

AN ALTERNATIVE POVERTY ERADICATION MODEL FOR NIGERIA

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Abstract

This paper revealed the poverty incidence prevailing Nigeria (about 90.8% earning an income of less than \$2 a day and a poverty line of 70% as recorded in 1998) despite all the poverty eradication programmes (PEP) (18 PEP put in place by the different administrations in Nigeria). The paper proposed an alternative poverty eradication scheme that will improve the prevailing situation. The proposed scheme is viewed from systems perspective. This will ensure efficiency in all aspects of poverty eradication rather than on its individual parts (>or sub-systems). In order to use the proposed scheme, we have designed an implementation strategy for any poverty eradication policy maker to adopt.

Introduction

Knowledge about the poor is essential if any government is to adopt sound development strategies, and more effective policies for attacking poverty. Such knowledge can be obtained from answers to such questions as how many poor people are there in a particular place, and what their precise economic circumstances are. The World Bank in conjunction with the government of Nigeria revealed that about 80% of Nigerians are poor (FOS, 1999). This status does not match the country's rich human and natural resources and also in spite of several efforts towards poverty eradication by successive governments.

The economic circumstances classifies Nigeria as a poor country, its current per capita income is only \$310 with about 70% surviving on an income of less than \$1 and 90.8% on less than \$2 a day (South Africa has \$11.5 and \$35.8, respectively, see World Bank Development Report, 2000). A great number of people have no access to adequate education, food (protein intake is less than 1/3 of the minimum required protein and low vitamin intake due to low purchasing power), safe potable water (about 51%), health (access to good sanitation is 59%). See Human Development Report (2000). Women, uneducated men and those in the informal sector, in the rural areas, suffer poverty and income inequality most. The northern states are poorer than other parts of the country with rate of over 50% (Akin, 1992; World Bank, 1996).

Considering the adverse effects of poverty on people and its socio-economic implications to a nation, the government of Nigeria between 1970 and 1998 had 18 poverty eradication programmes (PEP) interventions. These include health services schemes, education schemes, employment schemes to cover the vitai areas of agriculture, employment generation, environmental protection, micro-credit delivery, health care, housing and transportation. The present administration is taking yet another approach to poverty eradication by introducing PEP.

The government also has been assisting the poor through relief packages to victims of natural disasters, such as drought, flood and epidemics. Individuals who lacked formal education or skills were trained and provided with loans as capital for businesses of their own (through the National Directorate of Employment). As earlier mentioned despite all these programmes, the level of poverty in Nigeria still remains high. This could be due to the fact the Nigeria solely depends on oil for revenue generation (about 70% of the Federal budgets resources, and constitutes 90% of the country's export earnings). Other non-oil sources especially agricultural sector has been ignored. Nigeria that was once an agriculturally based economy with major exports as peanuts, coca and palm product no longer enjoys this.

The objectives of this paper include providing insight into the poverty situation in Nigeria with a view to recommending an alternative PEP, providing managers with insight into project design and to provide a guide to researchers on social issues.

Literature Review

Poverty and Poverty Eradication

Ismail (1989) argues that poverty can be relative or absolute. Relative poverty, according to him. "is a state of barely securing the minimum basic needs but having such limited resources that one lacks the means of adequate social participation". While absolute poverty "is the inability to secure the

minimum basic needs for human survival according to standards so low that they challenge the adequate comprehension of most members of the industrial societies". Poverty is a multidimensional and multi-sector issue because it affects individuals, households and communities, socially economically and politically. Therefore it must be tackled wholly in order to record any meaningful success.

World Bank Report (1990) defines poverty as "the inability to attain a minimal standard of living". The Oxford English Dictionary defines poverty eradication as the action taken to lighten the weight, gravity or severity of poverty. The challenge of poverty eradication is two fold: to raise the living standard on the average and to prevent the poorest from falling further behind (Ismail, 1989). National Policy of Poverty Eradication document (1989) suggests that the pursuit of poverty eradication must be based on national philosophy. This should elicit the participation of the stakeholders and owners of the problem in the implementation of the policy and programmes arrived

Characteristics of the Poor

The characteristics of the poor, according to World Bank Report (1990), reveals to government and policy makers, who the poor are, where they live, what they do for living, the size and composition of their households, what they own and purchase, what risks they face, and how they fit into society around them. Poverty has, in many countries, regional dimensions. As measured by income, it is at its worst in rural areas. The problem of malnutrition, lack of education, low life expectancy, and substandard housing are more severe in rural areas.

Many of the poor are located in regions where arable land is scarce, agricultural productivity is low, and droughts, floods and environmental degradation are common. Others live in regions that have a promising endowment of natural resources but lack access to social services and infrastructure (irrigation, information, and technical assistance, transport and market pricing). Besides having lower income than the non-poor, the poor often mix many different earning activities (work as cultivators, hunters and gatherers small artisans, petty traders, wage labourers, at various times of the year). They are rarely self-sufficient (World Bank Report, 1990).

Income Variability of the Poor

Poverty is dynamic because income fluctuates. People can move in and out of poverty while others never cross the poverty line. An unfavourable turn of events, an unexpected turn of events **can** be catastrophic especially to the poorest households and the least able to protect themselves from contingencies. The poor spends most of his income on consumption, at least half on food staple. Hence their consumption depend on the distribution of access to productive land. It is the "not so poor" who are net suppliers of farm produce and so benefit from higher prices.

The Poor in the Society Around Them

Generally, the poor have less access to publicly provided goods and infrastructure than other groups. Even in urban areas poor neighborhoods are less well supplied with services than well-to-do ones. Public policy is critical in reducing poverty (as measured by income) and improving social indicators and indirect effect on income (through the rate and pattern of economic growth). Both the income and social indicators support each other. Hence they are linked.

Poor and Industrialized Nations

From an international perspective, industrialization is a yardstick for political and economic might. Aluko (1970) asserts that highly developed countries are primarily industrial and commercial, semi-developed countries are mixed (industrial and agricultural) while poor and under developed countries are primarily agricultural.

Developed and developing countries all have endowments of both human and natural resources but the capacity and capability to exploit the material resources as influenced by the preparedness of the national power is different. While industrialized nations consolidate their economic might and technology, the non-industrialized nations focus on how to borrow or acquire technical assistance and other aids from co-investors offshore through privatization.

An Alternative Poverty Eradication Model For Nigeria

Exploring the Prospectus of the Poor

Rapid and political sustainable progress on poverty can be attained through two elements:

- * Promoting the productive use of the poor’s most abundant asset (labour). This calls for policies that harness market incentives, social and political institutions, infrastructure, and technology to that end.
- Provision of basic social services to the poor. Primary health care, family planning, nutrition and primary education (World Bank Report, 1990).

These two elements should be combined, for one without the other is not sufficient. However, even when combined, the strategy still leaves out many of the poor: the sick, the old. A comprehensive approach therefore calls for a programme well targetted. Transfers and safety nets are an essential complement to this basic strategy. This can be done through the need to frame adjustment policies that give due weight to the needs of the poor. Protect the poor through judicious mix of macro-economic policies (such as pricing policy reforms that benefit poor farmers) and measures to moderate declines in private consumption during any transition period. Also shift public spending in favour of the poor, even within an overall frame work of fiscal discipline and target transfers more accurately (World Bank Report, 1990).

Policies to reduce poverty involve trade off especially in the short run, is between the interests of the poor and the non-poor. The two-part strategy is, therefore, more likely to be adopted in countries where the poor have a say in the political and economic decision-making.

Reaching the Poor

Reaching the poor with targetted programmes can be difficult. However, to reach the poor, involve non-governmental organizations, self-selecting programmes that exclude the non-poor by offering the benefits that are of interest only to the poor.

Programmes aimed at reducing poverty are cost-intensive and so interventions must be well targetted and carefully designed to meet the specific needs of the poor. This means developing technologies suited to the risky environment that confront small farmers, devising credit schemes to serve small borrowers, combining feeding programmes for especially vulnerable groups with education on health and nutrition (World Bank Report, 1990).

System’s Approach to Poverty Eradication

There is no generalized definition of a system. This paper adopts the definition offered by Weinberg (1975), as ‘system is a collection of parts, one which can’t change’. Poverty is a defect of the ‘means of keeping alive system’. The ‘means of keeping alive system’ takes the “world view " of poverty by different fields - professionals in housing, health, education, demography, and finance.

PEPs in Nigeria

From 1970 to 2000, so many PEP interventions had came up. These are given in Figure 1 below.

Poverty Eradication Programmes ¹

	▼	▼	▼	T
Education	Agriculture	Health	Social Services	Employment/Credit
-UPE	-OFN	-Sanitation Days	-Rural Electric	-NDE
-AdultEduc	- GreenRev	- EP1/NPI	-LowCosHousing	- FSP
- UBE	- RiverBasins	- PriHealthCare	-DFRRI	- FEAP
- MAMSER	-NALDA		- Rural WaterSupply	
	- ADP		- Mass Transportation	- Better Life
				- NACB

Figure 1: *PEPs in Nigeria.*

Materials And Methods

The materials for this paper is primarily from studying the PEPs from 1970 to date by the Nigerian national government and World Reports and Surveys on poverty eradication for different periods. The study reveals that despite all these programmes, the poverty situation in Nigeria is still high (about 90.8% earn income of less than \$2 a day) with poverty line drawn above 70% of the population in 1998.

The method adopted in proffering an alternative poverty eradication is a system approach in which public policy is directed towards improving personal income and the social indicators (education, health, under 5 mortality etc) whollistically following the reductionism approach.

Results

We design a strategy for the alternative poverty eradication scheme as follows:

Figure 2: A New Strategy for Poverty Eradication.

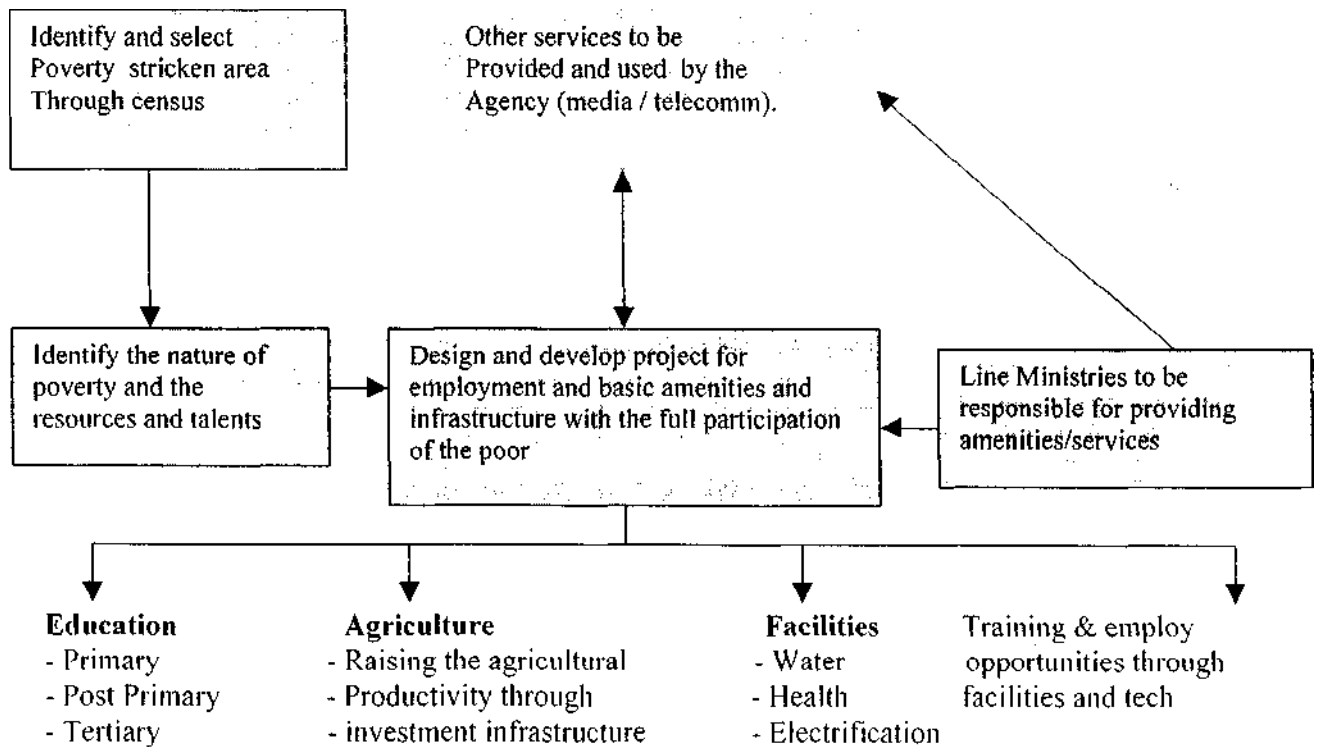
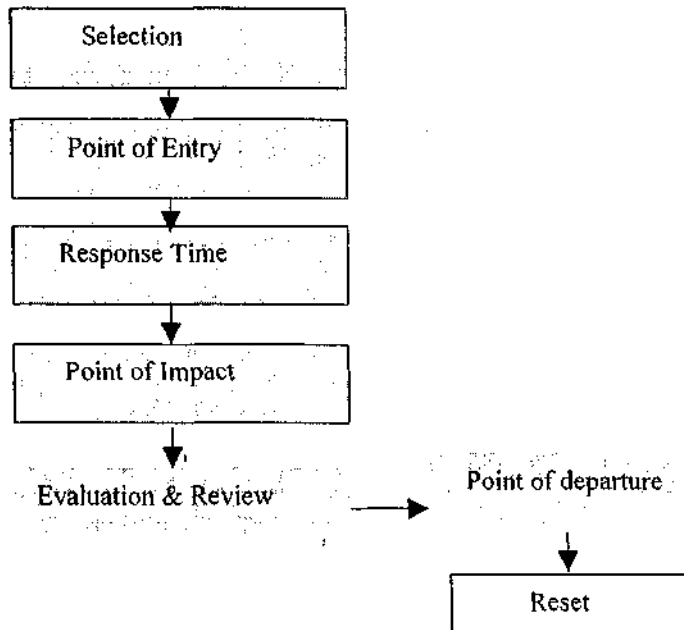


Figure 3: Implementation Strategy of the proposed programme



Discussion

The specification of the new design requires that the poor should be incorporated fully right at the design stage, to the implementation stage of any PEP, this has not been the case with past and present PEPs. The Systems Approach requires that the inter-locking relationships be addressed.

The Process

- (1) Raise the agricultural productivity through investment, infrastructure and market monitoring. The government should cultivate large expanse of farmland and provide all farm inputs for the poor who are largely farmers, as loan. After harvest the farmers should refund the capital to the government. This will help improve the income of the poor.
- (2) Make adequate provision to improve the social and economic indicators in the country's budget (increasing spending on education, health etc),
- (3) Use oil revenue more rationally and diversify economic activity to reduce dependence on oil
- (4) Lower population growth rate placed which now stands at 3.5% per annum through more effective methods of campaign and enlightenment on family planning and reproductive health.
- (5) Provide technology that is capital saving but labour intensive to create rural, village and small town jobs and encourage creativity and diverse skills that will in turn contribute to job satisfaction. This is because capital, in Nigeria is scarce while labour is abundant.
- (6) Manufacturers should develop simple implements and machinery that can be locally adopted and repaired.
- (7) Teaching people productive skills that will have multiplier effect (more people could learn from them and in the process improve their purchasing power),
- (8) Involve the poor at both the design and implementation stage of any PEP.
- (9) Fund for PEP could be sought from donors, investors, government, and community.

The System's Requirement

(a) Input:

- Good governance (it goes hand in hand with poverty eradication).
- Macro-economic policies that focus on the growth pattern that favour the poor.
- National budgets should be on the dimensional context of poverty.

- ### (b) Output:
- Reduced rural-urban migration.
 - Improvement on the living standard of the poor, hence poverty reduction.
 - Empowerment of the poor to be the producers of their bounty and not recipients of charity.
 - Fairness in the selection of benefiting communities.

(c) Operation

- Provision of legal instruments to enable economic growth .
- Diversification of the economy.
- Decentralization of decision processes.

(d) Control:

- Feedback system through timely and periodic evaluation and review of the performance of the scheme.

- The community should offset project cost. This will ensure continuity; the scheme is intended to continue indefinitely until the standard of living has risen to an appreciable level.

(e) Accessing the system:

- Selection is made either from enrolling for school, undergoing training, accessing basic amenities or gaining employment.
- Entry is made when a deserving beneficiary enters for any of the selection made. However, there could be more than one entry point.
- Response time is subject to the duration of a project.
- Impact is felt when the beneficiary generates income, the need for social amenities, is satisfied and skill is acquired.
- Beneficiaries depart if need be, when improved living standard is experienced and can afford better standard. Or when self-sustenance is reached.
- Follow up is achieved through the feedback system.

Summary

Nigeria still has incidence poverty (poverty line 70% in 1998) despite so many PEPs geared towards poverty eradication by different administrations, including the present administration. It was found that all the PEPs ignored the poor at the design of such programmes and also there was no proper feedback.

We also suggest that the type of agricultural loan to be given to farmers should be such that the government grants loan of cleared farmlands and inputs to desiring farmers. A Systems Approach that considers the interlocking relationship between all aspects of poverty was designed as alternative PEP. Its implementation strategy has been outlined.

Recommendations

1. The national government should revisit the agricultural sector with all seriousness to protect the primary source of income to the country
2. For the alternative programme designed to work, every body should have full participation. This is important because one of the specifications is that all projects must be initiated by line ministries to ensure continuity since it involves the use of existing structures.
3. The programme should be full implemented to avoid failure of the programme.
4. National Youth Service Corps Members (N Y S C) should be integrated into the scheme.

Conclusion

The thrust of the alternative scheme designed is the use of Systems Approach in solving social problems. Poverty is a problematic situation that exists in the social system. It is complex and fuzzy and has so many variables and constraints interacting.

So far, PEPs have emphasized only one aspect of life. In some cases where it seems to border on all aspects of life e.g. DFERRI and PTF, the strategy is that a village or state will benefit from one of the projects. The implication is that since efficiency in one part does not allow automatic efficiency in another, the efficiency of the 'means of keeping alive' system is not guaranteed.

The proposed approach to poverty eradication ensures that first, selection is based on the highest incidence of poverty identified through the assessment of poverty situation in each state of the federation. Subsequently, the required basic needs and employment projects are designed and wholly executed. This will ensure efficiency in the programmes because 'the whole is greater than the sum of its parts'.

All Alternative Poverty Eradication Model For Nigeria

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