

## Poverty in Nigeria: challenges and policy dimension

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### Introduction

Nigeria is often referred to as the giant of Africa. This statement may be true, given her population size of about 191 million, which is growing at approximately 2.60%; making her the most populated African country and the 7<sup>th</sup> most populous country globally. However, the state of development indicators; particularly, poverty in the country is not consistent with this assertion.

Nigeria was declared the poverty headquarters of the world in June 2018, having overtaken India, with an estimated 86.9 million (44.2%) of her population living in extreme poverty. Exactly a year after, precisely June 2019, the figure has risen to around 93.7 million (47.7%), an increase of 6.8 million (3.5%) people living on less than US\$1.90 per day. This is not surprising as poverty trend over the years has maintained an increasing pattern, defiling every policy initiative put in place to combat it.

In 1980, only 6.2% of her population was living in extreme poverty. However, the figure rose to 12.1% and 13.9% in 1985 and 1992 respectively, and thereafter up-surged to 29.3% in 1996 before a decline to 22.0% in 2004. It nevertheless increased to 31.0% in 2010. Moreover, the nation's current multidimensional poverty index is approximately 0.29 out of 1.00, with 52% multidimensionally poor population while her average intensity of deprivation is 56.7%. These figures vary across regions, geopolitical zones, states, and areas with the Northern region having the highest poverty burden.

The situation has resulted in various challenges confronting the nation, which recently was faced with recession and is still struggling to get out this. Some people cannot afford more than a meal per day while others feed from dust bins and live in shanties. Currently, the high rate of poverty in the country has led to increase in crime rate in greater proportion and various dimensions, insecurity, kidnappings, ritual killings, arm robberies, advanced fee fraud, popularly known as *419*, internet fraud, called *yahoyaho*, increased suicide rate, hunger, large number her citizens migrating out of the country to Europe, America and South Africa.

These should be of great concern not only to the governments at all levels in the country but also to the international community, since poverty anywhere in the world is a threat to peace, security, stability and progress globally. Currently, a large army of persons from developing countries across the globe are migrating to Europe and the US to escape the scourge and menace of poverty among others because they can no longer survive and have lost hope in their countries. As a result, the host countries of these migrants, particularly the illegal ones, although enjoy some economic benefits, are currently struggling with insecurity challenges, increased crime rate, resource constraints, rise in unemployment, up-surge in terrorist attacks, population explosion, change in population composition (age, sex, ethnicity, colour, foreign, etc) and the likes.

### Policy Initiatives to Address Rising Poverty in Nigeria

It is not that the Nigerian government has not been doing anything to address the situation. In fact, governments at the local, State and national levels at different points in time initiated policies to combat development challenges including poverty; however, majority of the programmes appeared not

to have yielded the desired results. Therefore, instead of poverty to reduce, it continues to rise. Some of the policies include:

“the Agricultural Development Programmes (ADP), the Agricultural Credit Guarantee Scheme (ACGS), the Rural Electrification Scheme (RES), the Rural Banking Programme (RBP), Operation Feed the Nation (OFN), Free and Compulsory Primary Education (FCPE), Green Revolution, Low Cost Housing Scheme, the Structural Adjustment Programme (SAP), Peoples Bank (PB), Community Banks (CB), Directorate of Food Roads and Rural Infrastructure (DFFRI); Nigerian Agricultural Land Development Authority (NALDA); Family Economic Advancement Programme (FEAP); Better Life for Rural Women (BLRW), Family Support Programme (FSP); National Directorate of Employment (NDE); Petroleum (Special) Trust Fund (PTF); National Poverty Eradication Programme (NAPEP); National Economic Empowerment and Development Strategy (NEEDS); Seven Point Agenda (SPA); Nigeria Vision 20:2020”, *N-Power* and *Trader-moni*, among others.

### **Why Policy Initiatives Failed to Alleviate Poverty in Nigeria**

The policy initiatives highlighted above, as fantastic as some of them could be, did not succeed in addressing the high and rising rate of poverty in Nigeria due to certain factors. For instance, some of the policies were imported from other societies without consideration for the peculiar nature of the Nigerian society and political environment. As such, the policies met a lot of brick walls with some of them becoming moribund while others performed below expectation. Moreover, some were replaced with new ones and others exist on paper.

Other challenges faced by the programmes include corruption, which is one of the greatest problems confronting the Nigerian economy. This takes the form of diversion of funds from the programmes for private purposes; inflation of contracts and public expenditure; ethnicity, religious and political considerations, etc. in employment or appointment of people who manage such programmes, whether they are qualified and competent or not; and policy reversals, which make successful governments to jettison programmes of previous governments and introduce new ones to enable access to funds. Poor funding is another problem responsible for the failure of poverty alleviation policies in the country. In most cases, not all monies budgeted for the running of such programmes are always released, and such the people to implement the policies would find themselves handicapped in this regards. Furthermore, failure to include all stakeholders in the planning and implementation of some of the programmes are their banes. Additionally, the political will and commitment to implement the programmes also serve as hindrances to their success.

Other issues fueling poverty level in Nigeria include: high rate of unemployment, which has assumed a frightening dimension, with about 29.7% of young persons within age bracket 15-35years being unemployed in 2018 while combined unemployment and underemployment among the same age group was 55.4%, same year. Existence of a very wide gap of income inequality; public expenditure on social services, which do not necessarily benefit the poor; poor governance due to incompetent leadership and quest for power for private gains; overconcentration on oil, which has no future at the expense of other sectors; inadequate structural transformation; environmental degradation; and high rate of population growth among others are part of the challenges contributing to increased poverty rate and why poverty alleviation initiatives have failed to succeed.

## The Way Forward

The way forward is to tackle this menace from all angles, using multidimensional approaches, with the international community playing not passive but active role where necessary because it is already bearing its brunt as stated earlier.

Some of the policy dimensions required to tame and alleviate poverty in Nigeria are not far to seek. The first is to empowerment the poor. This can be made possible through the right kind of education. Education is a great weapon that can be used to combat the menace of poverty. Moreover, entrepreneurship and skill development are essential if poverty would be eradicated in the country. Young people with entrepreneurial ideas should be empowered through soft loans, sponsored and encouraged to develop such ideas while efforts should be made to showcase them and their work.

Another policy strategy is to create jobs. This however, should be done both directly and indirectly by various governments at all levels. Indirect employment generation has to do with policies that make the environment conducive for investors and firms to thrive. Currently in Nigeria, companies are folding up and relocating to neighbouring countries due to hash business environment.

Furthermore, our economy needs urgent diversification away from oil. Oil is no longer fashionable and does not have future any longer. Very soon demand for oil will reduce continuously because nations are already developing alternatives to oil. Electric cars are now been developed. This is the period to actively and aggressively diversify the economy.

Moreover, attempt should be made to reduce drastically the wide income and gender gaps in the country. In Nigeria, a high level income and gender inequalities exist, which continue to fuel poverty. Until something drastic is done about this, the level of poverty will keep increasing.

Attempt should also be made to allow economic growth to trickle down to the poor. To do this, sectors that provide more employment for the poor should be developed while social safety net should be provided for the poor and the vulnerable in society.

The nation also needs to develop infrastructure, which is in a sorry state. In fact, the situation of power supply in Nigeria is worrisome. For instance, the nation's average power supply is 3,851 megawatts (MW) for a population of about 191 million people compare to a country such as South Africa, which generates approximately 51,309 MW electricity on average for her population of around 57 million.

Government should also appoint technocrats to manage the economy with genuine commitment to fighting corruption at all levels. The high cost of governance should be reduced in the country with the money accruing from this spent on projects and infrastructures that benefit the poor and transform the economy. Population control policies should be introduced while more investment should be undertaking in human capital development activities. Finally, there is the need to encourage and develop small and medium scale enterprises while the informal sector should not be harassed but encouraged and developed.

## Bibliography

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