

AN APPRAISAL OF POVERTY REDUCTION STRATEGIES IN NIGERIA

BY

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1. Introduction

The reduction of poverty is the most difficult challenge facing any country in the developing world where on the average majority of the population is considered poor. Evidences in Nigeria show that the number of those in poverty has continued to increase. For example, the number of those in poverty increased from 27% in 1980 to 46% in 1985; it declined slightly to 42% in 1992, and increased very sharply to 67% in 1996. By 1999 when the present administration came to power, estimates had it that more than 70% of Nigerians lived in poverty. That was why this government declared in November 1999 that the ₦470 billion budget for year 2000 was “to relieve poverty.” Before the National Assembly even passed the 2000 budget, the government got an approval to commit ₦10 billion to poverty alleviation programme. In the 2001 budget, the government has increased the allocation to poverty alleviation programme by 150%. This idea of poverty alleviation was received with high hopes especially given the speed with which this present administration tackled the fuel problem as soon as it came to power. Poverty alleviation was seen as a means through which the government can revamp the battered economy and rebuild self-esteem in majority of Nigerians who had been dehumanized through past military regimes. The present paper assesses not only the efforts of the current administration in poverty reduction, but also the role played by past administrations so as to identify a more pragmatic approach to poverty reduction in Nigeria.

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The next section looks at a poverty profile in Nigeria with a view to identifying some of the salient issues. Section III, examines the various approaches to poverty reduction. Section IV appraises poverty reduction in Nigeria. Section V, offers some suggestions on poverty reduction in Nigeria.

II. Poverty Profile in Nigeria

This section discusses data generated from the National Consumer Survey conducted by the Federal Office of Statistics in 1980, 1985 and 1992 and 1996. Poverty is measured here as two – third of mean per capita household expenditure.

2.1 Urban/Rural

In 1980, poverty was largely a rural phenomenon. For example, 28 per cent of rural people compared with 17 per cent of urban people lived below poverty line. By 1985, poverty has become pervasive in both rural and urban areas. Urban poverty incidences more than doubled as it rose sharply from 17 per cent in 1980 to 38 per cent in 1985. The incidence of rural poverty equally increased remarkably from 28 per cent to 51 per cent during the period. This high incidence of urban poverty is not surprising given the high rural urban migration that accompanied the impetus to development generated by oil revenues. Moreover, the collapse of oil exports income, and the massive importation of food to meet the declining production capacity in the agricultural and industrial sectors, may have severely affected the urban dwellers.

In 1992, Urban poverty headcounts remained almost unchanged at 37.5 per cent, while rural poverty declined from 51 per cent in 1985 to 46 per cent in 1992. However, both Urban and rural poverty rates increased between 1992 and 1996, from about 37 per cent to 59 per cent and 46 per cent to 72 per cent for Urban and Rural areas respectively. These findings are consistent with earlier studies, which tend to suggest that poverty was more pronounced among rural than Urban people (World Bank 1996; Canagarajah et al, 1996; Aigbokhan 1998; FOS 1998, 1999 Ogwumike 1998 and Okojie et al, 1999). However, it is obvious from the trends between 1980 and 1996 that Urban poverty is becoming an increasing problem in Nigeria.

2.2 Geopolitical Zones

Also, table 1 shows pronounced regional differences in poverty rates. In 1980, 38 per cent, 36 per cent, and 32 per cent of the people in the north west, north east, and central lived below moderate poverty line respectively. The southern part of the

country was relatively less affected by poverty in 1980 as about 13 per cent of the people in the south east, south west, and south –south lived below the poverty line. By 1985, poverty became pervasive in all the zones with the northern zones still maintaining a higher share of poverty. Headcount indexes varied from 30.4 per cent in the south east to 54.9 per cent in the north east.

Particularly surprising is the rising level of poverty in the south: south – south (45.7 per cent); south west (38.6 per cent); and south east (30.4 per cent).

The distribution of poverty incidences by zone in 1992 showed a mixed pattern. Poverty headcounts remained largely at the same level in the north east zone, but declined from 52 per cent to 37 per cent in the north west, and from 51 per cent to 46 per cent in the central. The south east zone experienced a sharp increase in poverty headcounts from about 30 per cent in 1985 to 41 per cent in 1992. In the southwest, it increased slightly from about 39 per cent to 43 per cent, while in the south – south, it declines from about 46 per cent to 41 per cent over the same period. By 1996, poverty not only became intensified but its distribution showed very little variation among the zones. Poverty headcounts varied from 68 per cent in the North West and south east respectively to 67 per cent in each of north east, south west, and south – south. The least was central with 66 per cent.

2.2 Gender of Household Head

The table also shows the trend in poverty rates classified by other characteristics of household head. First, we observe that poverty headcount were higher for females than males in 1980, while it was lower for females than males in 1996. Generally poverty estimates increased for both gender between 1980 and 1985, 1985 and 1996 and 1992 and 1996.

2.4 The Sector of Employment of Household Head

Further, table 1 shows the poverty estimates for various employment characteristics of household head for the period 1980 –85. According to the table, poverty headcount was highest among households heads engaged in administration work (45 per cent) followed by agriculture (31 per cent) and Production/Transportation (23 per cent). In 1985, the highest headcount of

poverty was recorded among households with their heads in agriculture (53 per cent), followed by Production/Transportation (46 per cent). This situation changed slightly in 1992 to agriculture (48 per cent) and apprentice/student (43 per cent). By 1996, agriculture still retained the sector with the highest headcount of poverty, and now followed by Production/Transportation (46 per cent). It is curious to note that administrative workers which had about 45 per cent of the households headed by them as poor in 1980 had only 6 per cent of households under them as poor in 1996. The grouping of occupation into farming and non farming showed that farming or agriculture had the highest incidence of poverty in both 1980 and 1996.

2.5 Educational level of Household Head

According to Table 1 poverty incidence by educational level of household head tended to show a consistent pattern over the years. The lower the educational level the higher the poverty rates tended to be. In addition, poverty rates increased for all educational groupings between 1980 and 1985, 1985 and 1996, 1980 and 1996. Households headed by those with no formal education were consistently the major contributors to total poverty in Nigeria for the period under study. Their contributions however declined slightly but consistently over the years (Ogwumike and Aromolaran, 2000). This generally declining trend of contributions over the years is also partly true for households headed by primary school graduates. In contrast, the years between 1980 and 1996 has witnessed a sustained growth in the level of contributions of households headed by secondary and post secondary school graduates to poverty in Nigeria. Thus, it can be concluded that the general increase in poverty level between 1980 and 1996 was accounted for more by households headed by secondary and post secondary school graduates.

2.6 Household Size.

The aggregate picture on poverty rates by household size is presented in Table 3.29. Generally, the estimates of poverty rates show that for all the four survey periods, poverty incidence, gap and severity seem to be positively correlated to size of households. In terms of trends in individual size groups, all groups experienced an increase in poverty rates between 1980 and 1996 and 1985 and 1996. Between 1980 and 1985 all groups with the exception of the size group “20 and above” persons experienced an increase in poverty rates.

Table 1: Nigerian Poverty Profile 1980/1996

	1980	1985	1992	1996
National	27	46	42	67
Sector – Urban	17	38	37	59
Rural	28	51	46	71
Zone – Northeast	36	55	54	67
Northwest	38	52	37	68
Central	32	51	46	66
Southeast	12	30	41	68
Southwest	13	39	43	67
South – South	13	46	41	67
Household Head – Male	27	47	43	68
Female	29	39	40	60
Occupation – Professional /Tech.	17	36	35	28
Administration	45	25	22	6
Clerical	10	29	34	35
Sales worker	15	36	33	30

Services	21	38	38	34
Agriculture	31	53	48	73
Production/Transportation	23	46	41	47

Manufacture	12	31	33	26
Apprentice/Student	2	37	42	33
Others	15	40	43	24
Occupation – Farming	31	53	48	73
Non – Farming	16	37	36	58
Education – None	30	51	46	74
Primary	25	50	43	61
Secondary	19	41	30	54
Post Secondary	21	26	26	48
Household Size – 1	0.2	2.5	2.8	13
2 – 4	9	27	19	52
5 –9	30	59	45	75
10 –14	48	75	63	88
15 – 19	61	84	81	94
20 and above	81	75	93	95

Source: Computed from FOS (1999); and Okojie, Anyanwu, Ogwumike and Alayande (2000).

111. Approaches to Poverty Alleviation

- (a) **Economic Growth Approach** – Given the low labour absorption capacity of the industrial sector, broad based economic growth should be encouraged. This should focus on capital formation as it relates to capital stock, and human capital. Human capital formation has to do with education, health, nutrition and housing needs of labour. This is obvious from the fact that investment in these sources of human capital improves the quality of labour and thus its productivity. Hence to ensure growth that takes care of poverty, the share of human capital as a source of growth in output has to be accorded the rightful place.
- (b) **Basic Needs Approach** – This calls for the provision of basic needs such as food, shelter, water, sanitation, health care, basic education, transportation etc. Unless there is proper targeting, this approach may not directly impact on the poor because of their inherent disadvantage in terms political power and the ability to influence the choice and location of government programmes and projects.

112. Rural development Approach – This approach sees the rural sector as a unique sector in terms of poverty reduction. This is because majority of the poor in developing countries live in this sector. In addition, the level of paid employment in this sector is very minimal. Hence, traditional measures of alleviating poverty may not easily work in the rural sector without radical changes in the assets ownership structure, credit structure, etc. Emphasis in this approach to development has focused on the integrated Approach to Rural development. This approach recognizes that poverty is multi – dimensional and therefore, requires a multi – pronged approach. The approach aims at the provision of basic necessities of life such as food, shelter, safe drinking water, education, health care, employment and income generating opportunities to the rural dwellers in general and the poor in particular. One basic problem with this 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. In other words it makes targeting of poverty reduction programmes very difficult.

- (a) **Target Approach** – This approach favours the directing of poverty alleviation programme to specific groups within the country. This approach includes such programmes as Social Safety Nets, Micro Credits, and School Meal programme.

This approach requires proper identification of the target group so as to minimize leakages.

IV Poverty Reduction Strategies in Nigeria

In Nigeria, the poverty alleviation measures implemented so far have focused more on growth, basic needs and rural development approaches.

4.1 The Pre-SAP Era

During this era, poverty reduction was never the direct focus of development planning and management. Government only showed concern for poverty reduction indirectly. For example, the objectives of the first National Development Plan in Nigeria included the development of opportunities in health, employment and education as well as improvement of access to these opportunities. These objectives, if achieved could no doubt lead to poverty alleviation. Similarly, the Fourth National Development Plan, which appeared to be more precise in the specification of objectives that are associated with poverty reduction, emphasized increase in real income of the average citizen as well as reduction of income inequality, among other things (see Ogwumike, 1987 and 1998). During this era national development plans, many of the programmes which were put in place in Nigeria by the government (either wholly or in association with international agencies) had positive effects on poverty reduction although the target population for some of the programmes were not specified explicitly as poor people or communities (Ogwumike, 1995 and 1998). For instance, the River Basin Development Authorities (RBDA), the Agricultural Development Programmes (ADP), the Agricultural Credit Guarantee Scheme (ACGS), the Rural Electrification Scheme (RES), and the Rural Banking Programme (RBP). Most of these programmes were designed to take care of such objectives as employment generation, enhancing agricultural output and income, and stemming the tide of rural – urban migration, which no doubt affected poverty reduction. Despite some significant degree of success made by some of these programmes, most of them could not be sustained. In fact, with time, many of them failed as a result of diversion from the original focus. For instance, the Rural Banking and the Agricultural Credit Guarantee Scheme at many stages failed to deliver the desired credit for agricultural and rural transformation because a lot of savings were mobilized in the rural areas only to be diverted to urban areas in form of credits/investments.

Other notable poverty reduction related programmes that were put in place in Nigeria before the advent of the Structural Adjustment Programme (SAP) include Operation Feed the Nation (OFN) set up in 1977. Free and Compulsory primary Education (FCPE) set up also in 1977, Green Revolution established in 1980, and Low Cost Housing Scheme. Both OFN and Green Revolution were set up to boost agricultural production and improve the general performance of the agricultural sector among other things. These programmes made some laudable impacts; they enhanced the

quality of life of many Nigerians. But the programmes could not be sustained due to lack of political will and commitment, policy instability and insufficient involvement of the beneficiaries in these programmes (CBN Enugu Zone, 1998).

4.1 The SAP Era

Conscious policy effort by government towards poverty alleviation began in Nigeria during the era of Structural Adjustment Programme (SAP). The severe economic crisis in Nigeria in the early 1980s worsened the quality of life of most Nigerians. The government made determined effort to check the crisis through the adoption of SAP. However, the implementation of SAP further worsened the living conditions of many Nigerians especially the poor who were the most vulnerable group. This made the government to design and implement many poverty alleviation programmes between 1986 and 1993. Also under the guided deregulation that spanned the period 1993 to 1998, more poverty reduction programmes were put in place by government. A summary of various anti – poverty programmes which the government of Nigeria had put in place since 1986 is presented in table 2.

Table 2: Anti – Poverty Programmes by the Government of Nigeria

Programme	Year Establis hed	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 youths	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).

Many of these programmes had varied impact on poverty alleviation. For example, the establishment of the **Directorate of Food, roads and Rural Infrastructure (DFRRI)** was not only a radical departure from the previous programmes, but also recognized the complementarities associated with basic needs such as food, shelter, potable water, etc. DFRRI had tremendous impact on the rural areas. For instance, between the time of inception in 1986 and 1993, DFRRI had completed over 278,526 km of roads. Over 5,000 rural communities benefited from its rural electrification programme (See CBN Annual Reports).

This integrated approach to rural development, no doubt, provided for the necessary basic infrastructures that can stimulate the growth of agro – allied small – scale enterprises in rural areas. Furthermore, DFRRI impacted positively on food production. For instance, there was a steady and significant rise in agricultural output as shown by the index of agricultural production between 1986 and 1993 (CBN, Statistical Bulletin, December 1998). However, DFRRI could not achieve many of its objectives due to many factors which include lack of standards for project harmonization and effective mechanisms for co-ordination among the three tiers of government and between DFRRI and the levels of government (CBN Bauchi Zone; and Enugu Zone, 1998). Hence, with time DFRRI could not sustain the tempo with which it started, and it ended up not living up to expectation and became defunct (National Planning Commission, 1994)

The National Directorate of Employment (NDE) was the main organ for employment creation during this period. The objectives of NDE include: to design and implement programmes to combat mass unemployment; and articulate policies aimed at developing work programmes with labour intensive potentials. Given that poverty manifests itself in the form of unemployment and underemployment, the schemes/Programmes of NDE could be said to have poverty alleviation focus. For instance the directorate has four main programmes that not only creates jobs but also enhances the productivity and income earning potentials of the youths and other beneficiaries. These programmes include; the Vocational Skills Development Programme (VSD), the Special Public works Programme (SPW), the Small Scale Enterprises Programme (SSE) and the Agricultural Employment Programme.

Available evidence shows that NDE has achieved remarkable progress in respect of its various programmes. Some of these include:

- The training of over 766,783 persons (including the disabled) in the National Open Apprenticeship Scheme between 1987 and 1996.
- Those who have benefited from the Resettlement scheme were over 106, 854 at the end of 1996.
- The School on Wheels Scheme had engaged youth 15,317 unemployed youths as at the end of 1994

- The Special Public Works Programme has created jobs for over 154,910 persons between 1987 and 1996 (see Central Bank Annual Reports, 1992 – 1996). Besides, NDE as one of the institutions that survived the SAP era, has continued to articulate development policies and programmes with labour intensive potentials aimed at solving the unemployment problems in the country. However, the Directorate has not been adequately funded. Thus it has not been possible for NDE to cope with the needs of the ever increasing number of job applicants in the country.

The **Better Life Programme (BLP)** was set up to enhance the quality of life of rural women, among other objectives. Poverty in Nigeria is a rural phenomenon and the rural women are worst hit by the dreadful malady of poverty; this is due to lack of basic skill and education necessary for gainful employment. The targeting of women in the fight against poverty will no doubt reduce significantly aggregate level of poverty in the country. The Better Life Programme, therefore, tried to harness the potentials of rural women and thereby impacted positively on their economic activities and incomes. The BLP improved the quality of life of many women through the distribution of various inputs, granting of easy credits, and the establishment of various educational/enlightenment programmes. Based on available evidence, Ogwumike (1988) concluded that the BLP made tremendous impact with regard to poverty alleviation. In specific terms, the achievements of BLP include the following : formation of 11,373 women cooperatives by 1993; the establishment of 3,613 processing mills as well as the distribution of farms inputs such as fertilizer to women who ordinarily would not have had access to such inputs though they carry out the bulk agricultural activities. However, the success of the programme was short – lived. The programme was not only hijacked by position – seeking individuals but the resources set for the programme were diverted and used for personal enrichment.

The **People's Bank of Nigeria (PBN)** was set up to encourage savings and provide credit facilities for the underprivileged in both urban and rural areas. Also, **Community Banks (CB)** were established to provide banking facilities for rural dwellers as well as to support micro – enterprises in urban areas (Oladeji and Abiola, 1998). These two banking schemes were established in recognition of the indispensable role of finance in poverty alleviation. Although the two banking schemes had some success, many of their goals and objectives were never realized. The schemes have been bedevilled with many adverse factors including corruption and gross mismanagement. For instance, late Tai Solarin resigned as Chairman of peoples Bank because of alleged corruption/executive rascality that characterized the management of the bank.

The **Family Support Programme (FSP)** was set up to provide health care delivery, child welfare, youth development, and improved nutritional status to families in rural areas. Also, the **Family Economic Advancement Programme (FEAP)** was established to provide credit facilities to cooperative societies to support the establishment of cottage industries in both rural and urban areas. The programme was also designed to create employment opportunities at ward levels, encourage the design and manufacture of appropriate plants, machinery and equipments, and provide opportunities for the training of ward – based business operators. (Oladeji

and Abiola, 1998). In a nutshell, both FSP and FEAP were designed and set up to improve the quality of life of rural dwellers. Although the FSP recorded several remarkable achievements such as the establishment of many nursery and primary schools, construction of many public toilets and the setting up of many vocational schools. Many of these projects were not properly executed and could not be sustained and many of the poor in several communities did not actually benefit from these projects while they lasted.

Nevertheless, it is important to note that most of the poverty alleviation strategies adopted in Nigeria were well focused on rural areas and on the agricultural sector. This is because poverty in Nigeria is largely a rural phenomenon with agriculture accounting for the highest incidence over the years. Besides, poverty reduction depends to a large extent on the agricultural sector, because the sector not only provides food for consumption as well as raw materials for manufacturing activities, it is the main employer of labour especially in the rural areas.

Other several programmes such as **National Agricultural Land Development Authority (NALDA)**, the **Agricultural Development Programmes (ADP)**, and the **Strategic Grains Reserves Programmes (SGRP)** have one way or the other impacted positively on the agricultural sector and by implication reduced poverty.

Similarly, in the health, education and housing sectors there are several poverty reducing programmes which were implemented. For example, the **Primary Health Care Scheme** and the **Guinea Worm Eradication Programme**. Although the guinea worm eradication programme recorded a tremendous success, the effectiveness of the primary health care programme was grossly reduced due to inadequate funding, lack of equipment, essential drugs and trained manpower (see Egware, 1997).

In the housing sector, the National Housing Policy has brought about the national housing fund managed by the Federal Mortgage Bank of Nigeria. The Federal Housing Authority and various state governments have been involved in the direct construction of housing units. However, despite the efforts put in place in the housing sector, it is a common knowledge that many Nigerians do not have decent accommodation. Many people live in congested rooms. Indeed, many Nigerians lack adequate accommodation and some are homeless as they sleep under bridges at night in many parts of the country (like Lagos) due to lack of adequate housing facilities or high cost of accommodation. The National housing scheme needs to be re-focused so as to make it accessible to majority of Nigerians.

We can go on and on appraising various poverty alleviation programmes in Nigeria. As stated earlier, on the whole, poverty alleviation programmes/efforts in Nigeria failed to produce the desired results. The major reasons for the failure of poverty reduction related programmes in Nigeria include programme inconsistency, poor implementation, corruption of government officials and public servants, poor targeting mechanisms and failure to focus

directly on the poor (see Kankwenda et al, 2000 Ogwumike, 1998; and Egware, 1997).

56.1 The Democratic Era

At the inception of the current democratic government, many Nigerians were meant to believe that poverty alleviation is the ultimate goal of the present government. The Government embarked on Poverty Alleviation Programme (PAP), which aimed at job creation. However, at the end of 2000 budget implementation, many Nigerians were yet to feel the impact of government poverty alleviation programme, like the monster called fuel shortage, poverty seems to have defied the efforts of the current regime. Several reasons may be responsible for this, including the failure to identify the poor and the nature of their poverty. There is no doubt that unemployment is a major problem in Nigeria today. But poverty is not synonymous with unemployment. Some of the poor are employed and some are unemployable. Sustainable poverty reduction will therefore require not only the proper identification of the poor (including their characteristics and survival strategies), but also a multi – pronged approach given the multidimensional nature of the poverty problem.

The present government has already taken steps to rationalize the various agencies whose activities impact on poverty alleviation. There is still need to examine the laws that give rise to or perpetuate poverty. This will require radical review of ownership of assets, access to social services with particular emphasis on education and health.

The government has also tried to reduce poverty in recent time **through upward review of salaries and wages**. For example, those who were pushed into **temporary or transitory poverty**, especially in the civil service and during SAP, are gradually being moved out of poverty through this process. However, the inflationary trends which often accompany such increases in wages need to be checked by ensuring that aggregate supply of goods and services is increased. This calls for incentive structures that can encourage adequate investment in the real sectors of the economy.

Although poverty reduction in the 2001 budget seems to focus on that aspect of the budget allocated for the programme. However, many other aspects of the budget in terms of projects even though not deliberately designed to tackle poverty, could have tremendous impact on poverty reduction if properly implemented. Based on the information available via the budget, the following areas could be seen as having to do with poverty reduction.

- Agricultural and rural development constitute an important factor in alleviating poverty in any economy where poverty is a rural phenomenon like in Nigeria. A successful agricultural sector should provide the bulk of food requirement, supply agricultural raw materials to the manufacturing sector, and provide adequate employment and income to the farmers.
- Basic Education can lay the foundation for human capital formation through the process of skill acquisition.
- Basic Health Services can enhance the health status of the populace and hence their participation in the production process.
- Water and Sanitation are basic to healthy life. Time wasted in searching for water by women and children can be saved and diverted to others uses.

- Adequate and affordable housing can facilitate calm and healthy life and thus enhance productivity.

The effect of these aspects of the budget on poverty reduction will depend on the ability of the government to set priorities in its expenditure on water resources, health, education, agriculture, rural development and transport. The focus should be to minimize leakages when and wherever subsidy is to be applied.

In order to achieve effective poverty reduction in Nigeria, we should first and foremost identify who the poor are and the nature of their poverty. Available evidence shows that the poor are located mainly in rural areas with increasing proportion of them found in the urban areas. The poor are mainly engaged in agriculture, and female – headed households tend to have a high incidence of poverty. Also poverty incidences are not evenly distributed across the states/zones, hence poverty reduction must emphasize these differences in order to be effective. Cooperative movement in some parts of the country such as south west is currently making a lot of impact on poverty reduction among their members. We must closely examine some of these organizations and borrow a leaf from them in our bid to effectively reduce poverty especially among the employed and the underemployed.

V Recommendation and Conclusion

Poverty reduction will have to adopt a holistic approach involving both the government (all tiers) and the civil society for it to achieve a sustainable reduction in poverty incidence. Given the nature of the social structure in the urban areas, government, NGOs, international agencies, organized private sector and households (including individuals) could play active part in the provision of basic social services. The establishment of the poverty Alleviation Fund once proposed by Mr. President is well overdue.

The Institutional Framework for poverty alleviation in the country need to be revisited. Although the present government had done a lot in this direction by rationalizing some of the institutions involved. There is still need to look at the various laws and regulations governing assets ownership, access to the labour markets and government social programmes in education and health in particular.

This will pave the way for equal opportunities to all in these major aspects of poverty reduction process.

Sustainable poverty reduction strategy should not focus narrowly on **Social Welfare Measures**. Rather **asset redistribution** and **creation of incentive structures** that can enhance the **rate and pattern of economic growth** should be seen as essential component. The present efforts of government and international agencies like UNDP, UNICEF etc. aimed at employment creation, provision of credits, skill acquisition, enhancing income earning opportunities of the vulnerable groups among others are very germane to poverty reduction. But they need to be properly focused on the poor. This as we have said earlier requires proper identification of the poor and their unsatisfied needs. The data generation agencies should aim at generating panel data that can enable

government monitor the beneficiaries of social programmes and know when such people no longer qualifies to benefit from such programmes. The need for national identification cards as well as proper population count can therefore, not be over emphasized.

Creation or Productive Employment:

The primary aim here should be to eliminate underemployment of human and material resources; and provide sustainable employment to those who are openly unemployed and the underemployed. While the rate of growth is important to poverty reduction the pattern of growth is even more important. The participation of all (**including the poor**) in the growth process should be the goal of government. Improving the access of the household to the labour market will also create new employment for additional members of the household and this will augment the income of most households and enable them

to meet their basic needs. But the present effort of Government through its Poverty Alleviation Programme (PAP), now known as Women and Youth Employment Scheme (W-YES) needs to be properly focused to create sustainable employment.

The institutional framework for this programme deserves further attention. More over the laws that affect the upward mobility of the poor in the labour market needs to be reviewed. Employment creation/generation should also become the focus of our higher institutions as they strive in their human capital development.

Social Sector Expenditure: Provision of basic amenities such as water, sanitation and health services will promote good health, which will invariably increase people's productivity (Since man days lost due ill health will be reduced). Moreover, government expenditure on the social sector needs to be more focused on social priority areas that affect the poor. This calls for budget restructuring in favor of basic social services; the share of administration (including defence and security) in public expenditure needs to be critically examined and changed. For example, Administration (Presidency and National Assembly) accounted for 8.3% of total recurrent expenditure. If we include defence and police (15.9%), total share of recurrent budget is 24.2% or 10.7% of total expenditure (recurrent and capital). There is also need to ensure that actual budget allocations are used for the purposes stipulated in the budget. A case in point is the Local government level, where most basic amenities closest to majority of the poor are in a very sore state and yet allocation to this tier of government has improved remarkably during this current administration.

Skill Development: Provision of adequate vocational training centers to equip youths in particular for self-employment, and facilitate maintenance of community level projects. The activities of NDE need to be constantly appraised and effort should be made to link up more with both the informal sector where apprenticeship activities are carried out without proper basic structure of sustaining the apprentice when they finish learning the job, and the formal school system where individuals could acquire these skills as part of their educational programme.

Incentives Structures: In addition, efforts of government to facilitate poverty reduction in Urban and rural areas should also focus on the provision of basic inputs that can enhance people's livelihood, productivity and incomes e.g agricultural input, machines, credit facilities, training programmes to develop skills, markets, road networks, adequate wages and salary etc. Some segment of the population may continue to receive government subsidy. It is not wrong for the government to grant subsidy to the poor. But the mode of implementation should be properly coordinated and focused on the poor so as to discourage leakages. Government should on the long run come up with social welfare programme that will be directed at the poor which can be funded by all tiers of government and implemented nationwide.

Programme/Project Idea: Poverty reduction programmes and projects should not be supply driven, effort should be made to integrate the views of the poor into developmental efforts in order to address the actual needs of the poor and thus make development planning and management sensitive to their needs. This calls for bottom up approach to development especially with respect to project choice.

This requires that the household's or communities unsatisfied needs be identified in conjunction with them. This approach has the potent of mobilizing the general public to give adequate support to priority development programmes and project that affect their welfare.

Community Based Initiatives: Poverty reduction especially in rural areas will require strengthening the management capabilities of community based initiatives such as community based organizations and community development associations through seminars and workshops to enable them participate effectively in poverty reduction activities at that level. This will require the involvement of sub national governments (especially local councils) in the formulation and execution of such poverty alleviation programmes. This also calls for effective coordination and avoidance of duplication of efforts especially in states/local governments where the ruling political party is not in control.

Decentralisation of Social Expenditure: There is need for the federal government to relinquish most of its responsibility in the social sector to the state and local governments. This will give the state and local councils more autonomy to evolve and execute poverty alleviation programmes/projects that will take their peculiar circumstances into consideration. This also calls for the decentralization of the institutions involved in poverty alleviation. For instance, the proposed poverty alleviation fund can through this process serve as a veritable source for states and local councils to obtain conditional grants that can enable them alleviate poverty in their respective areas of jurisdiction through effective social expenditure programme. Moreover, all tiers of government will therefore feel concerned and committed to not only obtaining finance from the poverty alleviation fund, but also contributing towards that fund either from their internal sources or through external sourcing.

In conclusion, this paper has provided an appraisal of poverty and poverty reduction in Nigeria, although not exhaustively, it provides some basics for further discussion on the issue of strategies for poverty alleviation. There is need to shift emphasis to target approach to poverty reduction in Nigeria. This will require several inputs including alternative measures of poverty that are based on minimum standards either in terms of food, income or other basic needs to which minimum standards could be applied. When poverty groups are identified on the basis of such acceptable minimum standards, it makes it easier to address their poverty problems since policies and programmes could be targeted to them based on those aspects of need that constitute the acceptable minimum standards.

Given the interest that poverty research has generated in the country especially in the last few years, there is need to ensure that this momentum is not only sustained, but should be used as a vehicle to meaningfully reduce poverty in Nigeria within the first decade of this 21st century.

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