

# Analysis of Poverty Reduction Strategies as Mechanism for Development in Nigeria from 1999-2014

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**Abstract**—Poverty alleviation is one of the most difficult challenges facing third world countries in their development efforts. Evidences in Nigeria showed that the number of those in poverty has continued to increase. This paper is aimed at analyzing the performance of poverty alleviation measures undertaken by successive administrations in Nigeria with a view to addressing the quagmire. The study identified the whole gamut of factors that served as stumbling blocks to the implementation of each of the strategies and recommended the involvement of local people in the identification and design of projects so that sufficient participation could be achieved.

**Keywords**—Poverty, development, strategies, Nigeria.

## I. INTRODUCTION

THE concept of poverty is dimensional in nature. Scholars of different disciplines such as sociologist, Economists, philosophers, Religionists, Political scientists, management experts have interest in the issue of poverty. It is characterized by lack of purchasing power, exposure to risk malnutrition, high mortality rate, low life expectancy, insufficient access to social and economic services, etc. According to [1] “poverty is one of the most difficult challenges facing any country in the developing world where on the average, majority of the population is considered poor. According to [2], no other development issue has posed a serious challenge to policy makers in Nigeria as enhance as poverty, and that the negative trend has spread across the nooks and crannies of Nigeria.

The high incidence of poverty in the country has made poverty alleviation strategies ranging from operation feed the Nation of 1978, the Green Revolution of 1982, the Directorate of Foods, Roads and Rural Infrastructures (DFFRI), the National Directorate of Employment (NJE), Poverty Alleviation Program (PAP), and the National poverty Eradication Program (NAPEP) to be put in place by the successive governments in the country to address the problem [1].

In the words of [3], the factors responsible for the high rate of poverty is due to the fact that while the poor masses often struggle to escape the poverty circle, the rulers are conscious of siding back to experience poverty, thereby promoting corruption, misuse, injustice and other social vices.

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The role of local government in addressing this serious problem cannot be over emphasized. This is on the strength of the fact that majority of Nigerians live in the rural areas. As the central and state governments are far away at the centre and engage on matters that do not affect the lives of the rural poor, the local government should help to mobilize both human and financial resources to provide succor to needy.

## II. LITERATURE REVIEW

### A. Concept of Poverty

There is no standard definition of poverty because of its multi-dimensional nature. Poverty is commonly defined as a situation of low income or low consumption. It can also be viewed as a situation in which individuals are unable to meet the basic necessities of life such as food, clothing, shelter, education, security, and health. However, [4] conceptualizes poverty as a function of education, health, child mortality and other demographic variables. Poverty to them is the availability or otherwise of the above parameters. In a nut shell poverty can be seen as a situation in which an individual is unable because of economic, social, political, and psychological incapacitation, to provide himself and his family the barest basic necessities of life.

### B. Classification of Poverty

Poverty can be classified, based on different criteria, as absolute poverty, relative poverty, rural poverty, and urban poverty. Absolute poverty refers to lack of minimum physical requirements for existence; relative poverty on the other hand refers to a situation in which a persons' or households' provision of goods is lower than that of others. Rural poverty is characterized by poor material condition, low level of education, lack of infrastructures, poor health condition, underemployment, low investment, and high out-migration. Urban poverty on the other hand is characterized by environmental degradation, overcrowded accommodation, low per capital income, and other problems associated with urban areas such as slums, ghettos, and shanties [5].

### C. Causes and Consequences of Poverty

Reference [6] identified some factors as the causes of poverty among which are; inadequate access to employment opportunities, inadequate physical assets, inadequate access to markets, destruction of natural resources, lack of power to participate in design of development programs and inadequate access to assistance for those living at the margin. On the

consequences of poverty, [7] opined that there is general loss of confidence in a society stricken by poverty and this renders government a policies ineffective. Poverty also results in increasing the fragility and vulnerability of members of society to external influences. Furthermore, poverty makes production remain largely subsistence due to lack of capital needed for expansion. Labor becomes intensive and marginal productivity remains low.

#### *D. Concept of Development*

The concept of development like any other concept in social sciences is elusive and vague which defies definition. According to [8], development is a multidimensional process which takes place at the level of individual, social groups and society. At the level of individual it means increased skills, creativity, maturity, freedom, etc, while at the level of social groups, development entails the ability to regulate internal and external relationships. He noted that at societal level, development refers to a fundamental transformation of society through science and technology leading to higher standard of living. He argued that development is a process through which men interact with nature to ensure a qualitative living standard. The goal of development therefore is the upliftment of the living condition of man which can be assessed in qualitative and quantitative terms through national income, social services, calorie - intake, etc.

Development could also be seen as a process of fundamental changes in all spheres of human existence, economic, political, social, cultural, etc. leading to high per capital income.

#### *E. Approaches to Poverty Alleviation*

According to [1], there are many approaches to poverty alleviation which are as follows:

- a) **Economic Growth Approach:** Given the low labor absorption capacity of the industrial sector, board based economic growth should be encouraged. This should focus on capital formation as it relates to capital stock, and human capital. Human capital formation has to do with education, health, nutrition, and housing needs of labor. This is obvious from the fact that investment in these facets of human capital improves the quality of labor and thus its productivity. Thus to ensure growth that takes care of poverty, the share of human capital as a source of growth in output has to be accorded the rightful place.
- b) **Basic Needs Approach:** This calls for the provision of basic needs such as food, shelter, water, sanitation, health care, basic education, transportation etc. Unless there is proper targeting, this approach may not directly impact on the poor because of their inherent disadvantage in terms of political power and the ability to influence the choice and location of government programs and projects.
- c) **Rural Development Approach:** This approach sees the rural sector as a unique sector in terms of poverty reduction. This is because majority of the poor in developing countries live in this sector. In addition, the

level of paid employment in this sector is very low this means that, traditional measures of alleviating poverty may not easily work in the rural sector without radical changes in the assets ownership structure, credit structure, etc. Emphasis in this approach to development has focused on the integrated Approach to rural development. This approach recognizes that poverty is multi-dimensional and therefore, requires a multi-pronged approach. The approach aims at the provision of basic necessities of life such as food, shelter, safe drinking water, education, health care, employment and income generating opportunities to the rural dwellers in general and the poor in particular. One basic problem with this approach to poverty reduction is that it is difficult to focus attention on the real poor given that poverty in the rural area is pervasive. In other words, it makes targeting of poverty reduction programs very difficult.

- d) **Target Approach:** This approach favors directing poverty alleviation programs at specific groups within the country. It includes such programs as social safety Nets, Micro-Credits, and School Meal program.

### III. THEORETICAL FRAMEWORK

Most studies on poverty alleviation have adopted different theoretical underpinning in order to find a workable solution to their subject matter. These theories include the underdevelopment/dependency theories, the vent for surplus theory, the theory of basic needs and the individual deficiencies theory. These theories were more concerned with alleviating poverty without giving due attention to its root cause. This work adopts the theory of cumulative and cyclical interdependencies as its framework because the theory looks at individuals and their community as caught in a spiral of opportunity and problems, hence individual and community resources are multi-dependent.

Cumulative and cyclical interdependencies theory originated from the works of [9]. He argued that personal and community well-being are closely linked in a cascade of negative consequences, and that closure of a factory or other crises can lead to a cascade of personal and community problems including migration of people from a community. Thus, the interdependence of factors creating poverty actually accelerates once a cycle of decline starts. For example, at the community level, a lack of employment opportunities leads to out migration, closing retail stores and declining local tax revenue which lead to deterioration of schools and lead to poorly trained workers, resulting in firms not being able to utilize technology fully, which in turn leads back to a greater lack of employment. This cycle also repeats itself at the individual level. Lack of capital leads to lack of consumption and spending which means that individuals cannot invest in businesses, or to start their own businesses. Health problems and the inability to afford preventive medicine, a good diet, and a healthy living environments become reasons the poor fall further behind.

The complexity of the cycle of poverty means that anti-poverty programs or solutions need to be put in place, since

poverty is not just from one cause but many. There is the need to follow steps in order to break the cycle. The following programs were identified by [10] as cycle –breaking efforts for alleviating poverty.

- Income and economic assets.
- Education and skills
- Housing and surrounding (safe, attractive)
- Access to health care and other needed services
- Close personal ties, as well as network to others.
- Personal resourcefulness and leadership abilities

A key piece of this comprehensive approach to helping individuals from poverty is that there is no way the government can do all of this for every person without first increasing social capital among communities or subcultures of the poor. Strong interpersonal ties as in villages or organized groups can provide shared assistance that professionals cannot. The key is helping groups of poor people build supportive communities with shared trust and mutuality. This program consciously seeks the benefits of building social capital based on affinity groups' where people share common interests from their ethnicity, religion, family history, living area, or other sources of friendship. Poverty alleviation programs should structure their efforts around three focal points for breaking the cycle of poverty. These programs structures, like the cyclical theory itself, combine strategies and tools from response to the other theories of poverty.

- **Comprehensiveness:** The first strategy to breaking the cycle of poverty is to develop comprehensive programs. Comprehensive programs are ones that include a variety of services and that try to bridge the individual and community needs.
- **Collaboration:** The key to executing extensive programs without becoming too uncontrolled is collaboration among different organizations to provide complementary services so that by their combination of efforts, the output is greater than could be done by each one along. Collaboration involves networks among participants, though the coordination can vary from formal to informal.
- **Community Organizing:** Finally, community organizing is a tool; by which local people can participate to understand how their personal lives and the community, well-being is intertwined. Breaking the cycle of poverty must include individuals to participate as a community in the process of breaking the circle of poverty.

It is interesting that this is the approach to poverty alleviation that is the least commonly described in the poverty literature, but community based examples are what are brought out whenever successes are discussed. These are no comprehensive community based self-sufficiency programs from the federal or most states.

#### IV. APPRAISAL OF POVERTY ALLEVIATION EFFORTS IN NIGERIA FROM 1999 TO DATE

In 1999 when the Obasanjo administration came to power, it was estimated that more than 70% of Nigerians lived in poverty. That was why, in November 1999, the N470 billion Budgets for year 2000 were to relieve poverty. Before the

National Assembly even passed the 2000 Budget the government got an approval to commit N10 billion to poverty alleviation programs [11]. Poverty alleviation was seen as a means through which the government could reconstruct the economy and rebuild self-esteem in majority of Nigerians. Among the poverty alleviation programs were, the launching of Universal Basic Education (UBE) program, the poverty Alleviation program (PAP) and the National Poverty Eradication Program (NAPEP).

##### A. Poverty Alleviation Program (PAP)

This program was introduced in 2000 to address the problems of rising unemployment and crime rates especially among the youth. The primary objectives of PAP are as follows:

- i. Reduce the problem of unemployment and hence raise effective demand in the economy.
- ii. Increase the productiveness of the economy and
- iii. Drastically reduce the embarrassing crime wave in the society

The targets/components of PAP as identified by [6] include the following:

- a) Provide jobs for 200,000 unemployed
- b) Create a credit delivery system from which farmers will have access to credit facilities
- c) Increase the adult literacy rate from 52% to 70% by 2003.
- d) Shoot up health care delivery system from its present 40% to 70% by year 2003
- e) Increase the immunization of children from 40% to 100%
- f) Raise rural water supply from 30% to 60% and same for rural electrification
- g) Embark on training and attainment of at least 60% of tertiary institutions' graduates and
- h) Development of simple processes and small scale industries.

Looking carefully at the objectives of PAP, one can deduce that it was designed to touch almost all aspect of poverty ranging from absolute to regional poverty. It was however more specific in curbing unemployment hence raising the income of individuals so that their spending would increase and hence their needs be satisfied. However, like in most programs, PAP was hindered by poor implementation and being short term in nature it lacked continuity. The aim of the program was defeated as credits given to fiancé micro enterprises were not utilized by the beneficiaries in such enterprises meaning that the target for employment generation was missed. PAP was also perceived as an initiative of the ruling party's program and therefore was not given much attention and, in some cases, resisted by chief executives of states controlled by the opposition parties. For example, [6] observed that in the year 2000, "there were reports that the Alliance for Democracy (AD) governors of south west zone of the country were apprehensive that the people's Democratic party (PDP) at the centre might have conceived of the PAP for strategic political gains. Indeed, there were allegations of AD governors working against the PAP in order to frustrate the PDP federal government. Despite the problems encountered in

the course of implementation of PAP, [6] it has succeeded in providing 82,000 jobs to different kinds of people across the country.

#### *B. National Poverty Eradication Program (NAPEP)*

The program was introduced in 2001. It was aimed at the provision of strategies for the eradication of absolute poverty in Nigeria. It was complemented by the National Poverty Eradication Council (NAPEC) which was to coordinate the poverty reduction related activities of all the relevant ministries, departments, and agencies. The council had the mandate to ensure that the wide range of activities were centrally planned, coordinated and complement one another so that the objectives of policy continuity and sustainability were achieved. The poverty reduction related activities of the relevant institutions under NAPEP have been classified into four, namely;

- Youth Empowerment Scheme (YES) which deals with capacity acquisition, mandatory attachment, productivity improvement, credit delivery, technology, development, and enterprise promotion.
- Rural Infrastructure Development Scheme (RIDS) this deals with the provision of potable and irrigation water, transport (rural and urban), rural energy and power support.
- Social welfare Service Scheme (SOWESS) this deals with special education, primary healthcare services, establishment and maintenance of recreational centers, public awareness facilities, youth, and students hostels development, environmental protection facilities, food security provisions, micro and macro credits delivery, rural telecommunications facilities, provision of mass transit, and maintenance culture.
- Natural Resource Development and Conservation Scheme (NRDCS) this deals with harnessing of agricultural, water, solid mineral resources, conservation of land and space particularly for convenient and effective utilization by small-scale operators, and the immediate community.

The program was centered on youth empowerment, provision of infrastructures, social welfare scheme, and natural resource development/conservation. It was however broad based and encompassing. It tried to adopt the participatory, Bottom-up approach in program implementation and monitoring. However, a critical assessment of NAPEP revealed that it concentrated more on the youth empowerment scheme (YES) neglecting the other mandates; even the YES itself focused more on the disbursement and administration of NAPEP's popularly called "KEKE NAPEP" On the issue of natural resource development and conservation scheme. Reference [12] observed that less than 20% of the target beneficiaries have benefited through this scheme. This means that NAPEP has not made much impact in harnessing, water and solid minerals resources and conservation efforts especially in rural areas where the main occupation is agriculture. It has also been observed that most of the poor people have not participated in NAPEP's programs due to lack of access to social and economic infrastructures provided to

improve human capital. By and large, the local people were not included in the identification of projects meaning that the ones identified were in most cases, inappropriate and unsustainable. It was also observed by [12] that in most localities, the credit facilities and other infrastructures provided by NAPEP were enjoyed by members of the ruling party while those identified as opposition were denied access and did not benefit from the program thereby remaining in poverty. To crown it all, even where the ruling party loyalist were given the credit facilities, the funds were in many cases utilized for other purposes the result of which was that, in the long run the intended beneficiaries remained poor.

One of the greatest achievements of both PAP and NAPEP was the success of the programs in providing jobs to a number of youth across the country. Though NAPEP's Youth Empowerment Scheme, a lot of unemployed youth acquired entrepreneurial and business skills in many areas resulting in the relative increase in their income levels. The Universal Basic Education which is a strategy employed by PAP in increasing literacy rate also made an impact in many communities where classrooms were constructed and learning materials provided for the benefit of the citizens [1]. However, a lot of problems have been encountered in the process of implementing the programs. These problems include lack of involvement (in most cases) of the local people in the identification of projects, administrative and operational problems and above all, the failure in the selection of the target beneficiaries due to political reasons.

#### V. CONCLUSION AND RECOMMENDATIONS

Considering the current poverty incidence in the country, one can conclude that the past poverty alleviation programs have not achieved much. This is perhaps due to the problems identified as hindering the effective implementation of the programs. The objectives and mandate of both PAP and NAPEP were aimed at provision of employment and income generation through various activities; however lack of involvement of the target beneficiaries in identifying the right projects coupled with administrative and operational failures were among the problems identified as hindering the achievement of the objectives of the programs. There is thus the need for involvement of the local people in the identification and design of projects so that sufficient participation can be achieved. Poverty alleviation programs should also be designed in such a way as to be sustainable and should be geared towards provision of sustainable employment so that in the long run, their impacts trickle down to the grassroots. In addition, to alleviate poverty effectively, there is the need for the government to supply necessary inputs that can improve people's livelihood, productivity and increase in their wealth income). These inputs can be in form of fertilizers, farming machines, seeds, training programs, skill acquisition programs, credit facilities and others.

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