

AN APPRAISAL OF POVERTY ALLEVIATION PROGRAMMES IN NIGERIA

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Abstract

Studies have shown that earlier programmes aimed at poverty alleviation such as Better Life Programme (BLP)/Family Support Programme (FSP), Directorate of Foods, Roads and Rural Infrastructure (DFFRI), the National directorate of Employment (NDE), the People's Bank of Nigeria (PBN), Community Banking Scheme, Mass Transit Programme, Petroleum (special) Trust Fund (PTF), etc. all failed, not as a result of poor conception but on account of haphazard, non-focused and blurred implementation process. In some cases, the entire programme was hijacked by buccaneers within the corridors of power. The end result has always been a dismissal performance of such programmes. The major thrust of this paper is to seek to examine the various policies aimed at poverty alleviation, their cause and effects and proffer recommendations that may help to arrest this phenomenon.

Introduction

The last decade has been a particularly harsh period for many low-income developing countries. World recession, the debt crisis, exchange rate misalignments, oil price shocks, depressed commodity prices, high level interest rates and stagnation in foreign aid flows have all exerted in their own ways, a heavy toll on developing countries and their people. The economic and invariable the social services sector growth of these countries has been negligible if not negative during this decade.

The poor have been particularly 'hard hit' by these macro-economic and external problems, as a result of deterioration in real wages, increase unemployment and cut-back in social sector spending. In essence, the poverty situation of the countries has worsened.

Nigeria, though part of this global community and blessed with enormous human, material and mineral resources, is still ranked low in the ladder as the 7th poorest country in the world. All known indices of underdevelopment: high infant mortality, extremely poor medical facilities, very low per capital income, none functional social facilities and corruption, etc. are prevalent in the Nigerian socio-economic system.

The resultant effect of the above scenario is a ridiculously low and depleted standard of living and mass poverty amongst the populace. This situation has always been of immense concern to successive Nigerian governments. Attempts have been made in the past to address this worrisome

state of affair and all such attempts delivered no significant dividend to the target beneficiaries of the programmes.

Conceptual Clarification

The concept of absolute poverty firstly connotes a standard of living below the minimum needed for maintenance of life and health. Secondly, relative poverty is a condition characterized by a scarcity rather than a lack of economic necessities. A relatively poverty-stricken person is poor in comparison with a majority of others in his society, but his level of living usually does not constitute an immediate threat to life or health. Thirdly, poverty is also conceived as an existential condition in which an individual lacks the skills to sustain a living above poverty line. Thus, the pivot of the programme is to guarantee a sustainable level of technical and financial assistance for millions of people to remain in productive employment. It is therefore desired, that the multi-pronged approach to the poverty epidemic is appropriate.

Poverty is multi-faceted, exposure to risk, insufficient access to social and economic service and few opportunities for income generation. Edward Jaycox, the vice president African region of the world Bank, did say that: “over 200 million Africans today live in wrenching poverty”, and that “if the present trends continue, their number could be more than double over the next twenty years, and making sure that this does not happen is the overarching objective of the world Bank and the international community in Africa.”

Given its multi-dimensional nature; poverty has been perceived using different criteria. The central Bank of Nigeria/World Bank defined poverty thus:

“poverty may be seen as a reflection of glaring defects in the economy as evidenced in mass penury, pauperization of the working and professional class including artisans, mass unemployment and poor welfare services. It denotes absence or lack of basic necessities of life including material wealth, common place regular flow of wages and income and inability to sustain oneself based on existing resources available.” In such a state, the means of achieving minimum subsistence, health, education and comfort are absent. That is why Grenwald and association defined poverty as a “condition in which income is insufficient to meet subsistence needs.”³ in the same vein, Harry Johnson defined poverty as a “situation when the resources of individuals or families are inadequate to provide a socially acceptable standard of living.

Sometimes, attention is drawn to the relative nature of poverty and a clear distinction is drawn between the poor and non-poor. According to the World Bank Development Report (WDR), poverty is defined as “inability of certain persons to attain a minimum standard of living.

Table 1: Nigeria Trend in Poverty Level (1980-1986)

year	Poverty level	Estimated total population	population
1980	28.1%	65m	17.7m
1985	46.5%	75m	34.7m
1992	42.7%	91.5m	39.2m
1996	65.6%	102.3m	67.1m

Source: Federal office of Statistics (FOS), National Census Survey.

Ethnic minorities, who are marginalized, deprived and persecuted Economically, Socially, Culturally and Politically.

In the main, poverty manifests itself in different forms depending on the nature and extent of human deprivation. When the minimum level of consumption to sustain human existence becomes important in distinguishing the poor from the non-poor, the unemployed and low-income earners come readily as the stratum of poor households.

According to the bulletin on the guidelines for the implementation of the poverty alleviation program of the Federal Government of Nigeria, it sees poverty has very pervasive in Nigeria. About 60% of Nigerians live below the poverty line. Data on poverty are staggering and reveals that only 50% of the population have access to safe water. About 38% of the population do not have access to primary health care while most Nigerians consume less than 1/3 of the minimum required protein and vitamins intake due to low purchasing power.

As a result of the pervasive nature of poverty, most governments have focused as a major objective of the reduction of poverty, which is seen, has a panacea to economic development. However, it is to be noted that alleviating poverty is not a precondition to economic growth, this is because, alleviating or reducing poverty requires a broad-based strategy that should address poverty both as an economic and as a social phenomenon. It is in line with this notion, that the “collaborative strategy of both the World Bank and the United Nations Children’s Fund (UNICEF) in conjunction with other members of the international community in the on-going poverty Assessment and alleviation programme Development in Nigeria, which is being coordinated by the National Planning Commission with substantial data and ‘input’ from the Federal Office of Statistics (FOS).

The conception/perception of poverty has therefore, broadened the focus beyond the ability of households to provide food for its members to include its ability to access other basic social amenities which impact positively on family welfare. Against this backdrop, Eglama and Bamidele in 1997 aptly summarized the definition of poverty in both absolute and relative terms as “a state of where an individual is unable to cater adequately for his/her basic needs of food, clothing and shelter; unable to meet social and economic obligations; lack 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 as a result has limited chance of advancing his/her welfare to the limit of his/her capabilities,”

Origin of Poverty in Nigeria

From our discussion so far, it is clear that the phenomenon of poverty is not new in Nigeria. Even before independence, majority of Nigerians lived below the poverty line. Although the country was self sufficient in its food production at the time, its citizens had a low per capita income and lacked basic infrastructure and social service. In other words, apart from food production, Nigeria was deficient in all other areas that were the main indicators of poverty. In general, there was a high rate of infant mortality, a low life expectancy, low educational opportunities, poor water, inadequate health-care and unfit housing. Furthermore, Nigerians were not actively involved in the decision-making process during the colonial era.

With the advent of independence in 1960, Nigeria remained largely agrarian community with most of its populace being engaged in Agriculture. Agriculture also contributed over 65 percent of the Nation's Gross Domestic product. Despite independence, there were no significant improvements in the standard of living of most Nigerians. The problems of inadequate health care, low life expectancy, low educational opportunities, and high infant mortality rate, among others continue to thrive.

The oil boom of the 1970s however, marked a new beginning for Nigeria. The windfall oil income first led to large budget surpluses. This, however, quickly gave way to large budget deficits as government rapidly increased its expenditure. Unfortunately, the government directed its spending to the cities rather than the countryside. Most Agricultural spending went to large-sale capital- intensive projects. Most of these projects had low rate of return. Very little investments went to the rural areas, which was home to most subsistence farmers that were responsible for food sufficiency in pre-oil boom Nigeria.

The oil windfall was further drained by prestige projects and/or those with low returns. These include the constitution of a new capital city, an integrated iron and steel industry (Ajaokuta) and the hosting of FESTAC. In the main, government encouraged consumption through the award of very liberal compensation and remuneration packages. In some cases like during the Udoji Award, very generous, but indefensible arrears were paid to the government workers. Government spending pattern also led to the neglect of subsistence Agriculture, and productivity in this sector rapidly declined. The result was that the country soon became a net food importer.

Government Attempts at Alleviating Poverty in Nigeria.

Nigeria has never fallen short of attempts at alleviating poverty. Previous governments devised several schemes to alleviate poverty in the land but virtually in all cases, the attempts fell short of expectation. In 1986, for instance, General Ibrahim Babangida, former Military president, established the National Directorate of Employment (NDE), to promote skill acquisition and self-employment. But the project was a monumental failure to achieve the set objectives due to inadequate funding and corruption on the part of its officials.

Other poverty alleviation related programmes introduced by past regimes include: Better Life for Rural Women Programmes, Family Economic Advancement programme (FEAP), Rural Banking Scheme, community banking scheme, National Economic Reconstruction Fund (NERFUND), the Nigeria Agricultural Land Development Authority (NALDA), the Federal Agricultural coordinating Unit (FACU), the peoples bank, the Agricultural projects Monitoring and Evaluation unit (APMEU), The Department of rural development of the Agricultural ministry and the National Commission for mass literacy. Adult and non-formal Education and the Directorate for Food, Roads and Rural Infrastructure (DEFRI). These organisations were all rationalized by the present regime to form a National Poverty Eradication Commission (NPEC).

Despite the efforts of past leaders, there has been very little progress in the area of alleviating poverty in Nigeria. Not surprisingly, president Obasanjo has made poverty alleviation one of the main goals of his administration. In his maiden full budget speech (2000), he explicitly stated that one of the major issues that this administration has undertaken to Resolve is the lingering poverty that has stricken our people along the length and breadth of the nation. The extent of poverty has reached frightening proportions primarily due to the neglect of Past governments. This is a plague that we must jointly address and together we must try to conquer it. To achieve this objective, the government established a high Powered poverty alleviation council headed by the president himself. To further help reduce poverty, the government has also approved “a vastly improved micro credit scheme for the provision of loans and services to farmers and other producers in the informal sectors.” Furthermore, the government also decided to set up a small industries development Agency.

The above programmes are, in the main, being funded by the international monetary fund (IMF), which has established a donor funded poverty reduction fund of 1 billion dollars. The strategy, according to the president, for spending the funds, will be to empower our citizens in both the rural and urban areas to produce, with a view to improving their quality of life. This empowerment will come in the form of the provision of the necessary socio-Infrastructural tools that will make this transformation happen. If we can increase the disposal income of all concerned through real production by an average of

10-15 percent annually over the next ten years. Then, we can as policy makers claim success. And we cannot afford to fail.

In other words, government will, in the main focus on social and infrastructural facilities, which are instrumental to increased productivity. It was also hoped that the multiplier effect will result in the creation of at least 200,000 jobs in the country. A minimum of 5,000 jobs is expected to be created in each state of the federation.

Thus far, we have seen very little of the promised social and infrastructural improvements. Jobs have no doubt been created. The methods of such jobs creation is however, most undesirable. In its pursuit of its targeted jobs creation levels, government has simply made available money for the payment of salaries to people employed under this scheme without being clear what the people are suppose to do. To a very large extent, this has turned into a scam for rewarding political party stalwarts active during elections.

Problems of Previous Poverty Alleviation Schemes

Despite the numerous poverty alleviation schemes introduced in Nigeria, poverty alleviation still remains an issue. There is widespread agreement that the previous schemes have failed to achieve their objectives. In general, most of the schemes have failed for reasons that include inadequate stake-holding by beneficiaries and operators and corruption.

Corruption

It is no exaggeration to say that the level of corruption in Nigeria is indescribable. Corruption is so endemic in Nigeria that the country is currently classified, by transparency international, as the most corrupt in the world. So endemic is the corruption that it seems to be the only growth industry in Nigeria. According to Christopher Kolade, whom president Obasanjo appointed to probe contracts awarded under General Abdul-salami Abubakar, it is not viable to punish all corrupt government officials. Sacking every corrupt government official will mean sacking virtually the entire government workforce. Such level and degree of corruption has led to questions being asked as to whether Nigerians really do understand the implications for its development. According to a former head of state:

Our economic dilemma is compounded by corruption and other Aspects of social indiscipline, which are widespread in our society. Unfortunately, there seems to be little awareness of the dangers Posed to our future by these problems even amongst the elites.¹⁴

An economist newsmagazine has also appropriately described the Cost of corruption to Nigeria thus:

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Nigeria has received some \$280 billion in oil revenue since the Early 1970s. Through foolish investments, graft and simple theft, this vast fortune has been wholly squandered. Infact, because successive Nigerian governments borrowed billions against future Oil revenues and wasted that money too. It is fair to say that Nigeria blew more than its entire oil windfall. Nigerians are on Average poorest today that they were in 1974. Despite the recent surge in the oil price, the country is saddled with debts of about \$30 billion. Income per head in 1998 was a wretched \$345 less than a third of its volume at the height of the boom in 1980.15

In the main, poverty and graft has been a major issue in the failure of most of the previous poverty alleviation schemes established by the government. Most of the government appointed managers and custodians of these funds see their appointment, simply as an opportunity to get their fair share of the national cake. A former chairman of the people's bank, for instance, once said the following about his colleagues on the board: most members of the task force were selfish and greedy. I found out some of them would do anything. Just anything, to get money. It was always give me money, money, money.... Some of the task force members were, with due respect, very lousy people. At a point, the task force could not even hold meetings, because every meeting would degenerate into a shouting match, a raw fight.... In most cases, I would order that all the doors and windows be shut to prevent our rowdiness from being heard on the streets. People will be howling and snarling at one another like dogs.

Such an attitude is in no way limited to the people's bank or indeed other government organisations. It is deeply embedded in the social fabric of the nation and most Nigerians either see nothing wrong with it or are quite happy to tolerate it. According to a CBN publication:

An average Nigerian looks upon government to provide him with all the essentials of life in return for little or no contribution to the economy. In the same vein, the functionaries of government, being Nigerians themselves, display this trait. Against this background, most top government functionaries at the federal, state or local Government levels scramble endlessly to grab anything Governmental. Ironically, these grabbers are treated as heroes by their communities. Consequently, they are honoured with all sorts of traditional and chieftaincy titles by various Nigerian Communities with the hope of getting their own share of the booty..... the issue becomes more complicated when the poor whose welfare is worsened must by this Development not only hold such beneficiaries in high esteem but look to the day when they too will benefit.17

Another reason for the failure of previous poverty alleviation scheme has been the lack of appropriate infrastructure.

Lack of Adequate Infrastructure

In Nigerian today, only 60 percent of its inhabitants have access to portable water. Furthermore, there is dearth of motor able roads, electricity and especially in the rural areas. Even in the urban areas, the position is no different. Power supply, water supply, and indeed most other infrastructural services, which are usually provided by the government, are at best epileptic. Most businesses and indeed individuals, in these urban areas, see it as a necessity to develop their own infrastructure, which runs parallel to that provided by the government. This situation has been aptly described thus:

Firms wanting to set up in Nigeria are faced with a problem known locally as "BYOI" (bring your own infrastructure). Cadbury Nigeria, for instance, in the absence of reliable power of water Supplies, generates eight megawatts of its own electricity and drills 25,000 feet down to obtain the 70,000 gallons of water an hour it Needs for its Lagos food processing plant.... BYOI adds at least 25% to the operating costs.¹⁸

Such expenses clearly add to the cost of doing business in Nigeria. Lack of infrastructure can also greatly reduce the efficiency of labour and productivity. By extension, properly functioning infrastructure will greatly enhance the productivity of the average worker, increase the capacity utilization of our industries and make them more internationally competitive. Such scenario will in no doubt lead to the creation of more jobs which is a fundamental pillar in the poverty alleviation programme, at least as defined by the Obasanjo government. More over, most small-scale enterprises simply do not have the financial muscle of such erratic infrastructural services is, therefore, even more devastating to such enterprises. Another hindrance to previous poverty alleviation schemes in Nigeria is the level and quality of education in Nigeria.

Education

There is evidence of some co-relationship between education and poverty in Nigeria. A 1990 study by the World Bank shows that the educated in Nigeria fare better than the uneducated. In the same vein, the study suggests that the completion of primary education makes a big difference between being poor and not being poor. The report for instance, claims that attending primary school reduces the probability of being poor by almost 50 percent. Attending secondary school further reduces this probability by another 20 percent. If this theory is true, it follows that more and more Nigerians should now be existing above the poverty line especially given the mass literacy campaign and the attendant increasing literacy levels of the 1970s and 1980s. For instance, primary school environment ratio for males in Nigeria rose from 54 percent in 1960 100 percent in 1990. The corresponding ratio for females also rose from 31 percent in 1960

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79 percent in 1990. Contrary to the above expectations, more and more Nigerians now exist below the poverty line. It could also mean that education is useful only when it is qualitative.

On the issue of quality of education in Nigeria, it will not be an exaggeration to say that the standard of education in this country has been dropping at an alarming rate. Incessant strikes, non payment of teacher's salaries, corruption and the general decay in the value system of the country has extensively reduced the value of most of our educational qualifications. Persons trained in such an educational system are less likely to acquire the requisite skill and discipline necessary for development.

The standard of education in rural communities, without basic infrastructure is even bound to be worse. Communities without electricity, water and access roads, are most unattractive to such teachers. Teachers posted to such communities are therefore more likely to resist their posting thorough various overt and covert means. In practice, however, I have personally observed communities that try to make their place more attractive to teachers. Such communities, for instance, sometimes provide, staff houses, supplementary pay and domestic assistance.

The point, however, is that all things being equal, schools situated in localities with some basic infrastructure are more likely to be attractive to teachers than those situated in localities where there are no such infrastructure. The provision of basic infrastructure will also help reduce and in fact, may reverse the rural-urban migration trend with good roads, portable water, telephone services and electricity, some people (and business) may opt to relocate to the rural areas and benefit from lower cost of living, lower pollution level and the beauty of nature. Such movements are bound to impact on the quality of education in such rural communities.

Conclusion

One is tempted to conclude that though poverty still gnaws at the very existence of the Nigerian state, there is definitely need for a well articulated and targeted poverty alleviation initiative to significantly reduce the miserable living conditions of the poor. Such initiative should take cognizance of the imperatives of growth, development of human capital, basic needs and social services and good public service management.

Recommendations

Against the background of existing poverty alleviation programmes, the success of which has been largely limited, the paper made the following recommendations:

1. That Nigeria should integrate into the increasing economic globalization with improved infrastructure and friendly macro-economic policy environment.

2. A well articulated poverty eradication policies with focused institutional arrangement and well coordinated programmes implementation strategies, monitoring and evaluation will result in good quality of life for the people.
3. Existing poverty alleviation institutions should be strengthened rather than establishing new ones.
4. Political stability should be ensured through a democratic system which should provide good governance.
5. Infrastructural facilities should be rehabilitated and expanded.

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