )

Capacity Building ( )

Others (please specify)

5. The assistance has been effective in reducing your level of poverty.

Strongly Agreed ( ) Agreed ( ) Disagreed ( ) Strongly

Disagreed ( )

6. Are you satisfied with the activities of the poverty reduction programmes in Nigeria?

Yes ( ) No ( )

7. If your answer to question No. 5 above is “No”, which areas of operation are you not satisfied with?

a) Policy formulation ( )

b) Implementation ( )

c) Coordination ( )

d) Monitoring ( )

e) Level of assistance ( )

f) Others (please specify)

1. Are there broadly agreed strategies for reducing poverty in Nigeria?

Yes ( ) No ( )

2. Has there been any time your input was sought in designing, implementing the poverty reduction activities?

Yes ( ) No ( )

3. You would have performed better if you were consulted before or during the policy formulation.

Strongly Agreed ( ) Agreed ( ) Disagreed ( ) Strongly Disagreed ( )

4. The strategies for poverty reduction in Nigeria do not address the multi-dimensional aspects of poverty.

Strongly Agreed ( ) Agreed ( ) Disagreed ( ) Strongly Disagreed ( )

5. Are there established and acceptable targets by government in implementing the national poverty reduction strategies?

Yes ( ) No ( )

6. Were demands of gratification of any kind made by any officials of the poverty reduction agency before or after granting you the assistance?

Yes ( ) No ( )

7. If your answer to question No. 12 above is “yes”, were able to oblige to their demand?

Yes ( )                      No ( )

8. Would you attribute the assistance or otherwise to your obliging or refusal to the demand?

Yes ( )                      No ( )

9. Name the poverty reduction agency that has made more positive impact on poverty reduction in lives of individuals, communities, and the nation.

.....  
.....  
.....

10. The implementation of the poverty reduction programmes of the federal government is not strictly directed at the poor.

Strongly Agreed ( ) Agreed ( ) Strongly Disagreed ( )  
Disagreed ( )

11. Poverty reduction policies in Nigeria have not been consistent over the years and across the institutions.

Strongly Agreed ( ) Agreed ( ) Disagreed ( ) Strongly  
Disagreed ( )

12. Poverty Reduction Strategies in Nigeria have been successful in reducing poverty.

Strongly Agreed ( ) Agreed ( ) Disagreed ( ) Strongly  
Disagreed ( )

13. Kindly list, in order of severity, the problems you have  
encountered in accessing poverty reduction activities.

.....  
.....  
.....  
.....

14. In your own opinion, state the ways of ameliorating the  
problems enumerated in your response to question No. 16  
above.

.....  
.....  
.....  
.....

## PART 2

Kindly indicate appropriately the impact of different categories of poverty reduction institutions on the indices or indicators listed by ranking them in the order of impact using the following keys:

5 for greatest positive impact, followed by 4,3, 2,1 and 0 in that order.

Indices	Govt. Ministries/ Agencies	Inter- National Orgs.	Local NGOs	Associa- tions/ Social Groups	Philantro- pists	Family
Micro- Credit						
Education						
Skill Acquisition						
Healthcare						
Self- Employment						
Housing						
Environmental						

Protection						
Agricultural Support Programme						
Capacity Building						
Rural Development						
Others (please specify)						

20. What is your highest educational qualification?

- a) First School Leaving Certificate ( )
- b) Secondary School Certificate ( )
- c) Post Secondary Certificate ( )
- d) Higher Education Certificate ( )

21. What is your sex?

Male ( )      Female ( )