

WEALTH CREATION: PANACEA FOR POVERTY REDUCTION IN THE RURAL AREAS

Bala P. Daniel

*Department of Economics,
Kogi State College of Education,
Ankpa.*

Abstract

The impulse of the paper is that poverty reduction ranks next to none as the front burner issue in almost all development literature in recent times vis-à-vis the Nigerian scenario. It pointed out the four major dimensions of poverty in the society and anchored on two of them viz, physical poverty and rural poverty. The causes and consequences of poverty in Nigeria were x-rayed together with a brief overview of poverty reduction programmes attempted so far which did not produce the desired results because of their palliative nature usually abused. This informed the wealth creation option proposed by the author as the most fruitful strategy for poverty reduction in the rural areas where majority of the population lives.

Poverty issue has attracted a renewed focus in recent times. There is hardly any meeting or workshop on national and global issues that poverty matter is not discussed. This is informed by the obvious fact that poverty is not regarded as an individual matter due to its contagious effect on the social image of the wider society. Hence, sociologists assert that poverty is a curse, and that a poor man is a disgrace to the society. A man buttressed this fact in the Holy Bible when he prayed to the Lord saying--- “give me neither poverty nor riches... or I may become poor and steal and so, dishonor (disgrace) the name of my God” (Prov. 30 v 8-9). It follows therefore, that since poverty is a disgrace to the society, every

effort must be made to reduce its magnitude by launching purposeful and consistent attacks on its root cause. It is obviously not out of place then that eradication of extreme poverty and hunger occupies the first priority of the Millennium Development Goals (MDGs).

The fight against poverty requires a syndicated attack involving the individual, the government, international bodies and non-governmental organisations, through different styles of intervention.

It is against this background that this paper focuses on the wealth creation style for poverty reduction in our rural areas. Therefore, the writer shall attempt to x-ray the concept of poverty, its

dimensions and consequences vis-à-vis the rural settings.

Concept of Poverty

As a working definition, poverty may be defined as the scarcity of the basic human needs, or the inability of an individual or society to acquire basic human needs for existence (Ali, Olaitan, Onyemachi & Nwachukwu, 2001). In this context, poverty could affect individuals or groups or community or nation. The main idea is that poverty is a condition in which a person, a family or people live below a pre-determined standard in terms of income and living condition. In terms of income, a person or a family is considered poor if they live below one US dollar (\$1) per day (Wikipedia, 2007). Currently, the Nigerian population living below this poverty line is put at not less than 110.4 million people or 69% of the total population (Gbola, 2012).

Dimensions of Poverty

Poverty has four-fold dimensions as it relates to Nigeria today. These, according to Mustapha (2008), are:

1. **Physical poverty:** A state of egregious deprivation in terms of one's inability to afford the basic needs of life such as good nutrition, safe drinking water, effective health care services, basic education, habitable home, etc.
2. **Psychological poverty:** One's state of mind as to the acceptance or non-acceptance of his or her present socio-economic status. An

underserved individual in terms of basic needs but full of contentment may not consider himself poor. He is only considered poor if he is benchmarked against certain predetermined indices.

3. **Urban poverty:** where some people in townships or urban areas live in slums without access to modern facilities that are present in such towns where they live.
4. **Rural poverty:** where majority live in villages that are completely deprived of access to human basic needs.

We shall however concern ourselves with physical poverty and rural poverty as majority of the people live within the rural enclaves.

According to the Hunger Project Report (2012), rural areas account for $\frac{3}{4}$ of people living on less than \$1.00 a day, and that 75% of the world's poorest live in rural areas. Other statistics reported also have it that:

- a. 1.7 billion People lack access to clean water.
- b. 98% of the world's undernourished people live in developing countries (including Nigeria) while 60% of these are women.
- c. $\frac{1}{3}$ of all childhood death in sub-Saharan Africa is caused by hunger and that, in every 5 seconds, a child dies from hunger related diseases.

Symptoms of Rural Poverty

In the rural areas, poverty according to Sule (2006) is manifested in a number of ways including:

1. Inadequate or complete absence of socio-economic infrastructures (access roads, safe drinking water, health care services, electricity etc.
2. Small farm sizes and overdependence on traditional implements.
3. Poor nutrition in terms of dominance of starch-based consumption and eating of stale foods.
4. Poor accommodation and possession of only one set of clothing.
5. Little access to savings and credit institutions.

Causes of Poverty in Nigeria

Nigeria, as it is today, presents a paradox. The country is rich in terms of resource endowments but the people are poor (Ayobolu, 2002). Hence, poverty in Nigeria is not caused by the lack of means to prosper as popularly conceived by traditional economists. Poverty in Nigeria according to Ali, Olaitan and Onyemachi (2001) is caused by a number of factors such as:

1. Lack of access to income earning opportunities.
2. Inappropriate education and training.
3. Practice of extended family system and polygamy.
4. Ethnic, political and religious violence that have often ruined people's economic fortunes permanently. Currently the statistician general of the federation, Kale Yemi, in a press conference decried that the

North East and North West where the Boko Haram sect originated are the poorest regions in Nigeria today (Gbola, 2012)

5. Rural-urban drift of able bodied youths but with low education and insignificant capital for self employment.
6. Marrying down in terms of acquiring a wife that has no career prospect or aspiration to assist the family.
7. Material inheritance (including a dead brother's wife, children and property) which usually culminates in total abandonment of the orphans.
8. Children's delinquency, which often invite unassumed crisis and unanticipated expenses to the family.
9. Corruption/diversion of public resources by top public officers and chief executives at various levels of governance. The increase in the poverty level this very factor has caused is quite unimaginable.

Consequences of Poverty in Nigeria

Poverty carries with it a stream of consequences among which are:

1. Increased rate of prostitution and the concomitant spread of the deadly diseases (HIV/AIDS) that have already gulped thousands of lives of great worth in the society. The Hunger Project Reports (2012) decried that 90% of all children and 60% of all

Journal of Teacher Perspective

women living with HIV are in sub-Saharan Africa (including Nigeria).

2. Exposure to risks like street life, violence, armed bandits and low life expectancy. Doyle (2004) observed that poverty is behind Nigeria's violence and looting today.

Poverty Alleviation Measures in Nigeria: A Brief Overview

Several palliative and harsh measures have been experimented overtime to mitigate the poverty syndrome through various programmes, but none has yielded significant success. Such measures according to Ali et al (2001) include:

- a) Food programmes: Such as the operation feed the nation of 1976, the Green Revolution of 1979, etc. to promote food security as food is considered central in the fight against poverty.
- b) Structural and infrastructural programmes: These include the Structural Adjustment Programmes, the Directorate of Food, Road and Rural Infrastructure, MAMSER, Better life, Family Economic Advancement Programme etc.

These programmes never alleviated poverty they were designed to serve due to improper monitoring at their implementation stages and also because the people were not involved in the planning of the programmes that affect them.

It was against this background that the current poverty alleviation initiatives introduced by the erstwhile Obasanjo's

democratic administration carried with it a properly defined institutional arrangement for its implementation at the three levels of governance. It is however sad to note that this beautiful implementation terrain, that have transformed several rural enclaves in terms of physical projects, is already contorted by intra-party conflict. Some greedy government appointees have also discovered this programme as a quick avenue for personal enrichment by increasing the number of persons considered as poor and fielding in fictitious names (usually those of their wives and children).

The Wealth Creation Option

A prominent factor responsible for the endemic poverty of the Nigerian populace, as earlier mentioned is lack of access to income earning opportunities. Saddled with enormous developmental burden relative to scarce resources endowments (principally fed from the federal account) no lower arm of government can meaningfully alleviate poverty in their respective areas of jurisdiction except through a pragmatic approach that gives people the opportunity to create wealth for themselves which brings with it financial freedom (Rohn, 1996).

Wealth Creation: How Does It Work?

To break the vicious circle of poverty within the rural populace Rohn (1996) and Daniel and Ameh (2009) presented the following wealth creation strategies

- i) By establishing small and medium enterprises at designated locations in partnership with community based organisations for the processing of agricultural products (.e.g. cashew juice, mango juice orange juice, etc) to minimize waste and improve the income of the rural dwellers.
- ii) By organising capacity building programme/workshop and establishing vocational training centres to equip the unemployed (including women) with vocational skills for self employment.
- iii) Mobilizing soft loans from micro finance houses for on-lending to unemployed youths as revolving loans for motorcycle transport business or other revenue yielding businesses.
- iv) By organising and promoting farmers cooperative to enable them bargain and secure fair prices for their produce to enhance their income.
- v) Establishment of more markets in designated communities and served with modern facilities to promote transactions and to increase the revenue earning potentials of the rural dwellers.
- vi) Since knowledge is wealth, the local governments can also create wealth for themselves by encouraging mass (especially adult) literacy programmes. When the people are literate, they can interpret and understand policies better, perform their civic duties creditably and will not add to the economic problems of the society.
- vii) Embarking on aggressive family planning programme to trim down family sizes and reduce poverty level.
- viii) Registering all local saving schemes and linking them with credible stock brokers or micro finance houses to mobilize idle funds for investments in highly secured financial instruments (shares/stocks and bonds) on the capital and money markets.
- ix) Partnering with non-governmental organizations of international repute to float projects that will benefit the poor.

Conclusion/Recommendations

Though poverty is as old as man, it is not a desirable stigma. Even if it is difficult to completely eradicate it, its scope can be minimized. Palliative measures are not only temporal but highly abused. Hence, giving people the opportunity to prosper through wealth creation is more rewarding and reassuring. Let no arm of government postpone till tomorrow what can be done today. It is a shame to breed poor people but a glory to multiply riches. The journey to 2015, envisioned by MDGs for the eradication of

Journal of Teacher Perspective

extreme poverty and hunger, is more than half covered, but majority of the rural populace are still entangled with poverty.

The effort to bring a sigh of relief to the poor should be reinvigorated now than ever through this wealth creation strategy. Specifically, efforts must be made to:

1. Provide rural women farmers with new tools, better seeds, improved livestock and train them in the skills they need to improve agricultural output and start their own businesses so as to bring themselves and their families out of poverty.
2. Partner with various community development associations to develop new water resources (e.g. sinking of boreholes) and improve on water conservation techniques. This is to increase greater access of the rural populace to safe drinking water.
3. Launch campaign at grassroot level to educate people about the preventive and treatment measures against common/killer diseases such as HIV, malaria/typhoid fever, tuberculosis and other water-borne diseases.
4. Organize co-operative among rural famers to serve as means of attracting soft loans from the government and micro finance houses as well as avenue for marketing their product profitably.
5. Set up modern agric product conservation houses where rural famers can store their surplus produce at harvest period and release them to the market later when demand is higher so as to secure better prices for their products and so increase their income and wealth.
6. Organise rural trade fair annually for the self employed in various small and medium enterprises in both agricultural and non agricultural activities to showcase their products. This will stimulate competition amongst them towards product improvement and greater productivity.

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