Volume 13 Issue 33
Originally issued as B6



Global Journal of Management and Business Research
Finance
Volume 13 Issue 6 Version 1.0 Year 2013
Type: Double Blind Peer Reviewed International Research Journal
Publisher: Global Journals Inc. (USA)
Online ISSN: 2249-4588 & Print ISSN: 0975-5853

# Poverty, Underdevelopment and Emerging Economies: Nigeria in Focus

By K. E. Uma, F. E. Eboh, P. C. Obidike & H. O. R Ogwuru
*Federal University Ndufu Alike Ikwo, Ebonyi State, Nigeria*

*Abstract-* The paper critically investigated poverty in Nigeria over the years, considering its persistent rise in spite of various measures instituted by different Nigerian leaders. The study revealed that improper identification of the poor, lack of adequate monitoring of programmes, corruption, inconsistent policies, poor funding of programmes, lack of industries, poor infrastructure and irregular power supply, among others, have contributed significantly meteoric rise in poverty over the years. Among the ways forward articulated are: proper research and survey are required before commencement of programmes; sufficient monitoring and consistency in policies are essential; intensification of modernized agricultural practices in Nigeria; annihilation of corruption in all levels through leaders' change of attitude; and mass participation of citizens in policy formulation and service delivery are imperative now.

*Keywords: economies, emerging, poverty, policies, underdevelopment.*

*GJMBR-B Classification : FOR Code:150304 JEL Code: I30, O10*



*Strictly as per the compliance and regulations of:*



© 2013. K. E. Uma, F. E. Eboh, P. C. Obidike & H. O. R Ogwuru. This is a research/review paper, distributed under the terms of the Creative Commons Attribution-Noncommercial 3.0 Unported License http://creativecommons.org/licenses/by-nc/3.0/), permitting all non-commercial use, distribution, and reproduction in any medium, provided the original work is properly cited.

# Poverty, Underdevelopment and Emerging Economies: Nigeria in Focus

K. E. Uma [α], F. E. Eboh [σ], P. C. Obidike [ρ] & H. O. R Ogwuru [ω]

*Abstract-* The paper critically investigated poverty in Nigeria over the years, considering its persistent rise in spite of various measures instituted by different Nigerian leaders. The study revealed that improper identification of the poor, lack of adequate monitoring of programmes, corruption, inconsistent policies, poor funding of programmes, lack of industries, poor infrastructure and irregular power supply, among others, have contributed significantly meteoric rise in poverty over the years. Among the ways forward articulated are: proper research and survey are required before commencement of programmes; sufficient monitoring and consistency in policies are essential; intensification of modernized agricultural practices in Nigeria; annihilation of corruption in all levels through leaders' change of attitude; and mass participation of citizens in policy formulation and service delivery are imperative now.

*Keywords: economies, emerging, poverty, policies, underdevelopment.*

## I. Introduction

Nigeria is the most populous country in Africa with a population of over 162 million, according to the World Bank (2011) data. The country is blessed with abundance of both human and natural resources. Prior to the present civilian regime, the military that was in control for fifteen years (1984-1999) did not put meaningful developmental structures on ground and this gradually deteriorated the living standard. However, different policies, programmes and strategies were employed to reposition the economy from being one of the poorest countries of the world to one of the leading economies by the year 2020. Yet, on practical basis, the country lacks the requirements for decent living standard. The Guardian (2005) points that Nigeria is rated one of the world poorest countries. Available data show that the economy ranks between 130-154$^{th}$ position of the Global 172 economies in the world marginal index, and is among the 20 poorest countries in the world in spite of being the giant of Africa in terms of huge human and mineral resources and available. The country occupies the 7$^{th}$ position as the world's largest producer of crude oil.

*Author α: Department of Economics & Development Studies, Federal University, Ndufu Alike-Ikwo, Ebonyi State, Nigeria. e-mail: kaluskyebng@yahoo.com*
*Author σ: Department of Management, Abia State University, Uturu, Nigeria. e-mail: ezionye_eboh@yahoo.com*
*Author ρ: Department of Banking and Finance, Abia State University, Uturu, Nigeria. e-mail: pcobidike@gmail.com*
*Author ω: Department of Economics, Abia State University, Uturu, Nigeria. e-mail: profeca@yahoo.com*

Ogwumike (2002) points that the number of those in poverty rose from 27% in 1980 to 46% in 1985; it decreased slightly to 42% in 1992, and increased sharply to 67% in 1996. By 1999 the estimated poverty was more than 70%, which compelled the federal government to intensify action on poverty reduction. Consequently, efforts have been made in all angles to reduce the level of poverty in Nigeria but greed has retarded positive efforts. Budgetary allocations have been on the increase, nevertheless, with no remarkable improvement.

Ozoh (2010) posits that the problem of inability of the underdeveloped countries to grow emanates from defective economic and socio-political institutional setups, defective attitude towards work, technological backwardness, low entrepreneurial skill and talents, indiscipline, limited size of market and imperfection, lack of basic industries due to capital deficiency and defective education, among others. Nigeria as a country has inadequate infrastructure to sustain industrial activity. Besides, the pattern of attitude among leadership and the led have not been encouraging. Consequently, there is decline in aggregate economic activity, which reflects on the gross domestic product and real income of the society, thereby debilitating the repositioning of poverty in the country. Consequently, the economy is strongly gripped with vicious cycle of poverty.

Tackling the vicious circle of poverty is seen as a prerequisite for revamping the economy. Poor income gives rise to low saving which in turn results to low capital accumulation, low investment and low income. The required environment in Nigeria has not been available and favourable in repositioning low living standard. Among the actions of the federal government in changing the trend of poor living standard is increased expenditure by the three tiers of government– Local, State and Federal. This is more of a simultaneous investment in various nooks and crannies of the economy. This intention was aimed at turning around the vicious circle of poverty which exists both on the supply and demand sides of the economy. However, the present status quo gives room for ambiguity in respect of proper targeting and attainment of goals.

Every year, the various governments of Nigeria make budgetary allocations in various sectors with the hope of improving and advancing the economy. These allocations are not easily accounted for owing to the high degree of corruption. In its assessment of the level



© 2013 Global Journals Inc. (US)

of corruption, Transparency International employed surveys and assessments which included questions related to the bribery of public officials, kickbacks in public procurement, embezzlement of public funds, and the effectiveness of public sector anti-corruption efforts. Their approach placed Nigeria as one of the most corrupt economies. This is because Nigeria ranked 143 with index of 2.4 out of 183 countries and other territories of the world (Transparency International, 2011).

More so, the existing problems in all the sectors are always there, notwithstanding the yearly funding. Specifically, the power sector which has a great linkage effect in the engagement of other sectorial activities is yet to be well positioned to sustain production in Nigeria in spite of huge budgetary allocations. Besides, the outcome of poverty alleviation measures has not been able to yield practical, positive results. In Nigeria, most commodities consumed by the poor are the most expensive. For instance, petrol is sold at 97 naira per liter while kerosene is 140 naira.

Igbuzor (2004) notes that the main causes of poverty in Nigeria include illiteracy, unemployment, ignorance, high inflation rates, poor economic governance, insecurity of life and property, huge foreign debt, high incidence of diseases, environmental degradation, large family size, inadequate access to employment opportunities and lack of adequate access to land and capital. Many policies, programmes and strategies aimed at solving these myriad of problems still leave the majority of Nigerian unchanged. One may be compelled to ask what is really happening to the Nigerian economy. Why have policies, fund allocations and various programmes adopted over the years unable to revive poverty in Nigeria?

In this paper, our intention is to critically appraise poverty alleviation in Nigeria, including the Millennium Development Goal (MDG) of United Nations which targets poverty eradication by the year 2015. So, the paper is presented in this order: section one dwells on theoretical and empirical literature, section two focused on overview of programmes to alleviate poverty, the third section centres on critical evaluation of the programmes, while the last section discusses the way forward and conclusion.

## II. Theoretical Literature

One of the major problems adversely affecting developing countries has been poverty. Nurkse (1957) points out that 'a country is poor because it is poor'. Poverty of a country stems from many factors which retard productivity, income generation, saving and investment, thereby affecting capital accumulation. Domar (1937) states that it is actually capital rather than labour that is the main factor limiting growth in less developed countries. Arthur Lewis, Rostow and others support this view. Human capital, being an important variable in growth and development, has been observed by various economists as the critical factor [ Romer (1986), Mankiw, Romer, Weil (1992)]. For poverty to be eradicated in Nigeria, besides putting in place capital over heads, efforts are desperately required to reform the quality of human capital. This implies restructuring or reforming the education sector. The Solow-Swan model recognizes the stock of capital and knowledge or effectiveness of labour as imperative in raising output level. Mankiw, Romer, and Weil (1992) have also shown that relative small changes in the resources devoted to physical and human capital accumulation may lead to large changes in output per worker.

Poverty is easily tackled with great change in both physical and human capital. It is basically on this fact that emphases of most policies and programmes for alleviating poverty in Nigeria have incorporated education and training and provision of facilities to enhance production of output expected to change the economic trend. But the approaches adopted over the years seem unsatisfactory considering the fact that the menace of poverty has not abated. Education sector is highly deficient of the requisite infrastructure to enhance effective learning. Industrial actions are frequently experienced by the teachers and Academic Staff Union of Universities (ASUU) which could have been avoided, but due to government inability to do what is necessary at the right time. Incessant strikes have dampened and bastardized the spirit of learning and mental development, thereby yielding poor quality results. This definitely has its negative multiplier effects.

Agenor (2000) observes that educational attainment is a crucial determinant of an individual's earnings capacity and of a country's stock of human capital. Poor families are often caught in a low-education, low-skill, and low-income trap: they cannot afford to forgo current income and invest in education. From various indications, it is obvious that human capital development and infrastructural provisions are very essential ingredients of sustainable economic growth and poverty reduction. The government of Nigeria is aware of all these but prefer to pay lip services in most cases; hence the situation has degenerated to the unexpected as no Nigerian University is ranked among the 20th in Africa or among the 1000th in the world (Webmetrics, 2012).

Nigeria as a country is characterized by low per capita income, highly unequal income/wealth distribution, low standard of living, lack of infrastructure, under utilisation of natural resources, dualistic economic pattern and most importantly, lack of capital which is reflected by low rate of capital formation as a result of low per capita income, general poverty, low saving and high marginal propensity to consume, unproductive, conspicuous consumption, low marginal efficiency of capital and so on.



© 2013 Global Journals Inc. (US)

The government, being aware of these, has attempted in various ways to develop the economy, yet much is yet to be realised. Meier (1980) states that economic development is the process whereby the real per capita income of a country increases over a long period of time-subject to the stipulations that the number of people below an "absolute poverty line" does not increase, and that the distribution of income does not become more unequal. The effort of the government has not been enough to reduce poverty. The poor are becoming poorer every year and living standard in the rural areas of the country is shocking.

The Big Push theory advocates a simultaneous investment in all the sectors of the economy. It is unequivocal that bit-by-bit developmental investment approach may not be enough to put in place the enormous resource requirement and capital overheads to push the underdeveloped economy to the path of sustainable growth. Hence, Rodan (1947) advocates the Big Push thesis that points that there is minimum level of resources that must be made available for development programme if the society intends to have an opportunity of success. This presupposes that investment in inter related industries with positive externalities will have the complementarity ability to bring about positive economic effects. The Big Push actually advocates the industrialization of an economy and the role of the government in the application of policies and programmes since the market forces may not be sufficient to allocate resources adequately and accelerate economic development.

This theory in so many ways has been applied in Nigeria over the years in consideration of the different National Development Plans since 1962. But the continual rise in both urban and rural poverty calls for questioning the extent of all the government actions in poverty eradication. It is difficult to convince anybody that the allocations for power supply, water supply, road network, agriculture and education have been sufficient to alleviate poverty. It is also disheartening that most Local Government Areas in Nigeria are handicapped from impacting in any way in the development of the local areas due to improper channeling of funds. It is also very equivocal to accept that all allocated funds are entirely channeled to the targeted considering the fact that corruption has eaten deep into all the nuclei of the sectors of the Nigerian economy.

## III. Empirical Literature

Many writers have been worried about the high degree of poverty in sub-Saharan Africa and as such have investigated on how to resolve it so as to improve the living standard of the people. In Nigeria, serious attention has been paid to poverty eradication over the years. Nevertheless, much still needs be done. Ibeh (2011), in his study of the bastardization of the poverty alleviation programmes in Nigeria, points that notwithstanding about 40 years of developmental planning and economic reforms, poverty and its features like unemployment, hunger, malnutrition, corruption, dualistic economy, technological backwardness and vicious cycle of poverty are prevalent in the everyday lives of Nigerians. He further notes that the introduction of poverty alleviation programme aimed at tackling poverty has been debased and made a source of embezzlement by the promoters, leading to prolonged poverty with associated difficulties.

Although poverty alleviation was indirectly considered in the past, which was later made direct with the intention of tackling it in earnest, it is quite disheartening that the level of decay among leaders has now resulted to egocentrism and wealth acquisition at the expense of the down trodden. The allocated resources, most times, do not reach their targeted. The impact is far below the budgeted and allocated amount of resources. The situation in the country has compelled many Nigerians to seek asylum in other developed countries of the world even when there is no crisis.

Uma (2009) analysed the impact of some macroeconomic variables on poverty reduction in Nigeria using ordinary least square method. The study found that, apart from agricultural output, other variables did not contribute significantly to poverty alleviation in Nigeria. It is saddening in that resources devoted for poverty reduction over the years are not yielding reasonable results. Every year, poverty indicators show that the living standard is deteriorating. This is the reason behind Uma and Eboh's (2013) perception that corruption is one of the greatest obstacles to the development of the Nigerian economy as it has brought about high level of selfishness, diversion and misallocation of scarce resources. If corruption is tackled, Nigeria will have high level poverty reduction and consequently, growth.

In their study of foreign direct investment: a panacea for unemployment and poverty reduction in Nigeria, Eboh and Uma (2010) note that the level of capital deficiency for industrialization gives rise to high level of unemployment and under utilization of resources of the country and so argued that the answer hinges on greater openness of the economy for influx of capital. Actually, this is plausible if security of life and property is absolutely put in place so as to attract foreign investors.

Earthtrends (2003) points out that the percentage of Nigerian population living on less than $1 a day is 70.2% while the percentage of population living on less than $2 a day is 90.8%. This shows that many Nigerians cannot afford one decent square meal a day. Hunger, malnutrition and poor health are not favourable to mental development. The genesis of our major setback in the quest for socio-economic development hinges on poverty. The living standard is not determined by budget or resources allocation on paper work by some government authorities, rather on what is on



© 2013 Global Journals Inc. (US)

ground and easily seen. We can tell the world what we like about ourselves, we can paint a picture to the international community to suit our purpose but the truth is that many Nigerians are wallowing in abject poverty in spite of the blessings by nature in form of mineral resources. This situation is reversible if refined, transparent and accountable leadership is instituted.

Ali et al (2002) examined poverty reduction in Africa: challenges and policy options. The study investigated the spread, depth and severity of poverty for the region and the chosen countries. Their literature review shows high level of poverty and which is still worsening in Africa in comparison with other developing countries. The mean head-count ratio in 1990 was 53% while the rural and urban poverty rates were respectively 56% and 43%. High inequality in income distribution exists in Africa while in some countries, rural poverty range is 70-80% while urban poverty range is 50-60%. The study also revealed that at regional level, lower rate of poverty stems from improvement in education, health care, maternal education, safe water and sanitation. Surprisingly, some countries with high level of education also have high poverty rate.

Aigbokhan (2000) studied poverty, growth and inequity in Nigeria and found that there is evidence of increased poverty, inequality and polarization in distribution during the period of 12 years studied. He further revealed that poverty and inequality are more among male-headed households in rural areas and the northern geographical zone. The study also showed positive real growth at the period whereas poverty and inequality deteriorated.

Eboh & Uma (2010) examined some policies and programmes on rural electrification and water supply aimed at tackling poverty reduction in Nigeria. The study revealed that uneven development of the rural and urban areas resulted to developmental skewness in favour of the urban region, thereby retarding resource availability and its use in the rural sector. Consequently, the chain effects raise poverty to excruciating level. A large proportion of Nigerians live in the rural areas of the Nigerian economy, and due to the fact that much has not been done in this area, poverty remains with the country and the spill effects/externalities carried to the urban areas. At present, the rural inhabitants prefer living in slums in urban areas instead of remaining in the areas devoid of all essentials of living. This infectious poverty has increased slumization, overcrowding, waste management problem and many social vices such as kidnapping, human trafficking, smuggling, obtaining by tricks and prostitution, among others, in the urban areas of the Nigerian economy.

Ali and Thorbecke (1997) in their study of the state of rural poverty, income distribution and rural development in Sub-Saharan Africa (SSA) pointed among others that lower population density and large spatial distribution of population in sub-Saharan Africa are the main impediments to the provision of an adequate rural infrastructure network when compared with Asia. Poor road network contributes to (i) the very high transportation costs; (ii) the high prices which invariably affect initial agricultural producer prices and final consumer prices; (iii) segmented agricultural product market; and (iv) subsistence African farmers' very limited market orientation. All these culminate to negative effects of physical and technological factors on rural and agricultural development. Besides, the governments of Sub-Saharan Africa (SSA) almost generally pursue policies and institutions that pay less attention to agriculture.

## IV. Overview of Programmes to Alleviate Poverty

Many programmes have directly and indirectly been put in place to tackle poverty in Nigeria since after independence. Ogwumike (2002) points that before the Structural Adjustment Programme (SAP), poverty alleviation was not the aspiration of development planning and management, but the resource managers indirectly focused on poverty reduction in the sense that the objective pursued in the first National Development Plan and others which dwell in the improvement in health, employment, education, among others would result to poverty reduction.

Still with unconscious approach of tackling poverty, various schemes were put in place to reduce rural-urban migration, encourage agricultural production, raise manpower and raw material utilization and increase real income. Such schemes include: River Basin Development Authorities (RBDA), the Rural Electrification Scheme (RES), the Agricultural Development Programmes (ADP), the Rural Banking Programme (RBP), Operation Feed the Nation (OFN), and Free Compulsory Education (FCPE) of 1977 under Obasanjo's military regime, Green Revolution of Shehu Shagari put in place in 1980, and Low Cost Housing Scheme, among others. Although the schemes were laudable at inception, they could not be sustained owing to lack of attention. The huge resource investments in some became irreversible and ultimately were a colossal loss to the country.

However, from 1986 to 1993, there was a conscious effort to ameliorate poverty. This intention gave rise to the Structural Adjustment Programme (SAP) under the military head of state, Ibrahim Babangida. He introduced a variety of programmes as shown in the table below:



© 2013 Global Journals Inc. (US)

*Table 1 :* showing anti-poverty programmes

| Programme | Year Established | Target group | Nature of Intervention |
|---|---|---|---|
| Directorate for Food, Roads and Rural Infrastructures (DFRRI) | 1986 | Rural Areas | Feeder Roads, rural water supply and rural electrification. |
| National Directorate of Employment (NDE) | 1986 | Unemployed your | Training, finance and guidance. |
| Better Life Programme (BLP) | 1987 | Rural women | Self – help and rural development programmes, skill acquisition and health care. |
| People's Bank of Nigeria (PBN) | 1989 | Underprivileged in rural and urban areas | Encouraging savings and credit facilities |
| Community Banks (CB) | 1990 | Rural residents, micro enterprises in urban areas | Banking facilities. |
| Family Support Programme (FSP) | 1994 | Families in Rural areas | Health care delivery, child welfare, youth development, etc. |
| Family Economic Advancement Programme (FEAP ) | 1997 | Rural areas | Credit facilities to support the establishment of cottage industries. |

*Source : Oladeji and Abiola, (1998).*

These programmes, in many ways, were highly welcomed considering the urgency to address poverty in Nigeria. The programmes targeted on various categories of Nigerians affected by poverty. The programmes in actual fact played some desirable role at the onset. Its un-sustainability accentuated by macro-economic distortion, inconsistent policies, nepotism, selfishness of operators and corruption annihilated sufficient goal attainment. Besides, the rise in poverty, in spite of all these, was highly demoralising. Poverty rose from 67% in 1996 to over 70% in 1999. Obadan (2002) notes that at the time Nigeria experienced economic growth, considerable poverty reduction was not achieved. For instance between 1985-1992, gross domestic product rose slightly, although aggregate poverty headcount level came down a little, but there was high level of inequality and the poor did not enjoy in the economic advancement since the depth and severity of poverty could not significantly change.

Each programme consumed a colossal sum of money. The outcome seemed not commensurate to the input of resources. This situation compelled the new civilian regime to strategize on poverty alleviation. The civilian government in 1999 headed by Obasanjo was much concerned with poverty alleviation through encouragement of agriculture, education, water supply and health.

The National Poverty Eradication Programme (NAPEP) was introduced in 2001 aimed at absolute poverty eradication. The National Poverty Eradication Council (NAPEC) was instituted to coordinate the programme with various bodies/agencies that was associated with poverty reduction. Many government ministries were pinpointed as core poverty alleviation ministries based on the Joda Panel and Abdullahi Committee Reports. In addition, Poverty alleviation institutions were also identified. Hence, activities for NAPEP were categorized thus: Youth empowerment Scheme (YES), Rural Infrastructure Development Scheme (RIDS), Social Welfare Service Scheme (SOWESS) and National Resources Development and Conservation Scheme (NRDCS). Each scheme focused on specific areas of provisions of basic needs, facilities and infrastructure aimed at empowering the youths and the populace with the intention to address poverty. Poverty Reduction Strategy Paper was the next move under the supervision of the Economic Policy Co-ordinating Committee in the Office of the Vice President. A National core team was inaugurated in February, 2001 (FRN, 2000; Obadan, 2002; Ogwumike, 2002; Igbuzor, 2004).

## V. Critical Evaluation of Programmes

Over the years the various Nigerian leaders identify and implemented poverty alleviation programmes very slipshodly. This led to improper targeting



© 2013 Global Journals Inc. (US)

of the poor. Obadan (2002) posits that insufficient systems of targeting for the poor and the fact that most of the programmes did not focus directly on the poor, and poor co-ordination contributed significantly for inability to achieve meaningful outcome. Besides, it should also be pointed that there is a pattern or way of life of most leaders in Nigeria who are not usually interested on going on with existing policy made by the predecessor. The expected aim of policies cannot easily be achieved if operational issues are thwarted. Consequently, inconsistent policies due to leadership changes have adverse effects on designed poverty reduction programmes.

Worthy to note is the high level of corruption which has never helped any good policies and programmes to achieve positive effects. When appointed leaders see their positions as an opportunity to enrich selves overnight. It then becomes difficult to channel resources to the appropriate areas of need for goal attainment. The menace of corruption has, in various ways, stifled the realization of policy objectives, thereby paralyzing and jeopardizing the good intentions of policy makers and the progress of the country (Uma and Eboh, 2013). Nigeria is what it is because we are… mostly selfish, shortsighted, parochial and grab-your-own mentality, obsessed group of people who make noise when not in position to steal, who steal when positioned to do greater good. This pattern of behaviour does deny the masses of the necessary public goods and retard living standard and raises the comfort of the few at the expense of many (Ozoh, 2012).

In a similar vein, improper monitoring of projects, lack of accountability, inability to pinpoint and non-co-option of the poor have retarded progress. Monitoring helps to detect the possibility of changing action taken for better results. The lack of it helped to waste colossal resources. In addition, the difficulty of an individual is best known by the person. Most designed poverty reduction programmes lacked the input of the poor. It is difficult to tackle surface effects of an ailment when the root which exists internally has not been touched. Poverty is concentrated among women, children and the elderly people, especially in the rural areas of the country. Ogwumike (2002) points that a fundamental problem of rural development approach to poverty reduction is that it is difficult to focus attention on the real poor given that poverty in the rural area is pervasive and also that the inability to identify the poor has contributed to the inability to achieve significant result in the nation's poverty reduction programmes.

Many poverty alleviation programmes focused on agriculture as the basis for food provision and income generation, but insufficient and un-sustained attention on this important sector has led to food shortage which invariably raises the prices of food stuff and the adverse effect of high price impacted so much on the poor. Besides, lack of essential infrastructure in the rural areas of Nigeria has compelled many youths who would have opted for agriculture to relocate to the urban areas. Nigeria, as an agrarian economy, has all it takes to increase employment opportunity in this sector so as to boast food, raw materials production and change the status of the poor. Insufficient encouragement has helped to change the attitude of Nigerians to opt for white collar jobs. The food crisis in Nigeria seems to have taken a dangerous dimension, taking into account the challenges presented by high prices of food. Agricultural commodity prices rose sharply since early 2006. Ever since, there has been a continued rise in food prices and the low income earners, the poor have not been able to cope, thereby retarding the living standard. This situation has raised poverty in the country. As a result, the production system of farmers, given their socio-economic situation, inconsistent government policies, poor infrastructural base and other factors combined to annihilate the sector thereby bringing in low production, high prices of food items, inflation, underdevelopment and poverty. The high rate of unemployment and poverty in Nigeria are, to a great extent, associated with neglect of agriculture (Okuneye, 2001; Agwu et al, 2011; Uma et al, 2013).

Unemployment which is one of the major causes of poverty in Nigeria is yet to be properly addressed. The level of attention and financial support required by the National Directorate of Employment (NDE) is not available. It is obvious that the NDE has done considerably well in training and empowering many youths, but inadequate funding has debilitate the good work of this institution. This has been a major problem of resource managers in Nigeria. Continual support of a programme that has great potentialities for success is usually disregarded until it degenerate to a level where it is even more difficult to carry on.

It is also relevant to mention that lack of industrialization and poor infrastructure has debarred prospective investors in Nigeria. Insecurity of life and property, especially in Northern parts of the country have in different ways forced many Nigerians into poverty level. Poverty reduction intention should increase capital over heads and sufficient interdependent industries capable of harnessing the insufficiently utilized resources of the society. Development of many undeveloped sectors in Nigeria is imperative to increase employment and retard poverty.

## VI. Way Forward for Poverty Alleviation

In consideration of poverty situation over the years, it is imperative for programmes and strategies for alleviating poverty in Nigeria to incorporate the following:



© 2013 Global Journals Inc. (US)

a) Proper identification and classification of the poor will help for effective and efficient targeting so as to achieve better result.
b) Consistency of policies and programmes are essential. Every leader in the country should not discard the policies and programmes started by the predecessor. This will help to minimize waste and duplication of social and economic institutions for poverty alleviation.
c) Intensification of modernized agricultural practices in Nigeria is necessary. Studies have shown that agriculture has contributed meaningfully to poverty reduction in Nigeria and it should be promoted in all ramifications. Integrated agriculture should be encouraged to ensure steady supply of food. Apart from ensuring food and raw materials availability, it is a remarkable source of job for the unemployed. Farmers should be encouraged to form co-operative society so as to delve into large scale production and credit facilities should be provided with no stringent collateral security.
d) The National Directorate of Employment (NDE) should be properly funded and extended to all the parts of the country. The graduates in the training programme should be provided with initial capital through soft loans that is devoid of security. This will help to achieve greater impact of this directorate.
e) Operations of some poverty reduction programmes need be monitored on quarterly basis. Mangers of programme should ensure proper accountability of allocated resources. This will help in the discovery of what ought to be done at the right time so as to avoid diversion and waste of scarce resources.
f) There is urgent need to annihilate corruption in all angles through leaders' change of attitude and mass participation. This intention has to start from leaders whose activities are being emulated by the subordinates and the society. It is difficult for people to take serious anybody who continuously engage in anything ugly and who also preaches against it. Exemplary life and attitudinal change is imperative and expected of every leader if corruption need be addressed. If corruption can be reduced to a great extent, poverty in Nigeria will drastically fall.
g) It is also relevant that research and survey be carried out before introduction of poverty reduction programme. This will help in identifying what is really needed to be done so as to have better results. The idea of leaders operating on guise work is not necessary in this modern era.
h) There is urgent need for revival of education, industrialisation and power sector. Insufficient capital needed in schools affect quality education. Lack of industries in Nigeria has lessened adequate resources utilization and employment. Irregular power supply in Nigeria has compelled rural barbers, hair dressers and welders to opt for motor cycle business, prostitution and crimes. Surprisingly, one major indirect programme/policy that could help in poverty alleviation is the government provision of power supply, behold, every other process will adjust in that positive direction and micro-level sufficiency will emerge dramatically. The chain effects of lack of these have played significant role in sustaining poverty in Nigeria.

In addressing poverty using the people oriented approach, the poor must be key actors in ideology and addressing livelihood priorities. Development agents and government need processes or must create processes to enable them listen and respond to the poor. It should also be multi-level, by ensuring that micro-level activity inform the development of policy and create enabling environment that macro-level structures and processes support people to build upon their own support.

On this note, it is pertinent to recall Lennart (2003) who states that the most important partnership, and finally the only one that will matter is with the poor themselves to take the skills, and the knowledge, and certainly the will to improve their lives. What they lack is opportunity. Our task is to create the enabling environment and opportunity for them to live in harmony with the natural resources base on which their lives depend.

## VII. Conclusion

The study has critically examined poverty alleviation activity in Nigeria and was able to show that the continuous increase in poverty in Nigeria in spite of poverty alleviation programme and huge budgetary allocation stem from the pattern of programme, improper management, inconsistence of policies and corruption. It is believed that a change in reducing the rising poverty is possible with attitudinal change of leaders by taking the right step at the right time. Nigerian poverty situation is not beyond control if there is sincerity of management, accountability and monitoring. All Nigerians should be part of the aspiration to fight poverty through tackling corruption, insecurity and obeying rules and regulations.

## References Références Referencias

1. Agenor, P.R (2000). Economics of Adjustment and Growth. Vol 11, Forthcoming Academic Press.
2. Aigbokhan, B.E (2000). Poverty, growth and inequity in Nigeria: A case study, AERC Research Paper 102, African Economic Research Consortium, Nairobi.
3. Agwu, M.N, Nwachukwu, I. N and Okoye, B. C (2011). 'Worsening Food Crisis in Nigeria: A Discourse on Bail-Out Options,‟ Sacha Journal of Environmental Studies, 1( 1), 64- 68.



© 2013 Global Journals Inc. (US)

4. Ali, A. G. A, Mwabu. G, Gesami, R.K (2002). 'Poverty reduction in Africa: Challenges and Policy Options,' AERC Special Paper 36.
5. Ali, A. G. A and Thorbecke, E (1997). 'The State of Rural Poverty, Income Distribution and Rural Development in SSA,' Paper prepared for a conference organized by the African Economic Research Consortium on Comparative Development Experiences in Asia and Africa, Johannesburg, November 3-6, 1-34.
6. Domar, E.D (1957). Essays in the theory of Economic Growth. New York: Oxford University press.
7. Eboh, F.E & Uma, K.E. (2010). 'Rural Infrastructural Development: A Panacea for Poverty Alleviation in Nigeria,' African Journal of Professional Research in Human Development, 6(3), 39-45.
8. Eboh, F.E & Uma, K. E (2010). 'Foreign Direct Investment: A Panacea for Unemployment and Poverty Reduction in Nigeria,' Nigeria Journal of Economic and Financial Research, 3(1), 1-13.
9. EarthTrends.(2003). 'Economic Indicator-Nigeria,' retrieved on July 20, 2013 from http://earthtrends.-wri.org.
10. Federal Republic of Nigeria (2000). Obasanjo's Economic Direction 1999-2003. Lagos: Down Functions Nigeria Ltd.
11. Ibeh, H. C. (2011). 'The Bastardization of the Poverty Alleviation Programmes in Nigeria and Its Socio-Political Implications,' Haitian Research Journal, 9(3), 8-13.
12. Igbuzor, O (2004). 'Poverty Eradication and Public Policy in Nigeria,' Alternative Poverty Reduction Strategy for Nigeria, Centre for Democracy and Development, 46.
13. Lennart, B (2003). 'The Global Environment Facility (GEF)', retrieved on August 25, 2013 from www.gef.com.
14. Mankiw G, Romer, D. and Weil, D. (1992), A Contribution to the Empirics of Economic Growth: Quarterly Journal of Economics.
15. Meier, G. M. (1980). Leading Issues in Economic Development, Oxford: Oxford University Press.
16. Nurkse, R. (1957). Problems of Capital Formation in Underdeveloped Countries, New York: Oxford University press.
17. Obadan, O. M. (2002), "Poverty Reduction in Nigeria. The way forward" CBN economic and financial review, 39(4).
18. Okuneye, P. A. (2001). 'Rising cost of food prices and food insecurity in Nigeria and its implication for poverty reduction', CBN Economic & Financial Review, .39(4), 1-15.
19. Ogwumike, F. O. (2002). "An appraisal of poverty reduction strategies in Nigeria, Central Bank of Nigeria Economic and financial review, 39(4).
20. Oladeji, S. I. and Abiola A. G. (1998). 'Poverty Alleviation with Economic Growth Strategy: Prospects and Challenges in Contemporary Nigeria,' Nigerian Journal of Economic and Social Studies (NJESS), 40(1).
21. Ozoh, F.O (2010).' The Vicious Circle of Poverty Thesis and the Big Push Argument,' Economic Development and Management, (ed) Onwumere, J.U.J et al. Enugu: Quarter Press Ltd.
22. Ozoh, F. O. (2012). 'Constituents Welfare and Public Expenditure Immiseration in Nigeria: A Graphical Survey', The Nigerian Electoral Journal, 5(2).
23. Rostow, W.W (1985). The Stages of Economic Growth. Second edn, London: Cambridge University press.
24. Romer, P (1986), 'Increasing Returns and Long-run Growth', Journal of Political Economy 94.
25. Rodan, R (1947). 'Notes on the Theory of Big Push', Economic Development of Latin America, (ed) Ellis. H.S and Wassiah, W.W (1961).
26. Solow, R (1956) 'A Contribution to the Theory of Economic Growth' Quarterly Journal of Economics 70.
27. Transparency International (2011)' Corruption Perception Index,' retrieved on May 13, 2013 from http://www.transparency.org/cpi2011/results.
28. The Guardian, Tuesday, February 8, 2005. pg 33.
29. Uma, K.E (2009). 'The Appraisal of the Effect of Selected Developmental Variables on Poverty Alleviation in Nigeria,' Nigeria Journal of Economic and Financial Research, 1(2), 128-142.
30. Uma, K. E. Eboh, F. E. and Obidike, P. C. (2013). 'Appraisal of the Influence of Agriculture on Economic Growth: Empirical Evidence from Nigeria,' IOSR Journal of Economics and Finance, 1(1), 73-79.
31. Uma, K. E. & Eboh, F. E. (2013). 'Corruption, Economic Development and Emerging Markets: Evidence from Nigeria,' Asian Journal of Management Sciences and Education, 2(3), 56-67.
32. Webometrics (2012). 'Ranking of World Universities,' Cyber metrics labs. Retrieved on July, 17, 2013 from www.mavir.net




© 2013 Global Journals Inc. (US)