



## Marketing of Transport Services and Millenium Development Goals; The Case of Keke Napep Initiatives in Lagos, Nigeria

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*Keywords* : millennium development goals, poverty, standard of living.

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*Strictly as per the compliance and regulations of:*



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**Abstract** - This study examined the role of marketing of transport services in the realization of a millennium development goal; poverty alleviation. KEKE-NAPEP initiative was one of the poverty eradication programmes in Lagos state, Nigeria. The study examined the significance of the relationship between the initiative and (1) poverty level (2) standard of living and (3) level of unemployment. The study employed survey research and purposive sampling technique was used to identify users of KEKE-NAPEP in Lagos State. The findings of the study revealed that although the initiative improves the standard of living of people and has negative relationship with level of unemployment, the initiative is not significantly related with the poverty level of the people of Lagos state. Based on these findings, conclusion was drawn and relevant recommendations were made. If the initiative must be successful in reducing the poverty, it is recommended that marketing techniques and strategies be employed and engaged.

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## 1. BACKGROUND TO THE STUDY

Transportation provides the essential marketing utilities of place and time, people depend on transportation to achieve their goals in life. Nothing moves without transportation. Transportation as a people oriented function requires a people oriented approach to its performance. Since Lagos State government intended to achieve one the Millennium Development Goals, poverty reduction, through a tri-cycle called KEKE-NAPEP, it becomes very imperative to engage marketing techniques and skills. Of all managerial and social sciences, marketing is one of the most people oriented. Marketing is the identification and satisfaction of people's needs through the exchange process. (Olakunori, 1999) Following the definition of marketing, a business man or a service provider has to put the interest of people (customers) before every other interest before he can succeed.

However, argument has occurred among different scholars about the achievement of the Millennium Development Goals by 2015. While some argue that it can be achieved before the target date 2015 some argued that it cannot. According to Ezirim

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(2005), poverty is about the most important component of the MDGs and remains the most daunting challenge that leadership across Africa faces. The challenge of meeting the Millennium Development Goals 2015 must be of great concern to everyone especially those who must drive the process because they have a duty to do so. The MDGs is important not because the United Nations has said so, but because it is about the people. Poverty as a problem of development does not lend itself to easy solutions.

The United Nations Secretary General Ban Ki-moon noted that the Millennium Development Goals embody basic human rights such as the right of each person on the planet to health, education, shelter and security. The Millennium Development Goals are making a real difference in people's lives and with strong leadership and accountability; this progress can be expanded in most of the world's countries by the target date of 2015.

On the other hand, Deneulin & Shahani (2009) argued that the Millennium Development Goals lack a focus on local participation and empowerment (excluding women empowerment). The Millennium Development Goals also lack an emphasis on sustainability, making their future after 2015 questionable. Thus, while the MDGs are a tool for tracking progress toward basic poverty reduction and provide a very basic policy road map to achieving these goals, they do not capture all elements needed to achieve the ideals set out in the Millennium Declaration.

Therefore due to the inability to reach a conclusion on the achievement of the Millennium Goals by 2015, Millennium Development Goals still remains a problem.

Poverty remains a universal and embarrassing phenomenon assuming different shapes in all parts of the world particularly the third world where poverty is absolute but in the developed countries of the world it is relative. It is in realization of the fact that poverty is antithetical to a universally tolerable and acceptable standard of living that the United Nations has led the campaign for a Millennium Goal of Poverty Eradication in 2015. Despite the fact that the campaign has been on and going by the increasing and excruciating poverty ravaging the entire globe, it is evident that little or no progress has been achieved so far (Hassan et al 2008).

Poverty in Lagos State has reduced the standard of living of people. Even though poverty alleviation programme has been put in place to eliminate poverty, these programmes have done little to reduce the rate of poverty in Lagos State and even in the world because of the pervasive nature of inequality where there is a wide gap between the haves and have not, rich and few which have increased the global asymmetry between wealth and poverty.

Financial institutions such as World Bank and International Monetary Fund set up to increase the standard of living has not been able to reduce poverty as a result of the policies put up by the institutions that countries must adopt before they can be given loan (Akwaya, 2004).

There are a number of conceptual and policy issues that the MDGs have thrown up for serious consideration. The Nigerian situation however is an issue that must be addressed. Despite the growth, current socio-economic indicators and the stage of social development in Lagos State, what are the necessary steps Lagos state is taking in other to achieve the MDGs based on the socio-economic and political challenges facing the state?

The fight against poverty have started far back as we can remember and the impact of these fights has not been felt in Nigeria including Lagos State. 12 billion people have been estimated to be globally poor (Ilo, Oyerinde and Umoren, 2005). The conclusion of the MDG 2005 report is very remarkable and gives hope that there is possibility for achieving all the MDGs in Nigeria with sustained effort. The conclusion is quite different from the conclusions reached by the first report in 2004. The 2004 report states that "based on available information it is unlikely that the country will be able to meet most of the goals by 2015 especially the goals related to eradicating extreme poverty and hunger, reducing child and maternal mortality and combating HIV/AIDS, malaria and other diseases". For most of the other goals (apart from poverty eradication) up to date, data which exist shows that if the current trend continues, it will be difficult for the country to achieve the MDG target by 2015.

These are the socio-economic and political problems Lagos State is facing which have been hindering the MDGs to be achieved in Lagos State. Poverty eradication in Lagos State requires the transformation of the economy towards the path of sustainable industrialization anchored on job creation and elimination of social inequalities.

In the last ten years, extreme poverty has killed more people than all the wars of the 20th century combined (Federal Government, 2007). The high death rate for one provides us with a key basis for carrying out a study on poverty alleviation.

Despite the plethora of poverty alleviation programmes which past government has initiated and implemented by 1999 when the obasanjo's administration came to power, a world bank's report indicated that Nigeria's Human Development Index (HDI) was only 0.416 and that about 70 percent of the population was vegetating below the bread line.

These alarming indicators prompted the government to review the existing poverty alleviation scheme with a view to harmonizing them and improving on them. However, It is very unfortunate that the three tiers of government in Nigeria have shown little or no commitment towards the actualization of poverty eradication in the country (Hassan et al 2008).

Except poverty reduction efforts are intensified with great commitment, transparency and determination both at the local and international arena, it is unlikely that the MDGs targets will be met (Obadan, 2001).

Despite the different poverty programmes, by early 1990s it had become clear that the poor had not benefited from development programmes (Ezirim, 2005). According to the Nigerian National Planning Commission 1994, there were quite a number of agencies and programme, for instance National Poverty Eradication Programme (NAPEP) which was established to address the challenge of poverty.

An important objective of NAPEP is stated thus (FGN, 2007). "To help eradicate extreme poverty by the year 2010, generally in line with United Nations Millennium Development Goals of halving the proportion of people living in poverty by the year 2015".

The World Social Summit identified poverty eradication as an ethical, social, political and economic imperative of mankind and called on governments to address the root causes of poverty, provides for basic needs for all and ensures that the poor have access to productive resources including credit, education and training. Recognizing insufficient progress in the poverty reduction, the 24<sup>th</sup> special session of the general assembly devoted to the review of the Copenhagen Commitments, decided to set up targets to reduce the proportion of people living in extreme poverty by one half by 2015. This target has been endorsed by the Millennium Summit as Millennium Development Goals.

The study seeks to know if and to what extent the NAPEP scheme on poverty eradication has been able to alleviate poverty in Lagos state and achieving the MDGs.

#### *a) Theoretical Framework*

Development of human resources is critical to any level of development. The study would then be making use of social development theory but in understanding poverty in Lagos state; human capability deprivation model would be used. In this model, poverty is seen as the failure of some basic human capabilities

to function productively, such capabilities are broadly grouped into two namely physical and intellectual. Physical deprivation includes hunger, illness, exhaustion and disabilities all of which exacerbate intellectual handicap. Intellectual deprivation on the other hand includes lack of relevant information, education, literacy and skills. On the positive side, wellbeing includes health, strength, education and skills all of which empowers people to escape from poverty.

Social development is driven by the sub-conscious aspiration of society for advancement. Development of society occurs only in fields where that collective will is sufficiently strong and seeking expression. Development strategies will be most effective when they focus on identifying areas where the social will is mature and provides better means for the awakened social energy to express itself. Only those initiatives that are in concordance with this subconscious urge will gain momentum and multiply (Jacobs & Cleveland 1999).

Every society possesses a huge reservoir of potential human energy that is absorbed and held static in its organized foundations its cultural values, physical security, social beliefs and political structures. At times of transition, crises and opportunities those energies are released and expressed in action. Policies, strategies and programmes that tap this latent energy and channel it into constructive activities can stir an entire nation to action and rapid advancement (Jacobs & Cleveland 1999).

Therefore, NAPEP which is a programme under the Nigeria Millennium Development Goals (MDGs) that brought about the KEKE NAPEP scheme is a means of development in the society and the society for this study is Lagos State.

Alleviation of poverty in Nigerian society is as a result of collective will which is sufficiently strong and seeking expression in these Nigerian societies. That is why Nigeria developed its MDGs from the universal MDGs by the United Nations.

#### b) NAPEP's Interventions in Poverty Alleviation

From January 2001, NAPEP has intervened in a number of projects. So far about 140,000 youths have been trained in more than 190 practical hand-on trades over a period of three months. Every trainee in this intervention project was paid N3, 000 per month while N3, 500 was paid to each trainer. The training programme was packaged with the understanding that that beneficiaries would subsequently set up their own businesses in line with the skills they have acquired. To actualize this, 5,000 beneficiaries were resettled with assorted tailoring and fashion design equipment. Also under the Mandatory Attachment Programme for unemployed graduates, 40,000 beneficiaries were attached in 2001 each of whom was paid a monthly stipend of N10, 000. The installation of equipment under

the Rural Telephone Project is currently in progress, while the KEKE-NAPEP project is currently being vigorously implemented. The project offers:

- A vehicle with a powerful diesel engine, and a fuel tank capacity of 10.5 litres
- A vehicle with a passenger capacity of four people
- A vehicle with a payload capacity of 320Kg
- A vehicle with adequate room for passenger luggage
- A vehicle whose top speed is up to 80 Km per hour
- A vehicle that is suitable for intracity commuting and commercial passenger carriage; and
- A vehicle that has a low fuel consumption of 38 km per litre (NAPEP, 2003).

## II. RESEARCH METHOD

For this study, the questionnaire technique was adopted to elicit relevant information to this study from users of KEKE NAPEP i.e owners and passengers. The special emphasis is on the roles of KEKE NAPEP initiatives in the alleviation of poverty in Lagos state. The questionnaire was divided into three main sections. Section A was designed to obtain information on the respondents' demography, section B focuses on KEKE-NAPEP initiative and the last section was designed for issues that relate to poverty alleviations. The questions in the questionnaire were close-ended questions in form of likert scale.

However, for the purpose of this research work, purposive sampling technique was used. Purposive sampling technique was used to identify users of KEKE-NAPEP in Lagos State. The population of the users of KEKE-NAPEP could not be easily ascertained. However 100 was considered as appropriate sample size following the recommendation of *Tabachnick and Fidell (1996)* that suggested that 5 cases for each item is adequate in most cases. These copies of questionnaire were personally administered and as such made 100% return rate possible.

### a) Data Analysis

#### i. Hypotheses Testing

Correlation analysis was used to measure the significance of the relationship between the dependent and independent variables.

##### a. Hypothesis 1

H<sub>0</sub>: There is no significant relationship between KEKE-NAPEP initiatives and poverty reduction in Lagos state.

H<sub>1</sub>: There is significant relationship between KEKE-NAPEP initiatives and poverty reduction in Lagos state.

Table 1: Correlations

|                                 |                     | KEKE-NAPEP initiatives | level of poverty in Lagos State |
|---------------------------------|---------------------|------------------------|---------------------------------|
| KEKE-NAPEP initiatives          | Pearson Correlation | 1                      | .155                            |
|                                 | Sig. (2-tailed)     |                        | .123                            |
|                                 | N                   | 100                    | 100                             |
| level of poverty in Lagos State | Pearson Correlation | .155                   | 1                               |
|                                 | Sig. (2-tailed)     | .123                   |                                 |
|                                 | N                   | 100                    | 100                             |

b) Coefficient of Determination (C.O.D)

The coefficient of determination is obtained using formula  $C.O.D = r^2 \times 100\%$

Where  $r =$  Pearson Correlation

Thus;

$$C.O.D = (0.155)^2 \times 100\%$$

$$C.O.D = 0.024025 \times 100\%$$

$$C.O.D = 2.4\%$$

The Pearson correlation of  $r = 0.155$  therefore implies 0.024025% shared variance between millennium development goals and poverty alleviation. Interpretation of results

The relationship between the variables (KEKE-NAPEP initiatives and Poverty alleviation) was investigated using Pearson correlation coefficient. The

results from table 1 above show that there is no significant positive correlation (0.155) between both variables at 0.123 level of significance.

Thus, as obtained from the table  $\{r = 0.155, p > 0.01, n = 100\}$ .

i. Decision

Having found out that there is no significant relationship between KEKE-NAPEP initiatives and Poverty alleviation, we therefore reject the alternative hypothesis ( $H^1$ ), and accept the null hypothesis ( $H^0$ ).

a. Hypothesis 2

$H^0$ : There is no significant relationship between KEKE NAPEP Initiatives and standard of living in Lagos state.

$H^1$ : There is significant relationship between KEKE NAPEP Initiatives and standard of living in Lagos state.

Table 2: Correlations

|                        |                     | Standard of living | KEKE NAPEP initiatives |
|------------------------|---------------------|--------------------|------------------------|
| standard of living     | Pearson Correlation | 1                  | .406**                 |
|                        | Sig. (2-tailed)     |                    | .000                   |
|                        | N                   | 100                | 100                    |
| KEKE-NAPEP initiatives | Pearson Correlation | .406**             | 1                      |
|                        | Sig. (2-tailed)     | .000               |                        |
|                        | N                   | 100                | 100                    |

\*\* Correlation is significant at the 0.01 level (2-tailed).

c) Coefficient of Determination (C.O.D)

The coefficient of determination is obtained using formula  $C.O.D = r^2 \times 100\%$

Where  $r =$  Pearson Correlation

Thus;

$$C.O.D = (0.406)^2 \times 100\%$$

$$C.O.D = 0.164836 \times 100\%$$

$$C.O.D = 16.48\%$$

The Pearson correlation of  $r = 0.406$  therefore implies 0.164836% shared variance between KEKE NAPEP Initiatives and standard of living

i. Interpretation of Results

The relationship between the variables (KEKE NAPEP Initiatives and standard of living) was investigated using Pearson correlation coefficient. The results from table 2 above show that there is significant positive correlation (0.406) between both variables at 0.0001 level of significance.

Thus, as obtained from the table { $r = 0.406$ ,  $p < 0.01$ ,  $n = 100$ }.

ii. *Decision*

Haven found out that there is significant relationship between KEKE NAPEP Initiatives and standard of living, we therefore reject the null hypothesis ( $H^0$ ), and accept the alternative hypothesis ( $H^1$ ).

a. *Hypothesis 3*

$H^0$ : There negative relationship between KEKE NAPEP Initiatives and level of unemployment in Lagos state.

$H^1$ : There is positive relationship between KEKE NAPEP Initiatives and level of unemployment in Lagos state.

Table 3 : Correlations

|                                      |                     | KEKE- NAPEP Initiatives | Level of unemployment in Lagos State |
|--------------------------------------|---------------------|-------------------------|--------------------------------------|
| KEKE-NAPEP initiatives               | Pearson Correlation | 1                       | -.421**                              |
|                                      | Sig. (2-tailed)     |                         | .000                                 |
|                                      | N                   | 100                     | 100                                  |
| level of unemployment in Lagos State | Pearson Correlation | -.421**                 | 1                                    |
|                                      | Sig. (2-tailed)     | .000                    |                                      |
|                                      | N                   | 100                     | 100                                  |

\*\* . Correlation is significant at the 0.01 level (2-tailed).

d) *Coefficient of Determination (C.O.D)*

The coefficient of determination is obtained using formula  $C.O.D = r^2 \times 100\%$

Where  $r =$  Pearson Correlation

Thus;

$$C.O.D = (-0.421)^2 \times 100\%$$

$$C.O.D = 0.177241 \times 100\%$$

$$C.O.D = 17.72\%$$

The Pearson correlation of  $r = -0.421$  therefore implies 0.177241% shared variance between KEKE NAPEP Initiatives and level of unemployment.

i. *Interpretation of Results*

The relationship between the variables (Keke NAPEP Initiatives and level of unemployment) was investigated using Pearson correlation coefficient. The results from table 3 above show that there is significant negative correlation (-0.421) between both variables at 0.0001 level of significance.

Thus, as obtained from the table { $r = -0.421$ ,  $p < 0.01$ ,  $n = 100$ }.

ii. *Decision*

Having found out that there is significant relationship between Keke NAPEP Initiatives and level of unemployment, we therefore accept the null hypothesis ( $H^0$ ), and reject the alternative hypothesis ( $H^1$ ).

III. CONCLUSION

Poverty has been recognized as the bane of underdevelopment in Lagos State, even though substantial amount has been spent in alleviating

poverty, little has been achieved in terms of their impact on the poor. This study also established the fact that poverty has not been significantly reduced by this KEKE-NAPEP initiatives. The study ascertained the fact that KEKE-NAPEP initiative helps in reducing the unemployment rate and so improves the standard of living.

Appropriate positioning of this product is necessary, if it must deliver its benefits optimally to the people of Lagos State, Nigeria. Just like any other transport business, for KEKE-NAPEP to be operated successfully, it must find or create a relevant position for itself and the services in the market. Transport service operations would yield improved provision of services and satisfaction of customers' transport needs. This will lead to improved and sustained customer patronage and loyalty thereby leading to sustained profitability for the beneficiaries or owners.

It has been discovered that a state is a reflection of its political leadership which means that if Lagos State is poor, the leadership is also poor which should not be so. Frantic efforts should be made, by both the leadership and the beneficiaries, to engage marketing techniques for the successful operations of KEKE-NAPEP.

Due to the research work, KEKE-NAPEP can be said to have impacted the lives of the less privilege in the area of provision of jobs that has brought a change in their standard of living.

IV. RECOMMENDATIONS

Following the findings of this study, it becomes very crucial to recommend the following;

- Since this study could not establish the fact that KEKE-NAPEP significantly influence the poverty level of the people, there is need for government to ensure effective implementation of the initiative.
- More persons should be made to benefit from the programme.
- Government is also advised to effectively implement other NAPEP initiatives in order to be able to reduce the poverty level drastically
- Since KEKE-NAPEP initiatives has been confirmed to be a significant tool for reducing the rate of unemployment, there is need to make more of such KEKE-NAPEP available at reduced cost. That is, there is need for appropriate price and place mix.
- Government is encouraged to continue to pursue laudable programmes, such as the KEKE-NAPEP initiatives, in order to improve the standard of living of the citizens.
- There is need for more sensitization and creation of awareness of the people about the initiatives. That is, there is need to adopt appropriate promotion mix.

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