

*Full Length Research Paper*

# Poverty and the millennium development goals in Nigeria: The nexus

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**This paper made a broad overview of the poverty situation in Nigeria. The various efforts of Government of Nigeria to stamp out poverty were examined. Some of such efforts include poverty eradication and poverty alleviation programmes (PAP and PEP), micro credit schemes and employment programmes. Descriptive research method was adopted and content analysis technique was essentially used for the study. Some of the findings indicate that the poverty level is still very high in Nigeria, the reason being that the Government pursues two incompatible goals at the same time. For instance Government is pursuing the programme of policy eradication and youth employment and at the same time pursues the policy of downsizing and retrenchment of public servants. More so the enabling environment is not created to promote small-scale businesses. The paper recommends that the power sector should be restructured since it would be difficult for small business holders to operate and break even without adequate support from public power supply. Credit scheme programme should be well articulated and strictly implemented.**

**Key words:** Poverty, development, millennium.

## INTRODUCTION

Nigeria, the "Giant of Africa" has been a country of paradoxes. It is a country abundantly blessed with natural and human resources, but in the first four decades of its independence, the potentials remained largely untapped and even mismanaged.

With a population estimated at about 140 million, Nigeria is the largest country in Africa and one-sixth of the black population in the world. It is the 8<sup>th</sup> largest deposit of natural gas in the world (Soludo, 2006). There are also abundant solid mineral deposits that remained largely untapped. Currently, barely 40% of its arable land is under cultivation. With over 100 tertiary institutions producing more than 200,000 graduates per annum (Soludo, 2006). Startling as it may be, about two-thirds of Nigerian people are poor, yet Nigeria is a country with vast potential wealth. Although revenues from crude oil have been increasing over the past decades, our people have been falling deeper into poverty. In 1980 an estimated 27% of Nigerians lived in poverty. By 1999, about 70% of the population had income of less than \$1 a day – and the figure has risen since then (NEEDS, 2005). Poverty levels vary across the Country, with the highest proportion of poor people in the Northwest and the lowest in the Southeast. A classical example to underscore the

scope of misfortune is to compare Nigeria with Indonesia and even Malaysia. By 1972, before Nigeria and Indonesia had the first oil boom contends Soludo (2006), both countries were comparable in almost all spheres: agrarian societies, multi-ethnic and religious societies, with comparable size of GDP. etc. Both experienced oil boom in 1973 and thereafter, but took different policy choices. The outcomes of the differences in policy regimes are such that today, while manufactures as percentage of total exports is about 40% in Indonesia, it is less than 1% in Nigeria – where we were in 1970s. It would be recalled that even Malaysia that has overtaken Nigeria got her first palm seedlings from Nigeria in the early 1960s, when oil palm produce was already a major export of Nigeria. In the 1990s, it was said that Malaysia's export of palm oil produce earned it more than Nigeria earned from oil exports (Soludo, 2006).

Poverty has many causes, all of which reinforce one another. One source of poverty is the lack of basic services, such as clean water, education and health care. Another is lack of assets, such as land, tools, credit and supportive networks of friends and family. A third is lack of employment income, including food, shelter, clothing and empowerment. Some of these factors directly affect

poverty. Others contribute indirectly by producing inequality – by stifling the political power of certain sectors of the population, for example or denying them their dignity or human rights (Chukwuemeka, 2008).

Generally, Nigeria emerged from colonial states as a poor country. Her situation is weakened by poverty, disease and ignorance. Poverty in Nigeria is multi-selected, multi-dimensional and multi-disciplinary. The Nigerian economy until recently has been characterized by the paradox of growth without poverty reduction and the trickle down effect of growth on the poor, slow response of government to the endemic and persistent problem of poverty and poor governance.

Publications and several studies have provided graphical details of the escalating poverty situation in Nigeria between the period of 1980 and 2007. These reports revealed marked deterioration in the quality of life of Nigerians over the years since independence, resulting in steady increase in the number of Nigerians caught below the poverty line. Also, higher concentration of the poor live in the rural areas and the urban fringes.

Poverty statistics showed that poverty level declined from 46.3% in 1985 to 42.7% in 1992. It rose sharply to 65.8% of the population in 1996 (FOS, 1998). However, in absolute terms the population of the poor Nigerians increased four-fold between 1980 and 2004.

The moderately poor rose from 28.9%, in 1992 to 36.3% in 1996 while the percentage of the core poor more than doubled from 13.9% in 1992 to 29.3% in 1996. Nigerians in terms of physical quality of life index (PPLI) scored 38% in 1991. The Human Development Index (HDI) was 0.391 in 1998 ranking the country as 142 out of the 174 countries surveyed. In the year 2000, the HDI score for Nigeria was 0.439 which ranked Nigeria in the 151<sup>st</sup> position among 174 countries surveyed (UNDP, 2000). In 2002, the HDI score was 0.466 which categorized Nigeria in the low human development countries in the 151<sup>st</sup> ranking among 177 countries (UNDP, 2004)

### **The Millennium Development Goals (MDGs) in perspective**

The Millennium Development Goals (MDGs) according to the Socialist International (2005) cited in Elekwa (2008) is part of the social democratic approach to governance in a global society. At the 2000 UN millennium summit, 189 heads of state and government committed on behalf of their people in the millennium declaration to free their fellow citizens from the abject dehumanizing conditions of extreme poverty. The declaration reaffirms universal values of equality, mutual respect and shared responsibilities for the conditions of all peoples and seeks to redress the lopsided benefits of globalization. At the heart of the declaration are human rights, peace, gender equity, environment and the pressing priorities of the least developed countries and Africa. Eight millennium deve-

lopment goals emerged from this declaration, firmly committing governments to an ambitious set of goals and targets by a deadline of 2015 (Socialist International, 2005). The specific objectives of the MDGs are:

- 1) To eradicate extreme poverty and hunger.
- 2) To achieve universal primary education.
- 3) To promote gender equality and empower women.
- 4) To reduce child mortality.
- 5) To improve maternal health.
- 6) To combat HIV/AIDS, malaria and other diseases.
- 7) To ensure environmental sustainability.
- 8) To develop a global partnership for development.

The millennium goals explicitly recognize in goal 8 – that eradicating poverty and its underlying causes requires a global partnership for development. In the goal, rich and poor country leaders recognized their shared role and responsibilities to eradicate poverty worldwide. Developing countries, pledged to strengthen governance, institutions and policies. Developed countries for their part, committed to additional and more effective and more sustainable debt relief and increased trade and technology opportunities for poor countries.

### **Poverty in Nigeria: theoretical and empirical perspective**

The United Nations recently placed Nigeria the 13<sup>th</sup> poorest nation in the world with about 70% of the population living on one dollar per day (UN, 2005). Kpakol (2005) reports that more than 20% of the world six billion people are poor in the absolute sense. Given the internationally accepted threshold of below \$1.00 a day, poverty line. It means that a whopping 12 billion human beings currently cannot secure for themselves a day income of just \$1.00 each to live on.

Federal Office of Statistics (2001) estimated the incidence of poverty of most states in Nigeria in 1996 to be 51.0% meaning that 51.0% of their population is poverty stricken. Ezike and Nwuzor (2000) state that over 60% of the population of Lagos state live below poverty line, while government was finding it difficult in providing the necessary facilities to make living bearable for the people of the state.

The problem is not peculiar to only Lagos State. It is the same situation all over the thirty-six states of the Nigerian Federation. William (2002) who holds similar view also argues that poverty is endemic and increasing in Nigeria.

The successive governments in Nigeria at one time or the other mounted programmes to stamp out poverty in Nigeria, such programmes include Operation Feed the Nation, Green Revolution, Structural Adjustment Programme, Directorate of Food Road and Rural Infrastructure (DFRRI), National Directorate of Employment

(NDE) etc. Other activities of Government include the provision of basic amenities such as social and economic infrastructure programmes to generate employment, enhance income earnings, increase productivity and those targeted at more equitable increase in production and supply of food and increased economic activities. These programmes were aimed at meeting the needs of the poor.

#### **Dispensation of the present democratic administration, 1999 – 2007**

Consequent upon the experiences of the past, the civilian government initiated a number of programmes and policies directed at reducing poverty. The first programme was the Poverty Alleviation Programme (PAP) which was targeted at correcting the deficiencies of the past efforts at alleviating poverty through the overall objectives of providing direct jobs for 200,000 unemployed persons and hence stimulates production within a period of one year. This programme later metamorphosed into Poverty Eradication Programme (PEP) because of the need to improve participatory approach for sustainability, for effective coordination at all levels of government and proper focusing of the programme. The core programmes of poverty eradication programme were Youth Employment Scheme, Social Welfare Services Scheme; Rural Infrastructure Development Scheme and Natural Resources Development and Conservation Scheme.

The World Bank (2001/2002) later had to assist Nigeria in formulating poverty strategy programmes and policies through Interim Poverty Reduction Strategy Paper (IPRSP) with the aim of building on the gains of the earlier efforts on poverty programmes (PAP and PEP).

In the face of the growing concern to sustain the gains of the poverty efforts, the Obasanjo's government came up with a comprehensive home-grown poverty reduction strategy known as National Economic Empowerment and Development Strategy (NEEDS) in 2004. The NEEDS also builds on the earlier two years. The NEEDS as conceptualized is a medium term strategy (2003 - 2007), which derives from the country's long-term goals of poverty reduction, wealth creation, employment generation and value re-orientation. The NEEDS is a national coordinated framework of action in close collaboration with the state and local governments and other stakeholders. The equivalent of NEEDS at state and local government levels are State Economic Empowerment and Development Strategy (SEEDS) and Local Government Economic Empowerment and Development Strategy (LEEDS). The NEEDS, in collaboration with the SEEDS was expected to mobilize the people around the core values, principles and programmes of the NEEDS and SEEDS. A coordinated implementation of both programmes is expected to reduce unemployment, reduce poverty and lay good foundation for sustained development.

**Table 1.** Unemployed persons by educational level/age group and sex as at December for rural x urban Nigeria combined.

<b>Level</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
All levels	100.0	100.0	100.0	100.0
No schooling	14.0	16.6	11.0	14.9
Primary	21.0	16.1	18	15.8
Secondary	55.2	57.4	59.7	16.5
Post secondary	9.7	9.9	11.0	16.5
Age group: All groups (15-59)	100.0	100.0	100.0	100.0
15 - 24	59.9	49.6	54.8	52.9
25 - 44	34.2	35.9	35.5	41.1
45 - 59	4.2	5.2	3.9	2.7
60 - 64	4.7	9.2	6.8	3.4
Sex (both sex)	100.0	100.0	100.0	100.0
Male	56.4	59.8	55.5	58.3
Female	43.6	40.2	44.5	41.7

Source: National bureau of statistics (2006) p. 56.

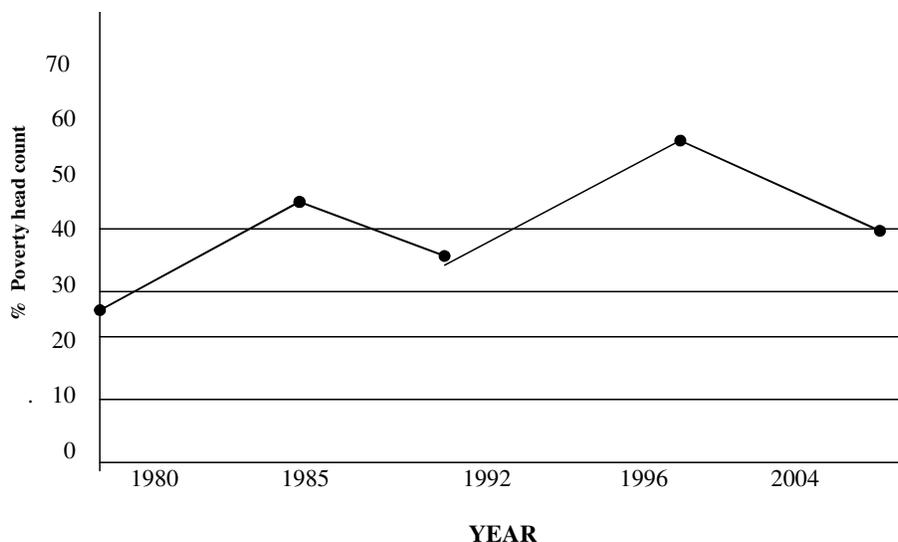
The main strategies of NEEDS are achieved on a tripod. Empowering people (Human Development Agenda); promoting private enterprise and changing the way the government does its work (Reform government and institutions). NEEDS is aimed at all aspects of the people's socio-economic life with the aim of reducing poverty and inequality. Despite her great natural wealth, Nigeria is still considered poor and social development is limited. If the present trends continue the Country is not likely to meet the Millennium Development Goals (MDGs). Under NEEDS, reforms are ongoing in the key sectors of the economy with the objective of poverty reduction through anti-poverty programmes and policies.

Table 1 shows that unemployment is more prevalent among secondary school leavers. Also those in the age bracket of 25 to 44 experience unemployment more than other age groups in Nigeria. The table further shows that unemployment is more among the males than females.

The data in Tables 2 shows that high rate of unemployment still exist in Nigeria despite different unemployment and poverty eradication strategies. Unemployment undoubtedly is a mark of underdevelopment. It is also an index to measure poverty. Evidently, unemployment is more in the urban area than rural. It is as a result of rural-urban migration.

Table 3 reveals that poverty has been growing at geometrical progression in Nigeria. Looking at the table, it could be deduced that in 2004 Nigerian population was 126.3 m; out of this 68.7 m people were in poverty. In 1980 the population was estimated at 65 m, out of this 18.2 m people were in poverty. The data were further presented in a graph as per Figure 1.

Considering the period, 1980 – 2004, the proportion of the core poor increased from 6.2% in 1980 to 29.3% in 1996 and then came down to 21.8% in 2004. For the mo-



**Figure 1.** Trends in poverty levels (1980- 2004).

**Table 2.** National unemployment rates in Nigeria (Year-ending December).

Survey period	Composite	Urban	Rural
1998	3.4	6.1	2.8
1999	3.2	6.0	2.6
2000	3.2	4.9	2.8
2001	3.1	5.8	2.5
2002	4.7	7.2	3.7
2003	4.2	4.8	3.9
2004	3.0	3.8	2.7
2005	2.9	3.2	2.7
2006	2.8	3.3	2.6

Source: NBS (2006) p. 56.

**Table 3.** Trends in poverty levels 1980 – 2004.

Year	Poverty incidence	Estimated Population (m)	Total population in poverty (m)
1980	21.1	65	18.26
1985	46.3	75	34.73
1992	42.7	91.5	39.07
1996	65.6	102.3	67.11
2004	54.4	126.3	68.70

Source: National bureau of statistics (2004) pp. 22-24.

derately poor the picture is quite different as the proportion recorded increased between 1980 and 1985 from 21.0 to 34.2% and 1992 and 1996, 28.9 to 36.5% but decreased during the periods 1985 and 1992 from 34.2 to 28.9% and 1996 – 2004 from 36.3 to 32.4%.

**Table 4.** Percentage distribution of the population in poverty (using two boundaries).

Year	Core poor	Moderately poor	Non-poor
1980	6.2	21.0	72.8
1985	12.1	34.2	53.7
1992	13.9	28.9	57.3
1996	29.3	36.3	34.4
2004	22.0	32.4	43.3

Source: (NBS) (2004) pp. 22-24.

Table 5 presents data on the relative contribution of each sector and zone to National poverty. The contribution of the urban sector to National poverty is 35.0%, while that of the rural sector is 65.1%. This result equally shows that poverty is more predominant in the rural sector. In the 2004 survey, Northwest made the highest contribution of 33.6% to National poverty. Northeast 17.7% and North central 17.7%. In this case both North central and Northeast contribute equally, yet have different poverty incidences. This would mean although the poverty incidence is higher in the Northeast, proportionately, there are the same number of poor in each zone. Southeast made the least contribution to National poverty.

## APPRAISAL OF GOVERNMENT POVERTY REFORMS

In assessing the implementation and impact of the Poverty Alleviation Programme (PAP), Poverty Eradication Programme (PEP) and employment generation programmes of the present democratic dispensation, there have not been any discernible positive impact. However some mo-

**Table 5.** Contribution by sector and zone to National poverty.

Sector	Incidence	Contribution
Urban	43.2	35.0
Rural	63.3	65.0
Zone		
South – South	35.1	9.7
South east	26.7	5.9
South west	43.0	15.5
North central	67.0	17.7
North east	72.2	17.2
North west	71.2	33.6

Source: NBS (2004) pp. 22-24

dest successes may have been achieved in other reforms of the government, such as in the communication and financial sectors. But the data in Tables 1 – 5 revealed that the reform has yielded no significant result.

In Nigeria, poverty situation was worsened by the rapid annual population growth rate with the attendant feminization of gender. In general, government has not been unaware of the poverty situation in Nigeria. In spite of all these efforts poverty is still on the increase as observed in the tables. However, the government past efforts can be categorized into three main areas including the efforts of the present civilian government of Umaru Yar'Dua which came to power in May, 2007.

However, there are signs that there may be improvement with time especially if corruption is eradicated. The successful recapitalization of the banks portends a bright future for the country especially in the area of entrepreneurship. The slow pace of development requires a lot of patience, perseverance and every citizen's positive contribution.

### Challenges of poverty to the millennium development goals

Nigeria as a developing country is seriously challenged by poverty. Out of every 10 Nigerians 7 live on less than \$1 a day and the picture is getting bad by the day (Amobi, 2008). On account of poverty in Nigeria, poor parents begat poor children, thereby creating a kind of dynasty of the poor. Life expectancy is a mere 54 years (Chukwuemeka, 2008). Infant mortality is 77 per 1,000 and maternal mortality stands at 704 per 100,000 live births, which is about the highest in the world. Only about half the population of Nigeria had access to safe drinking water (40% in rural areas, 60% in urban areas). Unemployment and underemployment rate is put at 15% of the labour force (Amobi, 2008).

It is frightening that Nigeria with such a dismal outlook as presented above, may not qualify immensely to embrace the imperatives of the Millennium Development

Goals (MDGs) which one of its main thrust and number 1 objective is poverty eradication.

There is no gain saying that effort made by the successive regimes and administrations in Nigeria to stamp out poverty failed due to poor implementation and incompatibility of policy goals. For instance Eze (2007) contends that the government of Olusegun Obasanjo adopted the policy of poverty eradication and promotion of socio-economic development and at the same time pursued a policy of retrenchment of thousands of workers from the federal bureaucracy including the armed forces. This goes to show that some of the poverty oriented programmes of government like Operation Feed the Nation, National Directorate of Employment (NDE), National Poverty Eradication Programme, National Economic Empowerment and Development Strategy (NEEDS) etc have failed to solve the problem of poverty in Nigeria because of "incompatibility of goals".

Another problem that impedes the actualization of poverty related programmes in Nigeria argues Chukwuemeka (2008) is the nefarious practices of the policy formulators. The policy makers in Nigeria are wont to formulate policies and programmes with some inbuilt flexibilities to allow them loopholes to make inordinate gains. For instance most poverty related programmes do not get to the people at the grassroots where most of the poor people reside. The comprador bourgeoisie hijack some of such programmes. Essentially most of the comprador bourgeoisie are agents of the ruling elites.

The power sector is not productive and thus the enabling environment is not guaranteed for micro businesses to thrive. The 17,000 MHW currently generated by Power Holding of Nigeria is grossly inadequate as against a minimum of 50,000 MHW.

Government regulatory policies are oftentimes not favorable to small-scale business holders. Such regulatory policies include: local government tariffs, business premises tariffs, environmental agency tariffs, etc and the nefarious activities of hoodlums who hide under the cloak of the above mentioned agencies to intimidate and extort money from innocent micro business owners.

### Concluding remarks

In conclusion, it is important to restate that the way forward towards poverty eradication in Nigeria includes:

- The government should pursue pragmatic policies like granting of soft loans to small business holders, formulate open apprenticeship programme that would be free for rural dwellers.
- The power sector should be restructured to minimize the erratic nature of power supply.
- The down sizing and retrenchment policies of Government is antithetical to poverty reduction strategy. The Government should not pursue the policy of downsizing or retrenchment of public servants, and at the same time

pursue the policy of poverty eradication.

(d) There should be effective birth control policy, which should be legislated. In China the policy is one child per couple.

(e) Government should formulate policies and programmes to encourage small-scale entrepreneurs sail smooth in their private investment.

Such encouragement should include:

- Tax holiday.
- Interest free loan.
- Low tariff.

(d) Efforts should be intensified through the Independent Corrupt Practices Commission (ICPC) and Economic and Financial Crime Commission (EFCC) to stamp out corruption in Nigeria to make for effective implementation of poverty related programmes.

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