POVERTY ALLEVIATION PROGRAMMES IN NIGERIA:

AN INQUIRY INTO THEIR EFFECTIVENESS AND IMPACT ON THE ECONOMY

A RESEARCH PROJECT

BY

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CERTIFICATION

I, Omosalewa Mosope Arubayi, do hereby certify that this work is entirely my own composition and where works of other persons have been used or referred to, such sources have been duly acknowledged.

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DEDICATION

"For HE knows the thoughts that HE has towards me, saith the Lord, thoughts of peace and not of evil, to give me an expected end.''

Jeremiah 29 vs. 11

This project is dedicated to the Glory of God for HE alone is worthy of all the Praise, all the Glory and all the Adoration.

ACKNOWLEDGEMENT

ABSTRACT

Poverty, either as a plague or cause of other specific under development ailments, afflicts Nigeria as it does other Nations of the World. The high level of prevalence in the country, which has attained an endemic nature is becoming worrisome. Poverty has made Nigeria to attain a status such that no Government (no matter the level), Organisation, Community, Clan or Family can survive effectively without introducing one kind of poverty reduction effort or the other. This problem is essentially not that of programme introduction but effectiveness of such programme and strategies so adapted in poverty reduction efforts. Nigeria has not been known to lack in such efforts; yet she is still ranked among the world's poorest Nations.

This study is therefore an attempt at evaluating the effectiveness of poverty reduction efforts in Nigeria, and focuses on the impact of past strategies and programmes on the target poor. In the course of the study, related literature on poverty and poverty reduction efforts were intensively and extensively reviewed and relevant information and ideas obtained for the research. The study also utilised the survey approach and chi-square to collect, collate, analyse and present data respectively in its findings. Based on the findings and conclusions drawn from the research, recommendations were made to enable the efficient implementation of poverty alleviation strategies.

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CHAPTER 1

PROJECT PROPOSAL

1.1 <u>INTRODUCTION</u>

Poverty is a universal term and poverty alleviation is a universal motto (Robert II Smith, 2007). It is the condition which does not allow one to have basic necessities in life. "Poverty is hunger. Poverty is lack of shelter. Poverty is the condition of not having a good job and no resources to live with."(Robert II Smith, 2007). The Central Bank of Nigeria (1999:1) views poverty as "a state where an individual is not able to cater adequately for his or her basic needs of food, clothing and shelter; is unable to meet social and economic obligations, lacks 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 consequently, has limited chance of advancing his or her welfare to the limit of his or her capabilities". According to the McGraw Hill (1973) dictionary of modern economics, "poverty is a condition in which income is insufficient to meet substantial needs like food, water, shelter, at least basic education, health services and so on".

1.2 <u>BACKGROUND TO THE STUDY</u>

It is a sad paradox that Nigeria, a land flowing with 'black gold' continues to allow majority of its citizens to wallow in abject poverty in the midst of potential wealth i.e. Nigeria is the 13th largest oil producer in the world, yet about 56 per cent of the total population lives in absolute poverty. Over the years, several administrations have made ambitious moves at eradicating poverty among Nigerians with each setting up its own agencies to tackle the ugly phenomenon but from empirical evidence available today, we don't seem to have recorded any reasonable success. Most of the violent clashes have been attributed to poverty. Be it the incessant crises in the country's delta region; the re-occurring ethnic conflict in Jos, Plateau State, or even the Boko Harram religious crises in some northern states. Poverty is always a threat to political stability and peace.

1. At independence in 1960, poverty eradication efforts in the country centred on education, which was seen as the key to economic, technological and intellectual development of the nation. The legendary late Dr. Nnamdi Azikiwe, Nigeria's first President, hinged his policies on the mantra: "Show the light, and the people will find the way." The sage, Chief Obafemi Awolowo declared free education in the old Western region in 1955 with the sole objective of eliminating ignorance and poverty. Thus, education programmes were implemented alongside agricultural extension services, which encouraged cash-crop production(with the export of cocoa and rubber in the West/Midwest; palm oil and kernel in the East; cotton and groundnut in the North; the regions waged war against poverty through education and infrastructure development) before the oil boom in the 1970s altered the

equation. Also majority of the leaders of that era rendered selfless services to their fatherland.

The earliest poverty alleviationprogrammes were the 1972 Gen. Yakubu Gowon's National Accelerated Food Production Programme and the Nigerian Agricultural and CooperativeBan k, entirely devoted to funding agriculture. The NAFPP turned out to be a waste and nothing was achieved. Then Gen. Olusegun Obasanjo came up with Operation Feed the Nation in 1976 and spent much money and effort in getting ill-prepared university undergraduates to go to the rural areas to teach the peasant farmers how to farm; a theoretical farming graduate teaching a farmer who makes his living out of farming, how to farm. The schemes only succeeded in creating awareness of food shortage and the need to tackle the problem.

The 1979 Shehu Shagari's Green Revolution Programme had the dual aims of curtailing food importation while boosting crop and fibre production. The overall objective was mechanised farming. But the bureaucrats used their access to the state to take advantage of the wide range of facilities committed to the Green Revolution. These bureaucrats-cum-farmers were also joined by private businessmen. Thus new-breed farmers were only interested in getting Certificate of Occupancy for large acres of land. The land was then used for speculative purposes, for example, as collateral for securing loans".
The programme ended in 1983, with 2 billion naira tax payers' money wasted. Buhari's government came up with the Go Back to Land programme but like its predecessors, it fizzled out and died. There is a belief that one of the major reasons for the failure of all these agricultural/poverty reduction programmes was that they were based on faulty philosophy. The belief is that food programmes such as the NAFPP, OFN, Green Revolution and the Go Back to Land Programme failed because of the objectives of making farmers out of all Nigerians, and that no country attains self -sufficiency in food by seeking to turn its citizens into farmers.

Gen. Babangida,in 1986, established the Directorate of Food, Roads and Rural Infrastructure(DFRRI) for rural development. The projects gulped N1.9b without Nigerians benefiting from them. Various projects, like the Peoples Bank of Nigeria and the Community Bank of Nigeria, were set-up for poverty alleviation purposes but they did not actualise their aims and purposes. Maryam Babangida also set up the Better Life Programme and enriched the BLP officials and friends and the better life for rural women became the better life for rich women. Gen. Sanni Abacha and his wife, in 1993, established the Family Support Programme and the Family Economic Advancement Programme and according to the Tell magazine of 3/8/98 "FSP gulped over N10b of tax payers money at a time her husband, Abacha, was retrenching hopeless civil servants nation-wide".

According to the Federal Office of Statistics, in 1960, about 15 per cent of the population was poor but by 1980 this had grown to 28 per cent. The FOS estimated that by 1985 the

extent of poverty was about 46 per cent although it dropped to 43 per cent by 1992. However, by 1996, poverty incidence in the country was 66 per cent or 76.6 million Nigerians out of a population of 110 million were poor, it said.

Box 1.1: SOME GOVERNMENT PROGRAMMES RELATED TO POVERTY

Multi-sector Programmes include: (i) the National Directorate of Employment, which consists of four main programmes: the Vocational Skills Development Programme, the Special Public Works Programme, the Small-Scale Enterprises Programme, and the Agriculture Employment Programme; (ii) the Directorate of Food, Roads and Rural Infrastructure, which supports mainly rural infrastructure project; and (iii) the Better Life Programme, which supports a multitude of programmes targeted at rural women, including agriculture and extension services, education and vocational training, cottage industries and food processing, primary health care delivery and enlightenment/awareness and cooperatives. It has now been replaced with the Family Support Programme.

Agricultural Sector Programmes include the Agricultural Development Programmes; the National Agricultural Land Development Authority; the Strategic Grains Reserves Programmes; the Programme for Accelerated Wheat Production; as well as the development of the development of artisanal fishery, small ruminant production, pasture and grazing reserves. These programmes promote utilization of land resources through subsidized land development, supply of farm inputs and services and credit extension to farmers, and institutional support for produce marketing cooperatives.

Health Sector Programmes include the Primary Health Care (PHC) Scheme, which aims at providing at least one health centre in every local government; and the Guinea-worm Eradication Programme, launched in 1988 with the assistance of donor agencies including UNICEF, which supports health interventions to control diarrhoea diseases, eradicate guinea-worm, and promote changes in knowledge, attitudes and practices relating to water use, excreta disposal and general hygiene. The effectiveness of the PHC programme was hampered by inadequate funding from the LGAs, and lack of equipment, essential drugs, and trained manpower. The Guinea-worm Eradication Programme succeeded in reducing the number of reported guinea-worm cases from 650,000 in 1988 to 222,000 by the end of 1992.

In the Education Sector, the Nomadic Education Programme developed curricula for nomadic education, trained nomadic teachers, and provided infrastructure for the nomadic schools. Additional programmes were targeted towards girl's education, women and children in exceptionally difficult circumstances, and adult literacy.

In the Transport Sector, the Federal Urban Mass Transit Programme was established in 1988 to rescue the public transport system from imminent collapse. New buses were put into public service and loan schemes helped cooperatives and private operators acquire transport vehicles. However, the demand for public transportation in many urban areas continues to outstrip supply.

In the Housing Sector, a Sites and Services Scheme commenced in 1987 to increase the supply of land for residential development by all income groups. The programme consists of site clearance, construction of concrete drains and culverts, etc. However, shortage of funds resulted in non-payment of compensation to former owners of assets in the acquired areas, and non-development of essential infrastructure such as access roads, water, power supply, etc.

Financial Sector Programmes include a few initiatives begun in 1989/90 such as the National Economic Reconstruction Fund, which provides long-term loans at concessionary interest rates to promote small and medium-scale industrial projects; the People's Bank of Nigeria, which extends credit to the poor who do not have access to the credit facilities available in the commercial and merchant banks; and the commercial and merchant banks; and the Community Banking Scheme, which provides credit to small-scale producers on their own personal recognition.

Nutrition-Related Programmes consist of programmes aimed at improving food security, preventing micro-nutrient deficiencies in children and women, promoting exclusive breast-feeding, de-worming school children and promoting food quality and safety.

Manufacturing Sector Programme includes a Small-Scale Enterprises Programme. This is designed to promote the growth of small-scale enterprises in Nigeria. The programme involves government promotion of small-scale industries through easier access to bank credit, artisan technology and the provision of appropriate infrastructure.

Source: (a) Nigeria: National Planning Commission (1994&1995); (b) World Bank, 1996; (c) Obadan, 2003, pp. 249-251

Table 1.1: Anti-Poverty Programmes by the Government of Nigeria

PROGRAM	YEAR ESTABLISHED	TARGET GROUP	NATURE OR 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 youths	Training, finance and guidance.
Better Life Programme(BLF)	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: a) Oladeji and Abiola (1998) b) Ogwumike (2003)

1.3 STATEMENT OF THE PROBLEM

It is no news that every new government comes up with its own poverty alleviation strategy but the extent of efficacy of these strategies, i.e. impact on the target population (poor), is unknown. Despite all the poverty alleviation strategies that have been adopted, there's still a gap between the target objective (alleviating/eradicating poverty) and its achievement. The large financial allocation over the years to poverty reduction cannot be justified because government poverty alleviation activities contributes little to the struggle for survival of the poor and rarely helps them to escape poverty. It is more disturbing to know that the poverty situation of the country aggravates despite the huge amount of resources committed to the poverty alleviation programme.

1.4 RESEARCH QUESTIONS

In carrying out this research, a number of questions are raised:

- How is poverty manifested in the country?
- What alleviation strategies are in place?
- How effective are these alleviation strategies?
- What are the implications of all these for the country's democracy project, political stability, nation building and development discourse?

1.5 OBJECTIVES OF THE STUDY

Specifically, the objectives are:

- To identify poverty alleviation strategies;
- To measure their effectiveness and impact on the target group (the poor);

- To assess their capabilities for reducing poverty;
- To identify reasons for their failure or success; and
- To recommend appropriate poverty alleviation strategies for Nigeria.

1.6 RESEARCH HYPOTHESES

The research hypotheses that will guide the study are as follows:

H0 Poverty Reduction Strategies in Nigeria have not succeeded in

reducing poverty; and

H1 Poverty Reduction Strategies in Nigeria have succeeded in reducing

Poverty.

1.7 RESEARCH METHODOLOGY

This empirical study shall employ primary data. The primary source of data shall come in the form of questionnaires and oral interviews on the selected segment of the population.

1.8 STRUCTURE OF THE STUDY

The paper is organised into five chapters:

Chapter one focuses on the introductory information and background study about the proposed research topic.

Chapter two focuses on relevant literature review of authors, writers and several publications and articles in the area of this research.

Chapter three presents the theoretical framework of authors, writers and several publications and articles in the area of this research as well as the research methodology: source of data and method of data analysis.

Chapter four focuses on the analysis of both the primary and secondary data obtained for the purpose of the research.

Chapter five lastly presents the summary, conclusion and recommendations during the course of the research.

CHAPTER 2

LITERATURE REVIEW

2.1 <u>INTRODUCTION</u>

This chapter explores the relevant literature on poverty, its causes and the Nigerian economy with the aim of establishing a good understanding of the area of study. Quite a lot has been and is being documented on both poverty and strategies for reducing it thus the review undertaken here is rather selective than exhaustive. The lesson drawn from this review provides the basis for the next chapter.

2.2 <u>MEANING OF POVERTY</u>

The Greek Philosopher and scientist, Aristotle refers to poverty as the mother of revolution and crime. Mahatma Gandhi, the great Indian philosopher internationally esteemed for his doctrine of non-violent protest, said that 'poverty is the worst form of violence.' The term poverty is multi-dimensional in nature. Development Assistance Committee (DAC) (2001) reports that poverty encompasses different dimensions of deprivation that relate to human capabilities, including consumption and food security, health, education, rights, voice, security, dignity, and decent work. These dimensions are variously categorised into economic, sociological, cultural, environmental, technological and political dimensions. According to the Secretary-General of the United Nations Organisation (UNO), in his address to the high session of the economic and social council of the organisation in June 1993, poverty manifests itself in the sphere of economics as deprivation, in politics as marginalization, in sociological issues as discrimination, in culture as ruthless and in ecology as vulnerability and all these dimensions reinforce one another. Narayan *et al* (2000: 29-30), in buttressing that poverty is multi- dimensional, say that "definitions of poverty and its causes vary by gender, age, culture, and other social and economic contexts." They defined poverty from such categories as: lack of voice, power, independence, well or ill being, regional, gender, etc. According to Umo (2006), the faces of poverty due to its multi-dimensional nature include:

- Unemployment/underemployment
- Women empowerment
- Ignorance
- Crime rate
- Corruption
- Rural poverty
- Beggars
- Social exclusion
- Child labour
- Environmental degradation
- Disability(discrimination)
- Refugees plight
- Hunger/malnutrition
- Homelessness

- Youth unemployment
- Disease and death

In developing nations, poverty is manifested in the form of low incomes, inadequate housing, poor health, limited or no education, high and rising levels of unemployment and underemployment. According to Hazell and Haddad (2001) poverty consists of two interacting deprivations- physiological and social. Physiological deprivation describes the inability of individuals to meet or achieve basic material and physiological needs which can be measured either as a lack of income, which limits access to food and to education, health, housing, water and sanitation services or by the failure to achieve desired outcomes, such as a high quality diet rich in micronutrients, health status, educational attainment and the quality of health, water and sanitation services received, while social deprivation refers to an absence of elements that are empowering, such as autonomy, time, information, dignity and self-esteem. Lack of empowerment is also reflected in exclusion from important decision-making processes, even when the outcomes are of considerable importance to the poor. Poverty has often been defined as a deprivation of entitlement through lack of access to economic and social resources, as well as to political participation and consultation (Onibokun and Kumuyi 1996). Ravallion and Bidani (1994) refer to poverty as a lack of command over basic consumption needs, that is, a situation of inadequate level of consumption; giving rise to insufficient food, clothing and shelter. In simple economic terms, poverty is the degree of difficulty encountered in making ends meet. (Olamejeye, 1994)

The Central Bank of Nigeria (1999:1) views poverty as "a state where an individual is not able to cater adequately for his or her basic needs of food, clothing and shelter; is unable to meet social and economic obligations; lacks 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 consequently has limited chance of advancing his or her welfare to the limit of his or her capabilities." Poverty is a condition characterized by severe deprivation of basic human needs, including food, safe drinking water, sanitation facilities, health, shelter, education and information. It depends not only on income but also on access to services.

Poverty can be categorised as either relative or absolute on the one hand (Shubert 1994) and either permanent or transitory on the other hand. Absolute poverty is also known as extreme poverty. The World Bank (2000) defines absolute poverty as "a condition of life degraded by diseases, deprivation, and squalor." Muzaale (1987) and Abiodun (1998:3) have noted that absolute poverty is human deprivation in its extreme and most obvious forms. It refers to a lack or deficient supply of the basic necessities of human life such as food, safe drinking water, housing, clothing and health care. A person is said to be in absolute poverty if his or her family cannot supply these basic needs for him or her. This is a psychological definition of poverty. People in absolute poverty suffer from chronic malnutrition and are chronically sick; they live in squalor; they are poorly clothed; they lack access to health care, educational facilities and usually live short lives. Rural poverty in Nigeria and most countries in Africa are largely covered by this definition. Gordon's paper (2005), "Indicators of Poverty & Hunger", for the United Nations, further defines absolute poverty as the absence of any two of the following eight basic needs:

- Food: [Body Mass Index](#) must be above 16.
- Safe drinking water: Water must not come from solely rivers and ponds, and must be available nearby (less than 15 minutes' walk each way).
- Sanitation facilities: Toilets or [latrines](#) must be accessible in or near the home.
- Health: Treatment must be received for serious illnesses and pregnancy.
- Shelter: Homes must have fewer than four people living in each room. Floors must not be made of dirt, mud, or clay.
- Education: Everyone must attend school or otherwise learn to read.
- Information: Everyone must have access to newspapers, radios, televisions, computers, or telephones at home.
- Access to services: This item is undefined by Gordon, but normally is used to indicate the complete panoply of education, health, legal, social, and financial ([credit](#)) services.

It is important to note that what is considered poverty level in one country or community may well be the height of well-being in another. This therefore, infers that poverty may be seen in relative terms. The essence of poverty, in relative term, is 'inequality'. This implies that poverty can also be described as relative deprivation (Bradshaw, 2006).Relative Poverty is a state where a person or group of persons can be said to have access to his/their basic requirements, but is somewhat poor among persons or the generality of the community. Relative poverty classifies individuals or families as "poor" not by comparing them to a fixed cut-off point, but by comparing them to others in the population under study. The term relative poverty can also be used in a different sense to mean moderate poverty -for example, a standard of living or level of income that is high enough to satisfy basic needs (like [water](#), [food](#), [clothing](#), shelter, and basic [health care](#)), but still significantly lower than that of the majority of the population under consideration study. Aboyade(1987:7) stated vividly that relative poverty occurs when "people are poverty-stricken when their incomes, even if adequate for survival, fall radically behind that of the community average, they cannot have what the larger community regard as the minimum necessary for decency, and they cannot wholly escape therefore the judgment of the larger community that they are indecent. They are degraded, for in the literal sense, they live outside the grades or categories which the community regards as acceptable."

Poverty classified on the basis of permanency or transience depends on duration on one hand and distribution as to widespread, individual and concentrated on the other hand. The condition may be so general as to describe the average level of life in a society or it may be concentrated in relatively large groups in an otherwise prosperous society.

According to Foster, et.al (1984) the most frequently used measurements are:

(i)   the head count poverty index given by the percentage of the population that live in the household with a consumption per capita less than the poverty line;

(ii)   poverty gap index which reflects the depth of poverty by taking into account how far the average poor person's income is from the poverty line; and

(iii)   the distributionally sensitive measure of squared poverty gap defined as the mean of the squared proportionate poverty gap which reflects the severity of poverty.

There are many definitions of poverty depending on the context of the situation and the views of the person giving the definition. The complexity of measurement mirrors the complexity of definition and this complexity increases where participatory methods are used and people define their own indicators of poverty (Maxwell 1999). Therefore the definition of what is meant by 'poverty', how it might be explained, and who constitute 'the poor' are fiercely contested issues (Hulme & Mosley 1996).

2.3 POVERTY INCIDENCE IN NIGERIA

According to Oshewolo (2010), ''poverty holds sway in the midst of plenty, a situation described in Nigeria's political lexicon as a 'bewildering paradox'.'' Abiola and Olaopa (2008) states that the scourge of poverty in Nigeria is an incontrovertible fact, which results in hunger, ignorance, malnutrition, disease, unemployment, poor access to credit facilities, and low life expectancy as well as a general level of human hopelessness. The country is rich but the people are poor. Nigeria is richly endowed and the country's wealth potentials manifest in the forms of natural, geographical, and socioeconomic factors (Omotola: 2008) but despite all these Nigeria still witnesses a monumental increase in the level of poverty (Okpe and Abu: 2009) as the poverty level stood at 74.2 percent in 2000 (Okpe and Abu:

The records from the Federal Office of Statistics reveals that about 15 percent of the population was poor in 1960; the figure rose to 28 percent in 1980 and, by 1996, the incidence of poverty in Nigeria was 66 percent or 76.6 million people (Garba 2006). According to Omotola (2008), about 70% of the population now live in abject poverty. Poverty is higher in the rural areas than in urban areas (Aigbokhan 2000). Indicators of development, such as life expectancy, for which Nigeria is ranked 155th out of the world's 177 countries, and infant mortality, for which Nigeria is ranked 148th among 173 countries, were consistent with Nigeria's low rank in income per capita (CIA, 2009). Based on these empirical data, Nigeria has been classified as a poor nation. In terms of the human development index, Nigeria is ranked 158th of the 159 countries surveyed in 2005 (CIA, 2009). Using selected world development indicators, the life expectancy at birth in 2006 for male and female in Nigeria was 46 and 47 years, respectively. Between 2000 and 2007, 27.2 percent of children under five were malnourished. Worse still, the mortality rate for children under five years old is given as 191 per 1,000 births in 2006 (World Bank, 2008). This implies that there is a generalized high level of poverty in the country. Nigeria is the eighth largest oil producing country in the world, but it harbours the largest population of poor people in sub-Saharan Africa and is ranked 158th on the human development index.

2.4 CAUSES OF POVERTY

There are basic factors that enable the prevalence of poverty. These causative factors are usually crisscrossed or intertwined with corruption being the foundation. These basic factors, including macro-economic distortions, effects of globalisation, governance, corruption, debt burden, low productivity, unemployment, high population growth rate and poor human resources development etc., may differ from country to country depending on the level of

economic development (Oyemomi 2003). "One route of investigating the causes of poverty is to examine the dimensions highlighted by poor people" (World Bank 2001:34). These dimensions include:

- Lack of income and assets to attain basic necessities (food, shelter, clothing and acceptable levels of health and education;
- Sense of voicelessness and powerlessness in the institutions of state and society; and
- Vulnerability to adverse shocks, linked to an inability to cope with them."

The World Bank in another study, Consultation with the poor (1999:17) states that "the impact of a range of possible shocks, trends and cycles were seen to be important influence on local vulnerability and helped to differentiate the vulnerable from the more secure". The report further states that "the risks people faced were linked to a number of key aspects of security that affected the poor at different levels of social organization, from the individual to the household to entire communities".

The CBN (1999:12) on the other hand grouped the causes of poverty into two categories namely:

- Low economic growth
- Market imperfection

Galbraith (1971) as captured by the CBN (1991:12) said that poverty in Sub-Saharan Africa is a result of "absence of opportunity rather than absence of aptitude" because countries of this region "have had only a few years" of independence to face the task of economic development. He further observed that "people with requisite education, training, and honesty for performing public tasks are unavailable." As a result, "taxes are collected in haphazard or arbitrary fashion and public funds are spent inefficiently or for no particular purpose except the reward of the recipients". His classification of two broad categories of poverty (case and insular poverty) in United States of America is relevant in the present day Sub-Saharan Africa. Some characteristics of case poverty which he listed include: "mental deficiency, bad health, inability to adapt to the discipline of modern economic life, excessive procreation, alcohol, insufficient education or perhaps a combination of several of these handicaps" are attributes of the present day Sub-Saharan Africa. The CBN (1999:13) postulated a summary of the causative factors of poverty as:

· The stage of Economic and Social Development;
· Low Productivity;
· Market imperfection;
· Physical or Environmental Degradation;
· Structural Shift in the Economy;
· Inadequate Commitment to Programme Implementation;
· Political Instability; and
· Corruption.

The Federal Office of Statistics in its publication, Socio-Economic Profile of Nigeria (1996:109) categorized the causes of poverty in Nigeria into problems of access and endowment such as:

- Inadequate access to employment opportunities for the poor. This is often caused by the stunted growth of economic activities or growth with labour saving device;

- Lack or inadequate access to assets such as land capital by the poor: this is often attributed to the absence of land reform and minimal opportunities for small-credit;

- Inadequate access to the means of fostering rural development in poor regions: the preference for high potential areas and the strong urban bias in the design of development programmes is often assumed to be its primary cause;

- Inadequate access to markets for the goods and services that the poor can sell: this is caused by their remote geographic location or other factors;

- Inadequate access to education, health, sanitation and water services. This emanates from inequitable social service delivery which consequently results in the inability of the poor to live a healthy and active life and take full advantage of employment opportunities;

- The destruction of the natural resources endowments, which has led to reduced productivity of agriculture, forestry and fisheries. This often resulted from the desperate survival strategies of the poor as well as inadequate and ineffective public policy on natural resource management;

- The inadequate access to assistance by those who are the victims of transitory poverty such as drought, floods, pests and war. This is brought about by lack of well conceived strategies and resources; and

- Inadequate involvement of the poor in the design of development programmes. This is often exacerbated by the non-involvement of the representatives of the poor communities or beneficiaries in the discussion, preparation, design and implementation of programmes that will affect them."

Aliyu (2002:30) enumerated globalisation, governance, corruption, debt burden, low productivity, etc. as causes of poverty.

"Corruption has not only been institutionalized but also assumed a national dimension. This has eaten deep into the fabric of the society and accounts for the reason why efforts so far made for alleviating or reducing poverty has not yielded much results as through it, the bulk of the nation's wealth have been distributed in favour of the few privileged to the detriment of the majority of Nigerians who continually wallow in abject poverty" (Oyemoni 2003). The situation in Nigeria is such that 10 percent of the population control 90 percent of the economy while the remaining 90 percent of the population are left to scramble for the remaining 10 percent of the economy. Thus the rich get richer while the poor get poorer. According to Abdullahi Aliyu, the Permanent Secretary in charge of the National Poverty Eradication Programme in Nigeria, "illegal takeover of government through military coup, embezzlement, nepotism, looting, bribery, vote buying and abuse of office are very common" and they serve as major impediments to the effective implementation of poverty alleviation programmes.

The Structural Adjustment Programmes (SAP) of the IMF and the World Bank are also a major cause of poverty. This poses to us an irony because these institutions efforts are directed towards poverty alleviation but it turns out that their efforts have a negative effect on the welfare of the citizenry. Shah (2001:2) argued that the "IMF and World

Bank- prescribed structural adjustment policies means that nations that are lent money are done so on condition that they cut social expenditure (which is vital for economic growth and development) in order to repay the loans." He went further to state that, "many are tied to opening up their economies and being primarily commodity exporters, which for poorer nations lead to a spiralling race to the bottom as each nation must compete against others to provide lower standards, reduced wages and cheaper resources to corporations and richer nations". In his conclusion he said that, "this further increases poverty and dependency for most people".

Unemployment is also a menace in Nigeria and it poses a serious threat to poverty alleviation in the country. Although we cannot obtain definite estimates of the level of unemployment that prevails in the country, we can obtain rough estimates by observing the ratio of graduates and high school leavers to employment opportunities available. The burgeoning population growth without adequate employment opportunities and infrastructural facilities to cater for the rapidly growing population aggravates the level of poverty in the country.

According to Shah (2001:3), "around the world, inequality is increasing while the world is further globalising. In many cases, international political interests have led to a diversion of available resources from domestic needs to western markets." Thus globalization which should be an element of economic development on the other hand contributes to widening the poverty gap in developing countries.

In a nutshell, the prevalence of poverty in Nigeria, among other factors, is due to:
. Corruption
- Bad governance
- Debt overhang
- Unemployment
- Low productivity
- Burgeoning population growth
- Globalisation
- Unfocused government policies
- Lack of effective skills training

Due to the divergence of the causative factors of poverty, it becomes important to obtain a common base for measuring it.

2.5 INDICATORS OF POVERTY

At independence in 1960, the poverty level was 15 percent of its population. But currently, Nigeria is struggling to reduce poverty from about 70 percent of its population of over 140million. The general factors used to measure poverty level are economic performance and standard of living. "These factors combine measures of purchasing power or income or consumption with other social indices which show availability and access to education, healthcare delivery, basic infrastructure and other welfare facilities in order to define the incidence, intensity or severity and the distribution of poverty within a population." (Oyemoni: 2003). The concept of poverty due to its complexity results in "difficulties in having a common ground for their definition, analysis, designing and implementing policies." (Oyemoni: 2003), thus we are faced with a major attending problem

of what to include as indices of poverty. In Nigeria, due to the limited amount of statistical information available it would be difficult to assess the level of poverty in terms of its severity or depth.

According to the CBN (1999:10), indicators of poverty from a broad viewpoint "focus on measures of economic performance as well as the standard of living of the population". The OECD (1999:33) stated that, "composite indexes that include both economic and other poverty dimensions may provide more solid comparable quantitative measures than measures in one dimension only" but feared that the trade-offs between the chosen indicators and the random weights attached to them are not captured. Thus the need to state a benchmark, against which poverty at all levels can be measured, arose. In respect to this, the CBN (2000: 10) argued that this need led to the construction of poverty lines, national poverty rate, urban poverty rate and rural poverty rates. Poverty lines represent "the value of basic (food and non-food) needs considered essential for meeting the minimum socially-acceptable standard of living within a given society. Thus, any individual whose income or consumption falls below the poverty line is regarded as poor." (CBN 2000:10). According to OECD (2000:34), "the most common poverty lines for international comparisons are US$1 a day for low-income countries, US$2 for middle income, and US$4 for transition economies." The use of poverty line as a measure of poverty level generated a number of criticisms. The first was that, "the poverty lines as stated could generate misleading ideas of poverty as most countries' currencies if converted to US$1 will give significant value that may be greater than what is expected in that country to escape the poverty line." (Oyemoni: 2003). The second criticism of expressing poverty in terms of poverty line denoted by US$ is based on the fluctuating tendencies of the value of money including the US$ i.e. US$1 today is worth more than US$1 tomorrow but lower in value when compared with US$1 yesterday. All these make it difficult to fix poverty line in terms of a specific nation's currency more especially on currency of a developed economy.

Although the income element of poverty definition is basically the most fundamental, there are other indices of poverty that are of equal importance. Noah *et al* (2009), in their paper, states that, "recently, the use of income as a basis for determining the poverty line has lost much of its relevance since the method of calculation was not adapted to the new economic trends resulting from high rate of inflation and the prevailing high increase in interest rate and exchange rate devaluation, thus consumption-expenditure at household level is now advocated". Also total consumption-expenditure is preferred to income because it is usually better reported in budget surveys (Grootaert& Braithwaite: 1998). Unlike income, expenditure is stable and devoid of short-term fluctuations. Thus total consumption-expenditure in comparison with income, is a more reliable index for measuring poverty.

The CBN (1999:11) suggests the social indicators of poverty measure as "the availability and access to health, education and welfare facilities as well as basic infrastructure". On the other hand, the OECD (2000:34) states that, "different kinds of measures have their uses: relative, contextual, qualitative, and multidimensional indicators are best for understanding a specific situation and intervening in it effectively", thus they advocated the use of various kinds of measures while discussing poverty. The World Bank (2001:27-28) corroborates the statement of the CBN by classifying poverty indices from the following social factors: gender

disparity, ethnicity, caste, health and education and indigenous status and volatility at the household level.

The World Bank (2000:34) suggests a comprehensive approach of measuring poverty at various aggregation levels and this presents a holistic view of poverty and gives clear course as to improved approaches towards poverty reduction. The classification suggested measuring poverty at the following levels:

- Single Indicator: Consumption.
- Composite indexes: Human Development Index, Human Poverty Index, and Gender-Related Index.
- Discrete indicators: Economic, Human, Socio-Cultural, Political and Protective.

Recent studies by UNDP (1998) advocates the use of Human Development Index (HDI) because it provides a composite quantitative measure of both the economic and the social indicators of human development. According to Oladeji *et al* (1998) in their paper, "conceptually, the Human Development Index (HDI) is concerned with poverty (or wealth) and a broad concept of human development." The HDI combines three components in measuring poverty: longevity which is measured by life expectancy at birth while knowledge and literacy rate as well as the adjusted GDP per capita statistics are the basic standard of living indicators. "The first relates to survival - vulnerability to death at a relatively early age; the second relates to knowledge–being excluded from the world of reading and communication; the third relates to a decent living standard in terms of overall economic provisioning." (Noah *et al*). The CBN (1999:11) states that, "the building blocks of the HDI are data on longevity, knowledge and income. Longevity is measured solely by life expectancy at birth, while knowledge is measured by the adult literacy rate and mean years of schooling weighted at 2:1 respectively. For income, purchasing power parity (PPP) (based on real GDP per capita adjusted for the local cost of living) is used." It went further to state that "these three measures are combined in a 3-step process to arrive at an average index." The HDI "expresses the ranking of nations in values that range between 0 and 1" (Oyemoni: 2003) but its major flaw is that it conceals the wide distribution of inequalities within a population.

Since 1990, Nigeria has been classified as a poor nation. From Table2.3 above, we can observe that growth rate was low and dwindling while inflation rate was high and intensifying in the period 1990-1995 thus signifying an era of abject poverty for most Nigerians. There was no significant alteration in the HDI statistics, which ranged between 0.32 and 0.39. Since these statistics are nearer 0 than 1, the level of human development is considered low and is indicative of the level of poverty prevalent in the country.

The UNDP Human Development Report (HDR) of 1998 on Nigeria describes the country as "a rich country with a poor population" and "the poorest and most deprived OPEC country" (UNDP 1998).

The effect of the poverty is much to the extent that the seventh position of Nigeria in the exporter of oil in the world and the largest in Africa could not be felt since the cash income of the average Nigerian is not sufficient to provide for minimum requirement of livelihood in terms of food, water, fuel, shelter, medical care and basic education (Achor, 2001). In 2000, UNDP ranked Nigeria 142nd with HDI of only 0.40 among the poorest nations. The 2006 HDI placed Nigeria in the 154th position out of 179 with life expectancy at 51 years, literacy rate at 56 percent and 70 percent of the population do not have access to portable water, health care facilities and electricity. Nigeria ranked 6th and 7th in Petroleum Export and Production, but ranked 194th in GNP per capita and is classified as the 25th poorest nation in the World. All these are indicators of Nigeria's level of poverty and low human development in spite of the country's affluence in all kinds of mineral resources, agriculture, water and oil and gas.

CHAPTER 3

THEORETICAL FRAMEWORK & RESEARCH METHODOLOGY

3.1 <u>INTRODUCTION</u>

Recent literature on poverty uniformly acknowledges different theories of poverty, but these theories have been classified in multiple ways. A theory is an explanation that links several concepts; in this case theories explain poverty by linking different factors thought to cause or perpetuate poverty through distinctive social processes. Poverty reduction strategies are based on theories on the causes of poverty. In the United States and other developed nations poverty is regarded as a personal or structural defect but in developing nations like Nigeria the issue of poverty is more intense because of inadequate government funds.

3.2 <u>THEORETICAL FRAMEWORK</u>

The scope of this project covers developing countries, using Nigeria as a case study and some applicable theories on the causes of poverty in developing countries include:

- Individual theory of poverty/ poverty caused by individual deficiencies/ poverty as a personal failing: This theory blames individuals in poverty for creating their own problems. It includes the lack of genetic qualities such as intelligence.
- Cultural theory of poverty/ theory on the culture of poverty: Oscar Lewis was one of the main writers to define the culture of poverty as a set of beliefs and values passed from generation to generation. This theory suggests that poverty is created by the transmission over generations of a set of beliefs, values, and skills that are socially generated but individually held. Individuals are not necessarily to blame because they are victims of their dysfunctional subculture or culture. Technically, the culture of poverty is a subculture of poor people in ghettos, poor regions, or social contexts where they develop a shared set of beliefs, values and norms for behaviour that are separate from but embedded in the culture of the main society.
- Progressive social theory of poverty/ poverty caused by economic, political and social distortion: Theorists in this tradition advocate the economic, political, and social system which causes people to have limited opportunities and resources with which to achieve income and well being as a source of poverty and not necessarily the individual.
- Geographically based theories of poverty/ poverty caused by geographical disparities: This theory calls attention to the fact that people, institutions, and cultures in certain areas lack the objective resources needed to generate well being and income, and that they lack the power to claim redistribution. Rural poverty, ghetto poverty, urban disinvestment, Southern poverty, third-world poverty, and other framings of the problem represent a spatial characterization of poverty that exists separate from other theories.

- Cyclical theory of poverty/ poverty caused by cumulative and cyclical interdependencies: This theory "looks at the individual and their community as caught in a spiral of opportunity and problems, and that once problems dominate they close other opportunities and create a cumulative set of problems that make any effective response nearly impossible" ,(Bradshaw, 2000). It is the most applicable theory to the study.

As a theory of poverty, the cyclical theory shows how multiple problems cumulate, and it allows speculation that if one of the linkages in the spiral was broken, the cycle would not continue. This theory has its origins in economics in the work of Myrdal (1957:23) who developed a theory of "interlocking, circular, interdependence within a process of cumulative causation" that helps explain economic underdevelopment and development. Myrdal notes that individual and community well being are closely linked in a surge of negative consequences, and that a crisis can cause a cascade of individual and societal problems including migration of people from a community. Thus the interdependence of factors creating poverty actually accelerates once a cycle of decline is started. Jonathan Sher (1977) in his book on rural education clearly defined the cycle of poverty. The cycle manifests itself at the community level: a lack of employment opportunities leads to emigration, closing retail stores, and declining local tax revenues, which leads to deterioration of the schools, which leads to poorly trained workers, leading firms not to be able to utilize cutting edge technology and to the inability to recruit new firms to the area, which leads back to a greater lack of employment; all of which characterize developing countries.

The cycle also manifests itself at the individual level: the lack of employment leads to lack of consumption and spending due to inadequate incomes, and to inadequate savings, which means that individuals can not invest in training, and individuals also lack the ability to invest in businesses or to start their own businesses, which leads to lack of expansion, all of which contribute back to more inadequate community opportunities. Health problems and the inability to afford preventive medicine, a good diet, and a healthy living environments become reasons the poor fall further behind.

A third level of the cycle of poverty is the perspective that individual lack of jobs and income leads to deteriorating self-confidence, weak motivation, and depression. The psychological problems of individuals are reinforced by association with other individuals, leading to a culture of despair, perhaps a culture of poverty under some circumstances. In rural communities this culture of despair affects leaders as well, generating a sense of hopelessness and fatalism among community leaders.

3.3 RESEARCH METHODOLOGY

A research process can be defined as a series of actions a researcher takes in order to achieve the research objectives. A research method involves the process of data collection and analysis for a research project. This subsection revolves around the method used to carry

out the study and presents the structural framework which deals with the generation of data for the empirical study. They are discussed under the following:

a) Research design
b) Sample size and sampling technique,
c) Data collection; and
d) Data analysis method.

a) Research design: This is the basic drawing board that directs the process of data collection and stages of analysis of the research work. This is the framework that guided me in the process of collecting, analyzing and interpreting my observations. Thus it stated the type of information to be collected, data collection procedure as well as the sources of data. The fundamental questions originated from the research design. The two basic approaches I adopted in this study are:

- The case study approach: this involves the study of a particular group at a time while drawing conclusions based on the predominant features of the group being studied. Due to the fact that the results obtained cannot be generalised and not all studies are susceptible to case study as well as time involved, the survey method is the most suitable approach for the study.

- The survey approach: a survey refers to the collection of data or information about a population by contacting and interviewing a sample that is an appropriate representative of the population. Some advantages of the survey approach include low cost requirement, ability to generalize results so long as the population sample is assured and flexibility because there are a number of data collection instruments-interviews, observations, questionnaires-that could be used.

Questionnaire and secondary data are the tools I used in my survey approach to obtain desired information.

b) Sample size and sampling technique: The target population for the study consists of people who are regarded as poor in the society. These are people truly capable of providing all the responses required to be able to prove or disprove my hypotheses and/or measure the effectiveness or otherwise of the strategies. This is so because they are supposed to be the beneficiaries of poverty alleviation strategies and related efforts. Thus determining the effectiveness of these poverty reduction strategies can only be done by questioning them on the extent to which these poverty reduction strategies have improved or worsened, as the case may be, their situation.

c) Data collection: The major sources of data for this study is the primary source. Primary data refers to first-hand information about the particular problem at hand as such they are usually target-tailored. My primary source of data is a field survey using questionnaires as the main instrument. It is important to mention that the questionnaires are articulated in such a way that they contain open-ended multiple-choice questions. The questions in the questionnaires require the respondents to circle or tick their choices amongst the options provided or to give their free answer where

necessary. Notwithstanding, caution is taken to minimize ambiguity and bias while drafting the questionnaires.

d) <u>Data analysis method</u>: Tables, percentages, and Chi-Square will be used for easy presentation and analysis of data. The formula that will be employed for the calculation of the chi-square results is presented as follows:

$X2 = \sum(O-E2)/E$

X2 = denotes chi-square symbol

$\sum$ = summation

O = observed frequency

E = expected frequency

ρ = Significance level, 0.05

v = degrees of freedom, 3

The above formula is used to run the chi-square analysis and to evaluate the working hypothesis.

DECISION RULE: Reject the null hypothesis (H0) if calculated chi-square X2c is greater than the tabulated chi-square X2t, given the chosen significance level and degrees of freedom, otherwise accept the null hypothesis.

CHAPTER 4

DISCUSSION OF THE RESULTS

4.1 <u>PRESENTATION AND ANALYSIS OF DATA</u>

This chapter is aimed at presenting and analysing data collected from the various respondents through the use of questionnaires. These questionnaires as collected and processed are presented by me, and the test of hypothesis conducted. A hundred and twenty (120) questionnaires were issued, ninety-eight (98) were returned duly completed, nine (9) were returned incomplete, seven (7) were unfilled and six (6) could not be retrieved. Tabulated below is the presentation and analysis of responses from the duly completed and returned questionnaires.

Table4.1 Sex Distribution of Respondents

Sex	Frequency	%
Male	43	44
Female	55	56
Total	98	100

Source: Responses to Question 1 on questionnaire

From table4.1 above, out of the ninety eight (98) questionnaires returned, forty three (43) respondents were males representing forty four percent (44%) while females stood at fifty five (55) representing fifty six percent (56%) of the entire population.

Table4.2 Age Distribution of Respondents

Age	Frequency	%
Below 18	10	10
18-35	35	36
36-60	44	45
Above 60	9	9
Total	98	100

Source: Responses to Question 2 on questionnaire

The result presented in table4.2 above shows that thirty six percent (36%) and forty five percent (45%) of the respondents were within this age limit; 18-35 years and 36-60 years respectively and the minimal number of people who represented the entire population fell within those above 60 years and below 18 years with 9% and 10% respectively.

Table4.3 Marital Status of Respondents

Status	Frequency	%
Single	33	34
Married	45	46
Divorced	7	7
Widowed	13	13
Total	98	100

Source: Responses to Question 3 on questionnaire

Table4.3 reveals that the majority of the respondents were married persons—the percentage stood at forty six percent (46%) while the singles stood at thirty four (34%). The divorced and widowed persons stood at 7% and 13% respectively.

Table4.4 Educational Qualification of Respondents

Qualification	Frequency	%
No formal education	10	10
Adult education	10	10
Primary	19	20
Post-Primary	37	38
NCE/Diploma	11	11
Tertiary degree & above	11	11
Total	98	100

Source: Responses to Question 4 on questionnaire

It can be deduced from table4.4 above that eleven percent (11%) of the respondents have degrees and post degrees, eleven percent (11%) are NCE/Diploma holders, thirty seven percent (37%) are post primary certificate holders. Adult education, primary and no formal education stood at 10%, 19%, and 10% respectively, giving a conclusion that degree and post degree holders still represent a small percentage of the entire population represented by the respondents.

Table4.5 Employment Status of Respondents

Employed	Frequency	%
Yes	65	66
No	33	34
Total	98	100

Source: Responses to Question 5 on questionnaire

The above table shows that sixty six percent (66%) of the respondents were employed while thirty four percent (34%) remain unemployed. Thus, majority of the population are employed, though the unemployment level is still high.

Table4.6 Nature of Employment of Employed Respondents

Variable	Frequency	%
Self-employed	31	48
Private Org	17	26
Govt Org	16	24.5
Others	1	1.5
Total	65	100

Source: Responses to Question 6 on questionnaire

In table4.6 above the distribution of the nature of employment of employed persons is represented. Majority of the employed persons in the population were self-employed represented by 48%. Employment in private organisations, public organisations and other forms of employment stand at 26%, 24.5% and 1.5% respectively.

Table4.7 Monthly Disposable Income of Employed Respondents

Income(₦)	Frequency	%
Below 20 000	45	69
20 000-50 000	20	31
50 001-100 000	0	0
100 001-250 000	0	0
Total	65	100

Source: Responses to Question 7 on questionnaire

From the table above, majority of the population have less than ₦20 000 to spend monthly and is represented by 69% of the population. On the other hand 31% of the population have their disposable income ranging from ₦20 000 to ₦50 000 monthly. Funnily though, nobody's monthly disposable income fell into ₦50 001 to ₦100 000 and ₦100 001 to ₦250 000 from the randomly selected respondents.

Table4.8 Distribution of Dependants on Employed Respondents

No of Dependants	Frequency	%
0-2	13	20
3-5	27	42
6-9	17	26
Above 9	8	12
Total	65	100

Source: Responses to Question 8 on questionnaire

Table 4.8 shows that majority of the population had at least 3-5 dependants and is represented by 42% of the population.26% and 20%of the population had at least 6-9 dependants and 0-2 dependants respectively. The minority is represented by 12% of the population who had more than 9 dependants at least.

Table4.9 Nature of Unemployment of Unemployed Respondents

Nature of Unemployment	Frequency	%
Voluntary	4	12
Fresh Graduate/Job Seeker	4	12
Residual	6	19
Student	7	21
Involuntary	7	21
Others	5	15
Total	33	100

Source: Responses to Question 9 on questionnaire

From the table above it can be observed that majority of the unemployed population were either students or were involuntarily unemployed as they were each represented by 21% of the population. They were closely followed by the residual unemployed who constituted 19% of the population. 15% of the population were unemployed for other reasons while voluntary unemployed and fresh graduate/job seeking unemployed each constituted 12% of the population.

Table4.10a Distribution of Sponsors to Unemployed Respondents

Sponsor	Frequency	%
Yes	12	36
No	21	64
Total	33	100

Table4.10b Buoyancy of Sponsors

Buoyant Sponsor	Frequency	%
Strongly Agree	1	8
Agree	3	25
Disagree	6	50
Strongly Disagree	2	17
Total	12	100

Table4.10c Survival Means of Helpless Unemployed Respondents

Survival Means	Frequency	%
Begging	5	24
Menial Jobs	8	38
Crime & Social Vices	4	19
Inheritance	4	19
Other	0	0
Total	21	100

Source: Responses to Questions 10, 11 and 12 on questionnaire

Tables4.10a, b and c are interrelated. Table4.10a shows that only 36% of the unemployed population had sponsors while the remaining 64% were helpless or fend for themselves. Table4.10b however shows that of the 34% of the population of unemployed that had sponsors, 50% disagree that their sponsors are buoyant enough to cater for their needs, 25%, 17% and 8% agreed, strongly disagreed and strongly agreed respectively that their sponsors are capable of meeting their needs. The remaining 64% of the unemployed population who did not have sponsors fend for themselves via begging, menial jobs, inheritance and so on. Of the 64% of the unemployed population who do not have sponsors 38% resorted to menial jobs, 24% resorted to begging while crime & social vices and inheritance each served as means of survival to 19% of the population of unemployed.

Table4.11 Distribution of Beneficiaries of Poverty Alleviation Programmes

Variable	Frequency	%
Yes	4	4
No	94	96
Total	98	100

Source: Responses to Question 13 on questionnaire

From Table4.11 above it can be observed that based on the random selection of respondents for the survey, only 4% of the population had benefitted from poverty alleviation programmes. The remaining 96% had not benefitted from any one at any point in time.

Table4.12a Distribution of Access to Basic Infrastructure

Variable	Frequency	%
Yes	16	16
No	82	84
Total	98	100

Source: Responses to Question 17 on questionnaire

Table4.12a reveals that only 16% of the population had unlimited access to basic infrastructure, the remaining 84% were denied access or have limited access to either one or more of these infrastructure.

Table4.12b Distribution of Population Deprived of Basic Infrastructure

Variable	Frequency	%
Portable Water	57	58
Electricity	42	43
Good roads	42	43
Education	31	32
Health care	38	39
Housing	60	61
Others	3	3

Source: Responses to Question 18 on questionnaire

From the table above, it is observed that 58% of the population was deprived of portable water, 43% was deprived of electricity, 43% was deprived of good roads, 32% was deprived of education, 39% deprived of health care, 61% deprived of housing and 3% was deprived of other forms of basic infrastructure.

4.2 <u>INTERPRETATION OF RESULTS</u>

Using the data extracted from the tables above to test the validity of the working hypothesis, we present thus: **Table 4.13 Computed Observed Frequencies**

Variables	Yes	No	Rows
Table4.5	65	33	98
Table4.11	4	94	98
Table4.12a	16	82	98
Total	85	209	294

Source: Compiled from Tables 4.5, 4.11 and 4.12a

Comparing the tabulated chi-square contingency table and the calculated chi-square to determine the goodness of the fit, we compute as follows:

$X^2 = \sum(0-E)^2/E$, given 5% significant level.

Degrees of freedom = (C-1) (R-1) where

C = Column

R = Row

ρ = significance level = 0.05

V= the degree of freedom = (2-1) (3-1)

   = (1) (2) = 2

Therefore the degree of freedom v = 2

To calculate the values of the expected frequencies, we state the formula below: We use the data generated from the table above to form a two by three matrix and use the matrix model stated below for finding the adjunct of the matrix where a1-n are expected frequencies of a1 to an. And tables 4.5, 4.11, 4.12a are observed frequencies respectively.

a11 a12

a21 a22

a31 a32   Where a = RT X CT

RT = Row Total

CT = Column Total

N = Grand total

$a11 = \underline{98 \times 85} = \underline{8330} = 28.33$

      294   294

$a12 = \underline{98 \times 209} = \underline{20482} = 69.67$

      294   294

$a21 = \underline{98 \times 85} = \underline{8330} = 28.33$

      294   294

$a22 = \underline{98 \times 209} = \underline{20482} = 69.67$

      294   294

$a31 = \underline{98 \times 85} = \underline{8330} = 28.33$

      294   294

$a32 = \underline{98 \times 209} = \underline{20482} = 69.67$

      294   294

Table 4.14, Computation of the chi-square value (X^2)

observed frequency (O)	expected frequency (E)	(O-E)	(O-E)^2	(O-E)^2/E
65	28.33	36.67	1344.69	47.47
33	69.67	-36.67	1344.69	19.3
4	28.33	-24.33	591.95	20.89
94	69.67	24.33	591.95	8.5
16	28.33	-12.33	152.03	5.37
82	69.67	12.33	152.03	2.18

Source: Computed from Table 4.13

Total $\sum$ (O-E)^2/E = 103.71

v = 2, ρ = 0.05, X^2c = 103.71, X^2t = 5.99

4.3 <u>EVALUATION OF WORKING HYPOTHESIS</u>

I used chi-square to evaluate the hypothesis that poverty reduction strategies in Nigeria have not succeeded in reducing poverty. From table 4.14 above, we reject the null hypothesis since calculated chi-square X^2c = 103.71 is greater than tabulated chi-square X^2t = 5.99. Therefore we accept the alternative hypothesis that poverty reduction strategies in Nigeria have succeeded in reducing poverty.

CHAPTER 5

SUMMARY, RECOMMENDATIONS AND CONCLUSION

5.1 <u>INTRODUCTION</u>

In Nigeria no issue has occupied such an important position in national discuss as the issue of poverty and its 'alleviation', 'eradication' or more appropriately reduction. Effective reduction of poverty in Nigeria is quite challenging and seems to be a mirage as efforts so far exerted, instead of reducing the poverty level, aggravate it. There are conflicting opinions about the effect of poverty alleviation strategies on the economic development of Nigeria. Predictably, in all scholarly issues based on facts and figures, it is infrequent to find a concept that generates total acceptability. If such acceptability is uncontested, it is just a matter of time—this is what research is all about. Some people are of the view that poverty alleviation programmes have had no significant impact on the economic development of Nigeria i.e. the negative school while others are of the opinion that these poverty alleviation programmes have impacted significantly on the economic development of Nigeria, though not without hurdles. This is regarded as the positive school.

5.2 <u>SUMMARY</u>

In the course of the research, these problems were identified as problems that militated against the success of poverty alleviation programmes. These challenges include:

- Inadequate awareness of poverty alleviation programmes: most people that can be classified as poor, especially in the rural areas, are not even aware of the existence of these poverty alleviation programmes.
- Ineffective targeting of the poor: most times people who should really be beneficiaries of poverty alleviation programmes are sidelined.
- False propaganda about the implementation of the programme: The politicians takeover the programmes and the funds meant for it, then go on air and propagate how successful the programme has been. This falsehood is undiscovered until the whole programmes collapses because of poor supervision and monitoring.
- Inadequate and poor infrastructure.
- Inaccessible roads to the hinterlands.
- Language barrier posed by low level of literacy.

5.3 <u>RECOMMENDATIONS</u>

For the objective of reducing poverty to a considerably low level to be achieved effectively, poverty reduction strategies or efforts need to be holistic in nature. Poverty issues cannot effectively be addressed in isolation of social norms, values, and customary practices at different levels of the family, community, state, region or nation. These recommendations have been proposed as measures if taken could ensure the effectiveness of poverty alleviation programmes to be designed in the future.

- Improved infrastructure.
- Adequate funding: Poverty reduction programmes should be given its pride of place through adequate budgeting and prompt release of funds to them. If possible, all funds ear-marked for any programme should be made complete before embarking on such programmes, this is aimed at reducing the rate of abandoned programmes on the bases of inadequate funding.
- The government's anti-corruption efforts should be stepped up and seriously upheld in dealing with matters concerning poverty reduction programmes/agencies and even beneficiaries.
- Political stability and continuity of programmes.
- Proper evaluation of past programmes and why it either succeeded or failed could aid in ensuring the success of subsequent programmes.
- Proper management of such funds as contained in the programme plan.
- Disbursing resources through the right channels as planned.
- Sincerity in project execution.
- Proper supervision of projects to enhance its perfect execution: if this is not effective, a few opportune individuals will use the programmes to enrich themselves at the expense of the core poor whom these programmes are designed for.
- The masses that these programmes are designed for should be properly oriented with the functionality and benefits of the programme.
- Adopting efficient and effective means of communication and awareness: most people do not have access to electronic and print media and even when available cannot be utilized optimally for their benefits, because they are uneducated. Therefore, other means of communication, like enlightening them in their local languages and the use of local announcers could do some magic.
- The community should take the ownership of these programmes and provide a conducive environment for its execution in the interest of all.
- A complete re-orientation package in the form of campaigns, publicity, talks and seminars should be embarked upon in order to change the attitudinal disposition of the poor towards government programmes, employment and empowerment drives, etc.

5.4 CONCLUSION

Most government activities are aimed at reducing poverty. For example, each Ministry has elements of poverty reduction embedded in their programmes. If these government ministries are empowered and are determined, setting up a special agency for poverty reduction may not have been necessary. After evaluating the working hypothesis from the raw data gathered through questionnaires, we conclude as follows:

- The awareness level and implementation level of poverty alleviation programmes remains minimal.
- Poverty alleviation programmes have impacted significantly on the standard of living of the Nigerian poor.
- A good number of people are beneficiaries of these poverty alleviation programmes.

- Consequently, this work gives credence to the empirical evidence of the positive school—those who agree that poverty alleviation programmes have significantly impacted on the economic development of Nigeria. This is however based on the assumption that respondents were sincere in filling the questionnaires.

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APPENDIX

QUESTIONNAIRE'S INTRODUCTORY LETTER

Economics Department

University of Lagos

Akoka, Lagos.

16th April 2011.

I am a final year student of the above school, currently conducting a research on this topic, 'Poverty Alleviation Programmes in Nigeria: An Inquiry into their effectiveness and impact on the economy', as a partial fulfilment of the requirement for the award of a Bachelor of Science (B.Sc) degree in Economics.

Attached is a questionnaire humbly seeking for your response on the subject matter. I assure you that the responses given shall be given utmost confidentiality for this research purpose only.

Your objective response to these questions is highly appreciated. Thanks for your anticipated co-operation.

Yours faithfully,

Arubayi O. M.

QUESTIONNAIRE

INSTRUCTIONS: Please you are requested to tick (v) in the appropriate box that contains the option you consider appropriate and fill in the space provided in the questionnaire. If your response to any question is "OTHERS" please specify beside the box.

1. *Gender:*
   a. *Male   ( )*
   b. *Female   ( )*
2. *Age:*
   a. *Below 18 years   ( )*
   b. *18-35 years   ( )*
   c. *36-60 years   ( )*
   d. *Above 60 years   ( )*
3. *Marital Status:*
   a. *Single   ( )*
   b. *Married   ( )*
   c. *Divorced   ( )*
   d. *Widowed   ( )*
4. *Level of Education:*
   a. *No formal education   ( )*
   b. *Adult education   ( )*
   c. *Primary   ( )*
   d. *Post-Primary   ( )*
   e. *NCE/Diploma   ( )*
   f. *Tertiary degree and above   ( )*
   g. *Others   ( )*
5. *Employment Status:*
   a. *Employed   ( )*
   b. *Unemployed   ( )*

If your response to question 5 above is 'a', answer questions 6-8 if not proceed to question 9.

6. *Nature of employment:*
   a. *Self-employed*   ( )
   b. *Employed in a private organization*   ( )
   c. *Employed in a government organization*   ( )
   d. *Others*   ( )

7. *Size of monthly disposable income plus allowances (if any)*
   a. *Below ₦20 000*   ( )
   b. *₦20 000-₦50 000*   ( )
   c. *₦50 001-₦100 000*   ( )
   d. *₦100 001-₦250 000*   ( )
   e. *₦250 001-₦500 000*   ( )
   f. *₦500 001-₦1 000 000*   ( )
   g. *Above ₦1 000 000*   ( )

8. *Number of dependants:*
   a. *0-2*   ( )
   b. *3-5*   ( )
   c. *6-9*   ( )
   d. *Above 9*   ( )

If your response to question 5 is 'b' answer questions 9-12, if not proceed to question 13.

9. *Nature of unemployment:*
   a. *Voluntary unemployment*   ( )
   b. *Fresh graduate/Job seeker*   ( )
   c. *Residual unemployment*   ( )
   d. *Student*   ( )
   e. *Involuntary unemployment*   ( )
   f. *Others*   ( )

10. *Do you have a sponsor or someone you depend on?*
    a. *Yes*   ( )
    b. *No*   ( )

If your answer to question 10 is 'a' answer question 11, if not proceed to question 12.

11. *My sponsor has sufficient funds to cater for his/her dependants.*
    a. *Strongly Agree*   ( )
    b. *Agree*   ( )
    c. *Disagree*   ( )
    d. *Strongly Disagree*   ( )

If your answer to question 10 is 'b', answer question 12, if not proceed to question 13.

12. *What is your means of survival?*
    a. *Begging* ( )
    b. *Menial jobs* ( )
    c. *Crime and Social Vices* ( )
    d. *Inheritance* ( )
    e. *Others* ( )

13. *Have you benefitted from any poverty reduction programme?*
    a. *Yes* ( )
    b. *No* ( )

If your response to question 13 is 'a' answer questions 14-16, if not proceed to question 17.

14. *Kindly state the poverty reduction agency/organisation you benefited from.*
    ....
    ....
15. *In what year was the assistance rendered to you?*
    ....
16. *The assistance has been effective in reducing your level of poverty.*
    a. *Strongly Agree* ( )
    b. *Agree* ( )
    c. *Disagree* ( )
    d. *Strongly Disagree* ( )

GENERAL QUESTIONS
17. *I have access to basic infrastructure.*
    a. *Yes* ( )
    b. *No* ( )

If your response to question 17 is 'b' answer question 18, if not you are done filling the questionnaire.

18. *What basic infrastructure(s) are you being deprived of?*
    a. *Portable water* ( )
    b. *Electricity* ( )
    c. *Good roads* ( )
    d. *Education* ( )
    e. *Health care* ( )
    f. *Housing* ( )
    g. *Others* ( )

THANKYOU