

POVERTY ALLEVIATION AND NATIONAL DEVELOPMENT: PROSPECTS AND CHALLENGES

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Abstract

This paper attempts to explain the concept of poverty and the root causes of poverty in our society. The major focus is identifying the basic strategies for poverty reduction. The research investigation identifies among other things; the role of government, international and other donor organizations in alleviating poverty from our society. The contributions of entrepreneurial development as a vital tool for poverty eradication were also studied coupled with an in-depth review of the five basic factors of poverty. It was discovered that ignorance, disease, apathy and others, if properly handled and addressed will go a longer way in solving the issue of poverty which has eaten deep into the fabric of our society.

KEY WORD: *Poverty Alleviation, National development, Ignorance, Disease, Apathy, Entrepreneurial development.*

1.0 INTRODUCTION

Poverty is an issue facing countries around the world, yet it is a multidimensional phenomena caused by a variety of factors differing from country to country with no linear change of cause and effects. It is a condition of insufficient resources and lack of provision of the basic fundamental human needs such as clean water, clothing, shelter and health services. Statistics has shown that about 1.6 billion people in the world are poor, managing under a very poor condition and surviving with less than \$1 per day, of this figure, about one fifth live in Africa as at (1996) (1).

At the United Nations International Conference on Financing for Development in Monterrey, Mexico, world leaders confirmed their support for the goals of the UN Millennium Declaration, which call for reducing world poverty in all its forms. Current estimates say that brisk economic growth in China and India will enable the world to reach the overall goal of halving global poverty by 2015. But the data in the new study—which covers all eight of the

Millennium Development Goals say progress is uneven and that too many regions and countries are falling far short of the goals [Table: 1].

Overall, East Asia and the Pacific remains a promising region for reaching the MDGs on time. In 1999, there were about 260 million people living on less than \$1 a day. That is expected to drop to 59 million in 2015 (2). Benefiting from high economic growth and the highest levels of savings of all the regions in the world (37 percent of GDP in 2000), the region also fares well in gender equality in school and child mortality. On the health side, progress is lagging behind achievements in educational attainments and poverty headcounts and more effort will be needed to achieve the objectives [Table: 2].

Nigeria is not left out in this poverty issue, In spite of the abundant natural resources, an average Nigerian is still very hungry, poor and seriously deprived of the essentials of life. It is estimated that 70% of Nigeria's population (105 million) are living in abject poverty. This has resulted in the classification of Nigeria among the 20

poorest nations in the world. At independence in 1960, efforts to eradicate poverty in Nigeria centered more on education, something that was seen as the door-opener to economic, technological and social development ⁽²⁾. Then enter the oil boom in the 1970's. Rising global oil prices boosted exports from #4 billion in 1975 to #26 billion in 1980. GNP per capita also rose from \$360 to more than \$1,000. But, as oil prices began their downward trend, so did the nations export revenues. Growth turned negative and GNP per capita fell to \$370 in the 1980's. ⁽³⁾

According to the Nigerian Federal Office of Statistics, in 1960 about 15% of the populations were poor; by 1980 this percentage had risen to 28%. ⁽³⁾ This trend continued to rise leaving 65.6 million people poor by 1996. Currently 70% of the population of Nigeria has been classified as poor. The Human Development Report (2000) ranked Nigeria as number 151 out of 174 poorest countries of the world. This is no doubt inconceivable for a country that earned over \$300 Billion in oil revenue as at 2003. The incidence of poverty in Nigeria can be classified into geopolitical zones, urban and rural, gender of head of household, size of household, education of head of household and the age of head of household ⁽⁴⁾. [Table: 3]. For the trend in poverty level in Nigeria refer to [Table: 4]. Discussed in this paper are the concepts of poverty; meaning and measuring indicators of poverty, the factors of poverty (Ignorance, Apathy, Disease, Dishonesty and Dependency), poverty alleviation strategies: prospects and challenges and the role of government and the use of entrepreneurial training in alleviating poverty from the society.

2.0 POVERTY: MEANING AND MEASUREMENT

2.1 Meaning

Poverty is hunger. Poverty is lack of shelter. Poverty is being sick and not being able to see a doctor. Poverty is not being able to go to school and not knowing how to read and write. Poverty is not having a job; it is fear for the future, living one day at a time. Poverty is losing a child to illness brought about by unclean water. Poverty is powerlessness, lack of representation and freedom. Poverty has many faces, changing from place to place and across time, and has been described in many ways. Most often, poverty is a situation people want to escape. So poverty alleviation is a call to action -- for the poor and the wealthy alike -- a call to change the world so that many more people may have enough to eat, adequate shelter, access to education and health, protection from violence, and a voice in what happens in their communities. Poverty as a social problem is a deeply embedded wound that permeates every dimension of culture and society. It includes sustained low levels of income for members of a community. It includes a lack of access to services like education, markets, health care, lack of decision making ability, and lack of communal facilities like water, sanitation, transportation, and communications ⁽⁵⁾.

2.2 Measurement

The World Bank's most commonly used indicator for measuring poverty is based on incomes or consumption level. A person is considered poor if his or her consumption or income level falls below some minimum level necessary to meet

basic needs. This minimum level is usually called the "poverty line." This indicator however varies across time and society. Each country uses lines that are appropriate to its level of development, societal norms and values. The world's per capita income as at 2003 was \$7,140. Compared to this, Nigeria's per capita income of \$290 ranks the country among one of the poorest nation in the world. It is sad to know that Nigeria ranks among countries such as Togo (\$270), Rwanda (\$220), and Mali (\$210) in terms of per capital income indicator for poverty measurement. ⁽⁶⁾ other indicators used in measuring poverty level are: household expenditure, housing conditions, health facilities and the educational level of household.

3.0 THE FACTORS OF POVERTY

Poverty on a world scale has a historical origin: colonialism, slavery, war and conquest. There is an important difference between those causes and what we call factors

that maintain conditions of poverty. ⁽⁶⁾ The difference is in terms of what we, today, can do about them. We can not go back into history and change the past. Poverty exists. Poverty was caused. What we potentially can do something about are the factors that perpetuate poverty. It is well known that many nations of Europe, faced by devastating wars, such as World Wars I and II, were reduced to bare poverty level, where people were reduced to living on handouts and charity, barely surviving. Within decades they had brought themselves up in terms of real domestic income, to become thriving and influential modern nations of prosperous people. We know also that many other nations have remained among the least developed of the planet, even though billions of dollars of so-called "aid" money was spent on them, reasons being that the factors of poverty were not attacked. It becomes imperative at this junction to look at the "Big Five Factors" that constantly promote this disease called poverty. ⁽⁷⁾

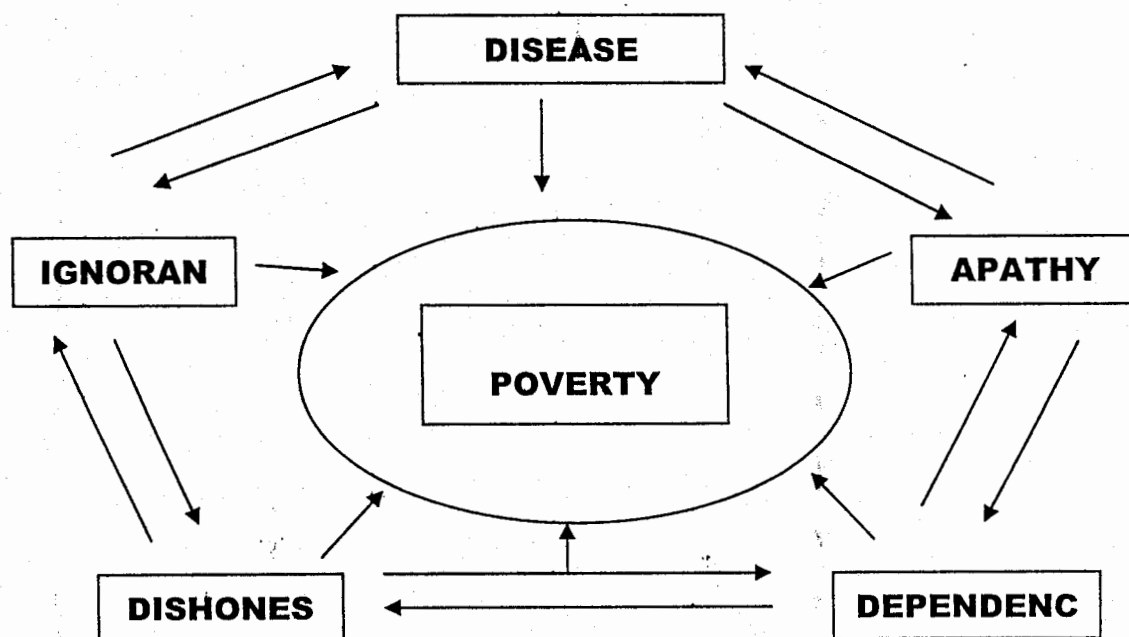


FIG 1: THE BIG FIVE FACTORS OF POVERTY.

3.1 Ignorance

Ignorance means having a lack of information, or lack of knowledge. It is different from stupidity which is lack of intelligence, and different from foolishness which is lack of wisdom. The three are often mixed up and assumed to be the same by some people. Knowledge is power," goes the old saying. Unfortunately, some people, knowing this, try to keep knowledge to themselves (*as a strategy of obtaining an unfair advantage*), and hinder others from obtaining knowledge. Do not expect that if you train someone in a particular skill, or provide some information, that the information or skill will naturally trickle or leak into the rest of a community. It is important to determine what the information is that is missing. Many planners and good minded persons, who want to help a community become stronger, think that the solution is education. But education means many things. Some information is not important to the situation. It will not help a farmer to know that galaxy is nothing but a combination of stars, but it would be more useful to know which kind of seed would survive in the local soil, and which would not⁽⁷⁾.

3.2 Disease

When a community has a high disease rate, productivity is low, and less wealth is created. Apart from the misery, discomfort and death that results from disease, it is also a major factor in poverty in a community. Being well (well-being) not only helps the individuals who are healthy, it contributes to the eradication of poverty in the community. Here, as elsewhere, prevention is better than cure. It is one of the basic tenets of PHC (primary health care). The economy is

much healthier if the population is always healthy;⁽⁷⁾.

3.3 Apathy

Apathy is when people do not care, or when they feel so powerless that they do not try to change things, to right a wrong, to fix a mistake, or to improve conditions. Sometimes, some people feel so unable to achieve something, they are jealous of their family relatives or fellow members of their community who attempt to do so. Then they seek to bring the attempting achiever down to their own level of poverty. Apathy breeds apathy. Sometimes apathy is justified by religious precepts, "Accept what exists because God has decided your fate." That fatalism may be misused as an excuse. It is okay to believe God decides our fate, if we accept that God may decide that we should be motivated to improve ourselves. "Pray to God, but also row to shore," a Russian proverb, demonstrates that we are in God's hands, but we also have a responsibility to help ourselves⁽⁷⁾.

3.4 Dishonesty

When resources that are intended to be used for community services or facilities, are diverted into the private pockets of someone in a position of power, the amount stolen from the public, that is received and enjoyed by the individual, is far less than the decrease in wealth that was intended for the public. The amount of money that is extorted or embezzled is not the amount of lowering of wealth to the community. Economists tell of the "multiplier effect." Where new wealth is invested, the positive effect on the economy is more than the amount created. When investment money is taken out of circulation, the amount of wealth by which the community is deprived is greater than the amount gained by the embezzler.

When a Government official takes a 100 dollar bribe, social investment is decreased by as much as a 400 dollar decrease in the wealth of the society ⁽⁷⁾.

3.5 Dependency

Dependency results from being on the receiving end of charity. In the short run, as after a disaster, that charity may be essential for survival. In the long run, that charity can contribute to the possible demise of the recipient, and certainly to ongoing poverty. It is an attitude, a belief, that one is so poor, so helpless, that one can not help one's self, that a group cannot help itself, and that it must depend on assistance from outside ⁽⁷⁾.

3.6 Other Causes of Poverty

Other causes of poverty as identified by the World Bank's Poverty Task Force are as follows ⁽⁸⁾.

- Inadequate access to employment opportunities
- Inadequate physical assets, such as land and capital, and minimal access by the poor to credit even on a small scale.
- Inadequate access to the means of supporting rural development in poor regions.
- Inadequate access to markets where the poor can sell goods and services.
- Low endowment of human capital.
- Destruction of natural resources, leading to environmental degradation and reduced productivity.
- Lack of inclusive participation; which is the failure to include the poor in the process of designing development programs.
- Poverty is also strongly associated with environmental degradation.

Population pressure affecting patterns of land use, land scarcity, land tenure patterns, and the markedly seasonal climate are at the root of natural resource degradation.

4.0 POVERTY ALLEVIATION STRATEGIES

In Nigeria for example, a serious attempt was made by past government to alleviate poverty by embarking on programmes such as Operation Feed the Nation (OFN), Free and Compulsory Primary Education (FCPE), Green Revolution, Low Cost Housing, River Basin Development Authorities (RBDA), National Agricultural Land Development Authority (NALDA), Agricultural Development Programmes (ADP), Agricultural Credit Guarantee Scheme (ACGS), Strategic Grains Reserves Program (SGRP), Rural Electrification Scheme (RES), and Rural Banking Programme (RBP) Directorate for Food, Roads and Rural Infrastructure (DFRRI), National Directorate of Employment (NDE), Better Life Program (BLP), People's Bank of Nigeria (PBN), Community Banks Program, Family Support Programme (FSP), Family Economic Advancement Programme (FEAP). National Poverty Eradication Programme (NAPEP) was established by the Obasanjo led administration in 2001 with a start-up grant of 6 billion Naira, Youth Empowerment Scheme (YES), Rural Infrastructure Development Scheme (RIDS), Social Welfare Services Scheme (SOWESS), Capacity Acquisition Programme (CAP), and Natural Resources Development Conservation Scheme (NRDCS). The motive remains to rid Nigeria off her perennial and increasing poverty.

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The current poverty reduction strategy, however, is aimed at covering Poverty in a broad sense, not only income but also other aspects of poverty which affect the standard of living and development of human potential such as lack of education, land or opportunity to participate in the political process, community organization, of information, professional knowledge, and access to public services. Poverty reduction strategies are divided into two viz immediate and long term strategy. The immediate strategy is aimed at reducing the number of people under the poverty line. Such strategy includes:

1. Development of the professional potential of the poor by increasing skills and knowledge needed to earn a living in both agriculture and non-agriculture sectors, encouraging application of indigenous knowledge and technology in agricultural production, increasing the value-added of commodities by simple processing, encouraging the establishment of local small and medium enterprises in order to provide jobs, encouraging the establishment of small saving groups in order to solve the debt problem, and establishment of community welfare fund by local resources⁽¹⁰⁾.

2. Development of the local economy and support of the self-reliant role of the community by encouraging people to work together in order to learn and manage the

community by themselves, creating linkages between the local economy and businesses to access the consumer market, and establishing a centre to coordinate community development⁽⁶⁾.

3. Introduction of pro-poor macroeconomic policy by investing more in human resource and natural resources development, supporting sectors on which the poor depend, such as agriculture and agro-industry, ensuring sufficient economic growth to generate jobs and income to reduce poverty, setting appropriate inflation target to support economic growth without burdening the poor, increasing efficiency in tax-collection with less tax burden on the poor, introducing an early warning system to prevent another economic crisis which might further aggravate the situation⁽¹¹⁾.

4. Increase in the effectiveness of public services and social welfare for the poor by creating an understanding of the urban and rural poor in public education, housing, medical treatments and social security⁽⁸⁾.

5. Training villagers in health, farming, and infrastructure to ensure basic expertise and services in rural communities. Eliminating school and uniform fees for children of the poor and providing poor farmers with affordable soil nutrients and nitrogen.

The long-term strategy is aimed at directly addressing the economic and social structural problems, which are the roots of poverty and inequality. The strategy comprises areas, namely:

1. Addressing the big five factors of poverty; Ignorance via provision of

of every nation, particularly African nations on the need to shun corrupt practices so as to contribute meaningfully to poverty alleviation. The era of looting money and storing in foreign account need to stop. African leaders must borrow a leaf from President Nelson Mandela who fought tooth and nail to improve the economy of South Africa, Pa Imodu (Nigeria labour leader) of blessed memory who did not build a house of his own through out his reign as a labour leader⁽⁵⁾.

6.0 ENTREPRENEURSHIP ROLE IN ALLEVIATING POVERTY

To alleviate poverty, people must be ready to do something that is work with their hands. China and Japan are nations with little or no natural resource base compared to Nigeria. These countries have been able to transform their economy through entrepreneurial technology. Entrepreneurial training is an aspect of education, which teaches an individual the techniques of creating jobs not only for himself but also for his immediate families. It teaches an individual how to set up his own business. It transforms people to be job givers instead of job seekers; it turns people into potential managers, creating income for them whilst giving them a means of livelihood⁽²⁾.

7.0 PROSPECTS AND CHALLENGES

"All nations, whether industrialized or developing, face a broad array of challenges that will require the application of up-to-date scientific knowledge and technology. Such challenges include stimulating economic growth, mitigating environmental problems, safely adopting new technologies, and quickly responding to

sudden outbreaks of new diseases. No nation can now afford to be without access to a credible independent science and technology research capacity that would help it to develop informed policies and take effective measures towards poverty eradication.

Other challenges include:

1. Conflict of interest. Measures to solve poverty and income inequality such as taxation of unutilized land holding, inheritance tax and land reform are difficult to introduce since they affect the interest of politicians and lawmakers⁽¹²⁾.
2. Persistent inequality. In contrast to poverty, income inequality was not responsive to economic growth; growth is even more likely to increase income inequality⁽⁴⁾.
3. Limited public resources. Owing to resource limitations, funds are usually allocated for economic and infrastructure projects, since cost-benefit analysis of such economic projects are more systematic and benefit is clearly demonstrated. Standardized cost-benefit analysis for social projects needs to be developed in order to gain the attention of policymakers. In addition, government funding alone cannot achieve some social goals, individual's family and the community have an important role to play. In addition to public funding, it is at least equally important to establish the social capital for social development.
4. Inadequate educational facilities and inability to embrace science and technology are huge barriers and challenges in transforming a nation from the clutches of abject poverty. In addition, poor quality and inadequate power supply militates against achieving sustainable development⁽⁹⁾.

For rural economic transformation, progress in the Agricultural sector can be hampered by inadequate infrastructural facilities, low level of education, impeding rapid technological changes, poor access to market and poor rural roads and telecommunication services. These problems are further compounded by incidence of civil unrest and insecurity.

8.0 CONCLUSION

Poverty analysis is limited by the lack of a monitoring system and database and by inadequate institutional arrangements in government agencies. The study recommends that the government should replace its current survey programs with a Living Standards Measurement survey, which would provide higher quality data, a better picture of household welfare and poverty as measured by consumption, relevant social indicators such as health, educational and nutritional status, sources of incomes, assets, and household and community level data should be clearly displayed to ascertain the poverty level of individual and household. Nigeria cannot be allowed to wallow in poverty considering the abundant natural resources and wealth available in the nation. These resources must be distributed equitably to benefit the rich and the poor. In this regard, the need for focused and dynamic leadership cannot be overemphasized if poverty is to be substantially reduced by 50% by 2015 in line with the Millennium Development Goals. It is expected that if all the challenges to poverty alleviation previously outlined are fully tackled, and with the current federal initiatives (NEEDS) National Economic Empowerment and Development Strategy, coupled with strong determination from

the government both at the Federal, State and Local levels, there is assurance that the nation will become a paradise in the near future.

In attempting to alleviate poverty in Nigeria, some strategies that might be worthy of consideration include:

- ❖ The poor should be involved in the design and implementation of policies aimed at helping alleviate their poverty.
- ❖ Pro-poor policies should target education, health, and housing.
- ❖ A pronounced effort to elevate the case of women and young ladies on the poverty alleviation agenda, and to tackle erstwhile non-inclusive issues that are specific to them.
- ❖ The poor should be helped and taught how to cooperatively initiate and implement self-help projects, by first identifying their needs, prioritizing those needs, and designing and implementing strategies regarding same.

The above recommendations are by no means exhaustive. But, it is hoped that they would stimulate some discussions. Poverty can never be entirely eliminated in any society, not even in the U. S., but some measure of success can be achieved by consistently pursuing genuine poverty alleviation policies on a long-term basis⁽²⁾.

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TABLE 1: POVERTY LEVEL OF CONTINENTS

Despite progress, millions remain in extreme poverty
Number of people living on less than \$1 a day (millions)

	1990	1999	2015
East Asia and the Pacific (excluding China)	452	260	59
Europe and Central Asia	92	46	6
Latin America and the Caribbean	7	17	4
Middle East and North Africa	74	77	60
South Asia	6	7	6
Sub-Saharan Africa	495	490	279
	242	300	345
TOTAL (excluding China)	1,276	1,151	753
	916	936	700

TABLE 2: HEALTH STATUS OF CONTINENTS

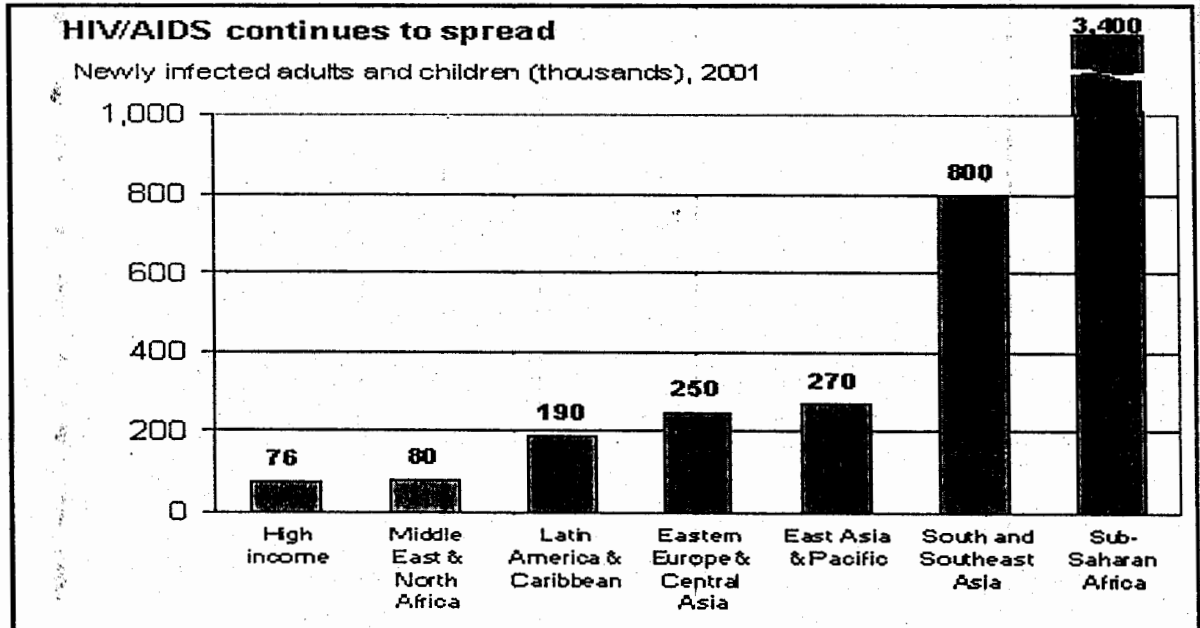


TABLE 3: INCIDENCE OF POVERTY IN NIGERIA

FACTOR	1980	1985	1992	1996
NATIONAL	28.1	46.3	42.7	65.6
GEOPOLITICAL ZONES				
NORTHEAST	35.6	54.9	54.0	70.1
NORTHWEST	37.7	52.1	36.5	77.2
NORTHCENTRAL	32.2	50.8	46.0	64.3
SOUTHEAST	12.9	30.4	41.0	53.5
SOUTHWEST	13.4	38.6	43.1	60.9
SOUTHSOUTH	13.2	47.7	40.8	58.2
SECTOR				
URBAN	17.2	37.8	37.5	58.2
RURAL	28.3	51.4	46.0	69.3
GENDER OF HEAD OF HOUSEHOLD				
MALE	29.2	47.3	45.1	66.4
FEMALE	26.9	38.6	39.9	58.5
SIZE OF HOUSEHOLD				
1 PERSON	2.0	7.0	29.0	13.1
2 - 4 PEOPLE	8.8	19.3	19.3	59.3
5 - 9 PEOPLE	30.0	50.5	51.5	74.8
10 - 20 PEOPLE	51.0	71.3	66.1	88.5
MORE THAN 20 PEOPLE	80.9	74.9	93.3	93.6
EDUCATION OF HEAD OF HOUSEHOLD				
NONE	30.2	51.3	46.4	72.6
PRIMARY	21.3	40.6	43.3	54.4
SECONDARY	7.6	27.2	30.3	52.0
POST SECONDARY	24.3	24.4	25.8	49.2

AGE OF HEAD OF HOUSEHOLD				
15 - 24	16.2	25.3	28.7	37.7
25 - 34	17.8	33.4	28.5	52.7
35 - 44	26.7	46.0	42.1	64.6
45 - 54	27.1	49.7	45.7	71.3
OLDER THAN 65	28.8	49.1	49.5	68.0

TABLE 4: TREND IN POVERTY LEVEL IN NIGERIA (1980 - 2000)

YEAR	POVERTY LEVEL %	ESTIMATED TOTAL POPULATION	POPULATION IN %
1980	27.2	65 Million	17.71
1985	46.3	75 million	34.7
1992	42.77	91.55 million	39.33
1996	65.6	102.3 million	67.1
2000	70	120 million	84.0

SOURCE: National Economic Empowerment and Development Strategy (NEEDS), 2004

TABLE

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4	Reduc
5	Impro
6	Comb other c
7	Ensurs
8	Develk develo

TABLE 5: UN MILLENNIUM DEVELOPMENT GOALS (MDGs)

1	Eradicate extreme poverty and hunger	Reduce by half the proportion of people living on less than a dollar per day. Reduce by half the proportion of people who suffer from hunger.
2	Achieve universal primary education	Ensure that all boys and girls complete a full course of primary schooling.
3	Promote gender equality and empower women	Eliminate gender disparity in primary and secondary education preferably by 2005, and at all levels by 2015.
4	Reduce child mortality.	Reduce by two thirds the mortality rate among children under five.
5	Improve maternal health.	Reduce by three quarters the maternal mortality ratio.
6	Combat HIV / AIDS, malaria and other diseases.	Halt and begin to reverse the spread of HIV / AIDS. Halt and begin to reverse the incidence of malaria and other major diseases.
7	Ensure environmental sustainability.	Integrate the principle of sustainable development into country policies and programmes; reverse loss of environmental resources. Reduce by half the proportion of people without sustainable access to safe drinking water.
8	Develop a global partnership for development.	Develop further an open trading and financial system that is ruled – based, predictable and non – discriminatory.