



## POVERTY REDUCTION STRATEGIES AND NATIONAL DEVELOPMENT IN NIGERIA

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### ABSTRACT

The study on poverty reduction strategies and national development in Nigeria sets out to evaluate the effectiveness of the poverty reduction strategies on improving national development of Nigeria between 1999 and 2015. The proposition of the study stated that poverty issues were endemically a political challenge and that poverty reduction strategies were merely a technical response that cannot reduce poverty. The qualitative research approach based on conceptual and normative analyses of data was adopted whilst the theoretical framework used was dependency theory. The study found that despite the several poverty reduction programmes embarked on, some multi-sectoral while others were sector specific, the poverty incidence in Nigeria was steadily on the increase thus validating the proposition that poverty reduction strategies of the World Bank and IMF are merely technical responses to a fundamentally political challenge. The study recommended that the World Bank, IMF, donor and aid agencies as well as the poor countries should understand the impact of politics on poverty as such emphasize political reforms alongside poverty reduction strategies in order to deal with poverty reduction in the Third World.

**Keywords:** Development, Framework, Political, Poverty, Technical, Strategy.

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## 1.0 INTRODUCTION

The World Bank Group and IMF during their Annual General Meeting of Ministers in 1999 endorsed a proposal that all World Bank and IMF concessional lending should be based on country-owned poverty reduction strategies. This strategy document which was called poverty reduction strategy paper (PRSP) was also meant to guide the use of resources freed by debt relief under the enhanced heavily indebted poor country (HIPC) initiative programme. However, by early August 2001, they announced a comprehensive review of the PRSP to help poor countries and their development partners strengthen the impact of their common efforts on poverty reduction (World Bank 2001). The PRSP aimed to describe a country's macroeconomic, structural and social policies and programmes that would lead to more effective poverty reduction strategies in recipient countries and also enhance aid effectiveness. Thus, PRSP was planned to be different from previous policy interventions but since its introduction, the corresponding impacts have been varied and the criticisms have tended to indicate that the PRSP constituted a mere technical response to an essentially political challenge.

Townsend (1993) asserts that "if people lack or are denied resources to obtain access to diets, amenities, standards, services and activities which are common or customary in society or to meet the obligations expected of them or imposed on them in their social roles and relationships and so fulfill membership of society, they may be said to be in poverty" (Townsend, 1993:36). The World Bank's definition states that poverty is hunger, poverty is lack of shelter, poverty is being sick and not being able to see a doctor, poverty is not having a job, 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 (World Bank 2008). From these definitions, it can be inferred that the causes of poverty revolve around asset ownership, capability and inequitable power structure in a society. Politics is all about access to power and those who control political power dictate the property relations and wealth distribution. Most people are poor because they have no access to land. Reducing the poverty of this category of the poor would mean carrying out land reform to grant access to the landless.

Land reform is a very contentious issue and except by a revolution, most places where it was attempted met with failure. In non-industrialized societies, land represents the principal source of economic and political power; the land tenure system reflects social class structures and relations. A restructuring of the rules and procedures involves changes in the political, social and economic power positions of several groups within a society. Changes of such magnitude do not always proceed along rational lines, and the events that follow are frequently uncontrollable and unpredictable. The World Bank though advocates land reform; the issue was never included on the PRSP agenda for discussion. Although, frantically programmes have been undertaken that should reduce poverty, very often, little are achieved because the historical causes of inequitable political power relations in the society have not been addressed. It tends therefore, to confirm that poverty reduction is a political challenge that only interventions that could alter the political power structure in a society could significantly reduce poverty. Nevertheless, many countries

that enrolled in the HIPC programme had to undertake the PRSP processes and Nigeria was not an exception. Although, there have been several attempts at poverty reduction in Nigeria before the introduction of the PRSP scheme, this write up will concentrate mainly on the poverty reduction strategies undertaken between 1999 to 2015.

The objective of this paper is to evaluate the effectiveness of the poverty reduction strategies employed between 1999 and 2015 on the national development of Nigeria. The paper is organised into eight segments. Section One introduced the subject matter whilst Sections Two and Three respectively dealt with the theoretical framework and methodology adopted for the research work. Section Four explains what constitutes a technical response to a political challenge. In Section Five, a brief review of the PRSP processes in three countries: Bolivia, Nicaragua and Uganda will be undertaken. Section Six will attempt to evaluate the various poverty reduction strategies carried out in Nigeria between 1999 and 2015 for their effectiveness on national development of Nigeria. Lastly, Sections Seven and Eight respectively will discuss politics as a fundamental cause of poverty and thereafter, conclusion of the work and recommendations follow.

## **2.0 THEORETICAL FRAMEWORK**

Dependency theory, also known as Underdevelopment theory/the Radical School of Thought/the Neo-Marxist theory underpins this study. It came as a direct response to the shortcomings of the Modernisation theory in explaining why the core is developed, while the periphery is underdeveloped. Its proponents include Andre Gunder Frank, Walter Rodney, Frantz Fanon, Samir Amin and Claude Ake.

Dependency theory sees development and underdevelopment as two sides of the same coin in the sense that they are the inevitable outcomes and the physical manifestations of the world capitalist system and its inherent contradictions and exploitations. The theory classified the world into two – the Core or Centre (which is made up of the industrialised capitalist nations), and the Periphery or Satellite (which is made up of the colonised and poor countries of the world). Dependency theory argues that the export of capitalism by the West to other parts of the world and its resultant colonialism cum neo-colonialism is responsible for the underdevelopment and dependency of the Third World. Capitalism is driven by the quest for profit maximisation, the theory argues. The quest for profit maximisation compelled the Europeans to search for cheap raw material, cheap labour and markets for their finished goods. This led to colonialism and the subsequent neo-colonialism through which the resources of the colonised were, and are still being exploited. Ake (1981) in his classic work – *A Political Economy of Africa* - submits that the contradictions of capitalism not only transform it, they also transplant it. The transplanting of capitalism arises from those contradictions which reduce the rate of profit and arrest the capitalisation of surplus value. Thus, the capitalist, forever bent on profit maximisation, turned to foreign lands, attacked and subjugated them and integrated their economies into those of Western Europe.

The prescriptions of the World Bank and other Breton Woods's Institutes with regards to the PRSP are seen as part of the strategies to transplant capitalism in the poor Third World countries. However, as strong and convincing as the dependency theory is, it still has some

limitations. The critics note that the dependency theory's broad notion of Centre-Periphery relations in the global state economic system is ambiguous. The lumping of developed nations in one bloc tagged "centre" or "metropole" assumes there are commonalities among all developed nations whether capitalist or socialist. Also, the lumping of the underdeveloped nations into another bloc tagged "periphery" or "satellite" assumes that all underdeveloped have the same level of exploitation and underdevelopment. But we all know that there are variations in real world situations. For instance, Dependency School said that it is the advanced capitalist West that exploits the Third World. But in recent times, advanced socialist countries like China and Russia, have joined in this exploitation by making the underdeveloped countries dumping ground for weaponry and substandard electronics. Again, there are some advanced capitalist states that export primary commodities like crude oil. An example is Canada. Can we then say that Canada is also being exploited through her export like the underdeveloped countries? Moreover, there are some underdeveloped nations that produce finished goods and export such goods to other countries. An example is South Africa which apart from diamond, exports car (a finished product). Can we then say that South Africa (an underdeveloped country) is exploiting other underdeveloped countries through the export of its finished goods, but on the other hand, it is also being exploited by other capitalist nations any time it exports its diamond? The critics of dependency theory are of the view that its exponents should revisit their Centre - Periphery classification and tools of analysis, and come up with a more representative schema that would accommodate the differences particularly in economic relations among nations of the world. The theory of underdevelopment is quite relevant to this work because poverty and underdevelopment are viewed as by-products of the development in the advanced world and as such the poverty reduction strategies being prescribed by the Breton Woods institutions are only meant to perpetuate underdevelopment in the Third World and not to eradicate poverty.

### **3.0 METHODOLOGICAL APPROACH**

The study adopted a qualitative research approach based on conceptual and normative analyses of data. The data were sourced from both primary and secondary sources. The primary data were sourced from the National Bureau of Statistics office in Abuja and the World Bank as well as United Nations Development Programme online platforms whilst the secondary data were obtained from the Central Bank of Nigeria data publications as well as a variety of textual and scholarly relevant literature. The normative or evaluative argument is based on value judgment and knowledge from belief in what is considered good or bad (non-cognitivist) approach to analyze the data. The analysis was inductive and prescriptive in nature.

### **4.0 CHARACTERISTICS OF A TECHNICAL RESPONSE**

In describing what could be termed as characterizing a technical response to an essentially political challenge, Kanbur's two 'groups of practitioners' in the development policy discourse comes handy. These groups were intended as tendencies, not absolutes: there is a 'finance ministry' group and a 'civil society' group. The 'finance ministry' group consists of those working in finance ministries as well as economic analysts, Anglo-Saxon-trained academics, economic policy managers, operational managers of the IMF and World Bank and

the financial press. In contrast, the ‘civil society’ group consists of those working in NGOs, the UN agencies, aid ministries in the North, social sector ministries in the South and non-economist researchers. Kanbur (2001) concluded that ‘there are swathes of agreement in areas where there would not have been consensus two decades ago...but, clearly, there are deep divisions on economic policy, distribution and poverty’. ‘Finance Ministry’ ‘types’ believe in ‘rapid adjustment to fiscal imbalances, rapid adjustment to lower inflation and external deficits...liberalisation, deregulation...deep and rapid privatization...and major opening of an economy to trade and foreign direct investment’. In short, the Washington Consensus as practiced by International Financial Institutions (IFI). In contrast, ‘Civil Society’ ‘types’ on ‘each of these issues... tend to lean the other way’ (Kanbur 2001: 1085).

Any development model prescription from the ‘finance ministry group is seen mainly as technical because they are based on tight range of economic policy instruments. As Williamson (1990) noted in his summary of the outlook of 1989, all these policy framework or instruments, ‘stem from classical mainstream economic theory’ (Williamson, 1990: 19) and the adoption of the policy framework was seen to be the key to achieving development objectives. This model of development embodies conditionality and was proposed by World Bank President Robert McNamara in 1979. He described conditionality as the idea of encouraging economic growth and development by linking financial assistance to the adoption of a particular set of policies recommended by the World Bank. Pender (2001) notes that conditionality was implemented through the introduction of structural adjustment and during the 1980s well into 1990s, loans/aids from multilateral and bilateral donors and private finance became effectively conditional on agreement by the recipient government to implement often far-reaching economic policy reforms, along the lines of the World Bank model. It is this web of conditionality which coerces recipient government to conform to particular ideas based on the Washington Consensus and which forms the fulcrum of the global framework on poverty reduction that this study considers as characterizing a technical response.

The global framework for poverty reduction which was seen as ‘a global rational framework and imprimatur of responsible economic management’ (Craig and Porter, 2003: 57) emerged in 1990 from the ‘Washington Consensus’ among core IFI, including the World Bank, IMF and US Treasury from their specific experience of dealing with chronic Latin American debt. The Washington Consensus was the ‘conventional wisdom...among the economically influential parts of Washington...’ (Williamson, 1993: 1329). Friedman (2000) caricatured the ‘Washington Consensus’ as the ‘Golden Straightjacket’ and according to Craig and Porter (2003), it offered IFI a universal technical toolbox out of which local solutions could be fairly routinely applied.

Many have argued that the IFI Washington Consensus is alive and well in contemporary policy and in the PRSP (Sumner, 2006). Although the IMF and World Bank no longer have to ‘sign off’ PRSP, they still have overt/covert influence over PRSP. IFI agendas may have been internalized as the country’s Ministry of Finance takes over from the IMF as the dominant player

in the process. The Economist magazine noted: 'the shift in fashions [to PRSPs] should not be exaggerated. Where before donors told governments what to do now governments largely tell donors what they want to hear' (Economist, 2005: 12).

When the World Bank developed its Comprehensive Development Framework (CDF) to replace Structural Adjustment lending and the policy of conditionality associated with it, the suggestion was that the CDF is based not on conditionality but on a relationship of partnership between itself playing the repositioned institutional role of 'Knowledge Bank', and the borrowing government, which has full 'ownership' of policies it chooses to pursue (Pender, 2001). As Booth (2003) notes, the PRSP principles extend and largely incorporate the ideas previously developed around CDF proposals of which a key element was that policy-making for poverty reduction should take the form of a country-led strategy process. The CDF is thus a 'clear departure from the narrow and coercive conditionality appropriate for crisis management' (Collier, 2000: 323).

Interestingly, in the CDF, a 'good policy environment' is a condition of receiving financial support on the most favourable terms. The idea of a 'good policy environment' is controversial. Hopkins, Powell and Gilbert (2000) note the 'complication of requiring a clear definition of a good policy environment notion is highly politicized' (Hopkins et al 2000: 290). Pender (2001) discloses that 'on the evidence of current thinking in the World Bank, a good policy environment could perhaps be defined as clear commitment on the part of a government to establish "pro-poor" policies as the overarching priority of all government activity' (Pender, 2001: 408). Since this connotes conditionality, Craig and Porter argue that PRSP should be 'best seen as part of a "Third Way" re-morphing of neoliberal approaches, a new convergence in which governments and agencies of various stripes in both liberal OECD and developing countries are focusing on optimizing economic, juridical and social governance in order to create ideal conditions for international finance and investment' (2003: 54). Is there any justification for such an assertion? A brief review of the PRSP process in three countries might provide a clue for an informed opinion.

#### **4.1 Bolivia**

By the end of the 1990s, Bolivia had an excellent 'track record' in following the structural adjustment programmes of the IMF and the World Bank, often complying with more than the donors demanded (Dijkstra 2005). A basic problem was that stabilization reform had led to some economic growth but had not diminished poverty which led to dissatisfaction among the population. Many donors were disappointed but the World Bank continued to show confidence in the willingness of the government to carry out reforms while ascribing the disappointing results in poverty reduction to a lack of donor coordination and an absence of government leadership in foreign aid, which made aid efforts less effective. As a result, Bolivia became a pilot country for the Bank's CDF and was one of the first countries to begin work on a PRSP in 1999 (Dijkstra 2005). The process of formulating the PRSP and organizing the dialogue was split

up into different phases that had little connection with each other but characterized by heavy donor influence (Komives et al 2003 cited in Dijkstra 2005).

A unit in the Treasury Ministry, the UDAPE, prepared an interim PRSP (I-PRSP) on the basis of an earlier proposal against poverty and with advice from the head of the World Bank's Poverty Group in Washington. The I-PRSP was approved by the Boards of IMF and the World Bank in January 2000, when the country achieved the Decision Point of the HIPC Initiative. The idea was to use the I-PRSP as the basis for a broad dialogue later on but the paper itself was not circulated in the country nor did it play a role in the dialogue. Parallel to this official dialogue, other consultation processes were undertaken, organized by the Catholic Church and other civil society organizations and financed by donors. The concrete result of these dialogues was the Parliament's approval of the 'National Dialogue Law' which stipulated, among other things, that HIPC funds should be transferred to the municipalities and that a national dialogue should be held every three years. The World Bank provided a format for the strategy and World Bank staff were involved in the poverty diagnosis and advised on the strategy itself. The IMF heavily influenced the macroeconomic framework (Dijkstra, 2005).

The full PRSP was approved before the national election but the newly elected government rejected the document showing that its country ownership was more of a mirage. The donors were baffled but because of stabilization difficulties, a revised PRSP was prepared in 2003. At the October 2003 Consultative Group meeting in Paris, the government presented the revised PRSP, which the donors rejected on grounds that there had not been sufficient consultation. The ensuing political crisis thereafter led to the resignation of the President and placed the government under the Vice-President in a delicate situation to give priority attention to domestic pacification and stabilization. Dijkstra asserts that '...donors underestimated the importance of local domestic political processes in Bolivia. They maintained many different formal conditions, but when they finally recognised the crisis situation, these conditions were dropped easily – albeit temporarily...as soon as the situation appears to be more stable, conditions are put back on the agenda' (Dijkstra, 2005: 455).

#### **4.2 Nicaragua**

Unlike Bolivia, Nicaragua had a worse track record with the IFI when the enhanced HIPC Initiative was announced in 1999. Dijkstra observes that even though the government did not seem interested in cooperating with the donors, they began to work on a PRSP because of high debt burden. The task was assigned to a small group of high-level experts whose salaries were paid by the donors. The group director owing to donor pressure included civil society organizations in their regular meetings and subsequently, the National Council for Economic and Social Planning (CONPES) was established in 1999. The first draft of what later became the I-PRSP was presented to a donor meeting in May 2000 before it was discussed in CONPES and other civil society groups in Managua but the discussions did not lead to any changes as the I-PRSP was approved by the Boards of the IMF and World Bank in August 2000.

There were complaints that certain fundamental criticisms of the strategy had not been taken into account for example, the definition of poverty and the ten social programmes and projects defined as priorities in the strategy but the donors were very influential in deciding the projects content of the strategy. Whilst being accused of lack of compliance with IMF targets, increasing corruption and bad governance, the government presented its full PRSP to the Boards of the Bank and IMF which was approved because of pressure from US high-level foreign policy officials to prevent a Sandinista victory in the November 2001 elections. Thus, the PRSP was elaborated by technocrats following donor directives and limiting ownership even among the government. Dijkstra asserts that the technocrats paid little attention to the opinions of civil society but listened very well to the instructions of donors and as such, it was approved in Washington ‘despite strong evidence that it was only a piece of paper, and that the government did not take poverty reduction seriously’ (Dijkstra, 2005:450).

### **4.3 Uganda**

Uganda is generally regarded as a success story and a model of what cooperation and partnership between donors and the government can achieve in economic growth and poverty reduction. Throughout the 1990s, economic growth as measured by real GDP at factor cost averaged 6% per year; implying rising real per capita income at a rate of roughly 3% per year (Uganda 2000 cited in Ellis and Bahiigwa, 2003). A series of household income and expenditure surveys conducted at intervals through the 1990s showed the proportion of Ugandans living in absolute poverty has fallen from 56% in 1992 to 44% in 1997 and 35% in 1999 (Reininkka & Collier, 2001).

The adoption of a coordinated approach to poverty reduction in Uganda predates the emergence of PRSP as the generalized approach by donors to budgetary coordination and debt relief under the HIPC Initiative. Uganda produced a draft poverty eradication action plan (PEAP) in 1997 and subsequent revisions of this plan were accepted by donors as the Ugandan equivalent of a PRSP in May 2000 (Ellis & Bahiigwa, 2003). During the revision, the Ministry Finance met with the Ministries of Local Government, Education or Social Welfare, bilateral donors and with representatives of local and international NGOs, engineering contractors and private entrepreneurs. Although, Uganda widely engaged civil society and donors in PRSP formulation, formal parliamentary review was largely neglected.

### **4.4 Poverty Reduction Strategies in Nigeria**

Before the introduction of the PRSP and subsequent CDF by the World Bank and IMF, Nigeria had undertaken various schemes that were aimed at reducing poverty in the country. Obadan (2001) asserts that in 1994, the Government put together the Poverty Alleviation and National Development Plans to be coordinated by the Poverty Alleviation Programme Development Committee (PAPDC) under the aegis of the National Planning Commission. The primary objective of the PAPDC was to advise the government on the design, coordination and



implementation of poverty alleviation programmes (Obadan, 2001: 6-7). Some of the programmes initiated in the schemes were multi-sectoral whilst many others were sector specific to target particular groups of the poor. Amongst the multi-sectoral programmes were: the National Directorate of Employment which consisted of four main programmes: the Vocational Skills Development Programme, the Special Public Works Programme, the Small Scale Enterprises Programme, and the Agriculture Employment Programme; the Directorate of Food, Roads and Rural Infrastructure (DFRRI), the Better Life Programme which targeted rural women, agriculture and extension services, education and vocational training, cottage industries and food processing, primary health care delivery and enlightenment/awareness and cooperatives; and the Family Support Programme. Those sector specific programmes and their various programmes include: Agriculture Sector Programmes: National Agricultural Land Development Authority, and the Strategic Grains Reserve Programmes; the Health Sector Programmes include: Primary Health Care Scheme and Guinea-worm Eradication Programme; the Education Sector Programmes include: Normadic Education Programme and Adult Literacy Programme; the Transport Sector Programmes include the Federal Mass Urban Transit Programme launched in 1988 to rescue the public transport system from imminent collapse; and the Financial Sector Programmes which include: the National Economic Reconstruction Fund, Peoples' Bank of Nigeria (PBN) and Community Banking Schemes (National Planning Commission, 1994 & 1995; World Bank 1996).

All these schemes and the poverty reduction strategy programmes did not however, substantially alleviate the poverty of the very poor rather, it appeared as the more the programmes, the deeper and endemic the poverty situation becomes. Thus, in 1999 with the coming in of a new democratic government in Nigeria, some concerted efforts were made to tackle the causes and problems of poverty in the country. By early 2001, the National Poverty Eradication Programme (NAPEP) was introduced and the activities involved culminated into the establishment of the National Poverty Eradication Council (NAPEC). NAPEC was to coordinate the poverty reduction related activities of all the relevant Ministries, Parastatals and Agencies of the government. The poverty reduction related activities of the relevant institutions under NAPEP were categorized into four namely: Youth Empowerment Scheme (YES) which dealt with capacity acquisition, mandatory attachment, productivity improvement, credit delivery, technology development and enterprise promotion; Rural Infrastructure Development Scheme (RIDS) which dealt with the provision of portable and irrigation water, transport (rural and urban), rural energy and power support; Social Welfare Service Scheme (SOWESS) which dealt with special education, primary health care services, establishment and maintenance of recreational centres amongst others; and Natural Resource Development and Conservation Scheme (NRDCS) that dealt with the harnessing of the agricultural, water, solid mineral resources, conservation of land and space (Obadan, 2001:17-18).

These various poverty reduction related strategies were put in place whilst the government was preparing its PRSP document under the supervision of the Economic Policy

Coordinating Committee (EPCC). The PRSP document was a commitment of the government in addressing poverty reduction and it contained comprehensive poverty reduction plan and strategies to address it over time. It was prepared in two stages: the first involved the preparation of the I-PRSP which dovetailed into the second stage of preparing the full PRSP. The EPCC prepared the full PRSP document christened NEEDS – National Economic Empowerment and Development Strategy which was Nigeria’s plan for prosperity. The document was the people’s way of letting the government know what kind of Nigeria they wish to live in, now and in the future. It was also the government’s way of letting the people know how it plans to overcome the deep and pervasive obstacles to progress that the government and the people have identified. The full PRSP NEEDS document was also a way of letting the international community know where Nigeria stands in the region and in the world and how it wishes to be supported (NPC, 2004). After over fifteen years of the launching of NAPEP and subsequent NEEDS document, the statistics obtained from the National Bureau of Statistics (NBS) on poverty incidence and other targeted sectors of the Nigerian economy are presented in Tables 1 and 2 respectively.

**Table 1: Relative Headcount from 1980 – 2019**

<b>Year</b>	<b>Poverty Incidence</b>	<b>Estimated Population (million)</b>	<b>Population in Poverty (million)</b>
1980	27.2	65.0	17.1
1985	46.3	75.0	34.7
1992	42.7	91.5	39.2
1996	65.6	102.3	67.1
2004	54.4	126.3	68.7
2010	69.0	163.0	112.5
2016	53.7	186.0	99.9
2018/2019	40.1	196	78.596

**Source:** NBS, CBN, FME NPC, HDI (2022).

**Table 2: Socio-Economic Data 1999 – 2019**

<b>Year</b>	<b>Unemployment Rate</b>	<b>Literacy Rate</b>	<b>Life Expectancy</b>
1999	8.2	-	54.0
2000	13.1	52.1	54.0
2001	13.6	57.2	54.0
2002	12.6	58.5	54.0
2003	14.8	59.8	54.0
2004	13.4	62.4	54.0
2005	11.9	63.1	54.0
2006	12.3	62.4	51.7
2007	12.7	69.3	52.0
2008	14.9	66.0	52.3
2009	19.7	73.4	52.6
2010	21.4	71.6	52.9
2011	23.9	66.9	53.2
2012	27.4	66.9	53.4
2013	24.7	-	53.7
2014	25.1	-	54.0
2015	29.2	67.7	54.3
2016	35.2	-	54.5
2017	40.9	-	54.8
2018	43.3	-	55.1
2019	-	63.2	55.4

**Source:** NBS, CBN, FME, NPC (2022).

According to the information obtained from the NBS, there are three forms of statistics for labour force or on unemployment report. There is the International Labour Organization

(ILO) statistics, Old Nigeria and New Nigeria forms of statistics. The ILO considers unemployed anyone who could not work for up to one hour for the past one week. The Old Nigeria considered an individual unemployed who has not worked up to 40 hours for the past one week. While the New Nigeria considers an individual unemployed who has not worked for at least 20 hours for the past one week. Basing the facts on the statistics of the New Nigeria given in Table 1, the poverty incidence in Nigeria as at 1980 was 27.2% in an estimated population of 65 million people. This meant that the number of Nigerians that were not in poverty as at 1980 was 72.8% of the population. Then the several poverty alleviation or reduction programmes of the government were mounted supposedly to lift the remaining 17.1 million Nigerians out of poverty. What became the result at the turn of another poverty incidence survey in 1985 was that the number of people not in poverty had fallen from 72.8% to 53.7% and then risen slightly to 57.3% in 1992 but fell again to 34.4% in 1996.

As at the commencement of the period of this study in 1999, the estimated population in Nigeria was 119.7 million people with an established poverty incidence of 65.6%. It was expected that if technical responses through poverty reduction strategies were an effective solution to reducing poverty, the incidence of poverty should reduce and more people should not be in poverty in the country. Between 1999 and 2015, we observed that the poverty incidence from the 2004 survey was 54.4% meaning 45.6% of people were not in poverty. The result showed an improvement in the number of people not in poverty compared to the 1996 survey figure of 34.4%. This could be credited to the poverty reduction strategies vigorously pursued by the government and an encouragement that the programmes are effective in reducing poverty. However, with the same programmes and resources sustained, the result of the poverty incidence survey obtained in 2010 did not support the argument. The number of people not in poverty had fallen from 45.6% to 31% which remained the established figure until another survey was conducted in 2016. The million dollars question that begs for answer is if the poverty reduction strategies became effective to lift people out of poverty after it was introduced, why could they not be sustainable such that the gains became reversed?

From the statistics in Table 2, we observe that the unemployment rate in 1999 stood at 8.2% but consistently declined such that by 2015, it stood at 29.2% in spite of all the programmes mounted by the government to raise the employment level. Although, the recorded statistics with regards to literacy rate showed progressive increments from 52.1% in 2000 to 67.7% by 2015, which could also be attributed to the success in the literacy campaign efforts of the government, it did not translate substantially to reducing poverty in the country. The social statistics on life expectancy remained virtually the same on the average between 1999 at 54% and 2015 which stood at 54.3%. The marginal increment also did not reflect in the reduction of poverty in the country.

Overall, we can deduce that the several poverty reduction strategies and programmes have not addressed the fundamental issues and causes of poverty. They have therefore, simply remained a mere technical response to a political challenge in Third World countries. Poverty is

caused mainly by the inequitable allocation and inappropriate application of resources which are principally the domain of politics. It was a political decision of the Europeans to carry out slave trade and colonialism which are the root causes of the endemic poverty in Third World countries. Even after physical colonization was ended, it has been politics that have sustained and reinforced neo-colonial structures and ideals that perpetuate poverty amongst the very poor. The few countries that have tried to break out of poverty have also used political measures in the redistribution and application of resources in their states. Therefore, except there is a realignment of politics in many poor nations to solve the problems of poverty and thereby reduce poverty, every poverty reduction strategies of the World Bank will only remain a mere technical response to an essentially political challenge in the Third World.

### **5.0 POLITICS AS THE MAIN FUNDAMENTAL CAUSES OF POVERTY**

According to World Vision (2022) report, there are ten fundamental causes of endemic poverty in every society. These include: lack of access to clean water and nutritious food, lack of access to basic healthcare, inequality or social injustice, conflict and instability, lack of education, lack of access to jobs and livelihood, poor basic infrastructure, climate change, lack of government support, and lack of personal safety nets. Of these ten identified causes of poverty, all are politically impacted except climate change which is impacted from natural causes. Some scholars include colonialism as a fundamental cause of poverty. While this view is attributable both directly and remotely, it can be argued that there are countries in Africa and other parts of the world that were never colonized but have remained poor. For example, Ethiopia and Liberia were not colonized yet they also suffer from endemic poverty. There are countries that were colonized and later decolonized like other countries in Africa that have broken out of the ranks of poor countries and are very prosperous today. For example, Indonesia, Malaysia and Singapore have broken out of the ranks of poor countries after they gained their independence. Colonialism itself was a political decision of the Europeans just like slave trade and so the incidence of poverty impacted by colonialism is politically caused and can only be politically resolved. It is to be noted that though the colonized territories were later decolonized, colonialism never departed but transformed (Ake, 1981) into imperialism, capitalism, neo-colonialism and globalization.

Immigration or migration could have been an effective means of reducing poverty but the poor cannot emigrate at will based on stringent politically contrived immigration policy of rich countries. Oberman (2015) asserts that “the adoption of a fairly open immigration policy by rich countries coupled with selective use of immigration restrictions in cases of deleterious brain drain, could be of significant assistance to people living in poor countries” (Oberman, 2015: 239). This is very well understood by the rich nations who carry out poverty reduction programmes in many Third World countries yet, their immigration policies like osmosis encourages brain drain of the highly skilled persons from poor countries to theirs and make it extremely difficult for the not-so-skilled to migrate to their countries. Even when some educated

and literate poor as a coping strategy to escape poverty, disposes of their livelihoods assets to be able to acquire a visa to rich countries, they are on arrival subjected to a very costly recertification procedure to gain any professional jobs. Many are not able to enroll into their schools, write all the professional examinations and get the licenses required to be gainfully employed and so end up with menial care and security jobs that are barely able to sustain them. Thus, those poor who tried to escape poverty by immigrating to rich countries are further pushed into deeper poverty that many are unable to help the families they left behind and unable to return back home again.

Another fundamental cause of poverty which is also a political decision is the case of globalization. However, Harrison (2007) asked the question “does globalization reduce poverty? Will ongoing efforts to eliminate protection and increase world trade improve the lives of the world’s poor?” (Harrison, 2007: 1). There have been a number of recent studies on globalization and equality but they have focused primarily on distributional consequences of globalization rather than poverty. Harrison (2007) therefore, deduce that surprisingly, there is little evidence on this question. The comprehensive studies undertaken by Winters, McCulloch and McKay (2004), Goldberg and Pavcnik (2004) and Ravallion (2004) all acknowledge that they can review only the indirect evidence regarding the linkages between globalization and poverty. Winters et al (2004) assert that there are no direct studies of the poverty effects of trade liberalization. Although, the concept of globalization is very broad, Harrison (2007) focused on two aspects: international trade in goods, and international movement of capital – including foreign investment, portfolio flows, migration or trade in services. She states that “most economists expect openness to trade to be associated with higher growth, and growth is good for the poor...yet, if openness to trade is associated with increasing inequality, then the growth gains from trade could be wiped out for those at the bottom of the income distribution...if gains from trade are highly unequal, then the poor may not share the benefits” (Harrison, 2007: 2-3). One of the lessons that emerged from her research of these complex issues is “the poor in countries with abundance of unskilled labour do not always gain from trade reform” (Harrison, 2007: 3). Therefore, from the globalization agenda, the experiences of poor countries especially in Africa have shown that they are worse off when it comes to the distribution of benefits from liberalized trade as well as in terms of poverty reduction.

## **6.0 CONCLUSION**

The Federal Government of Nigeria between 1999 and 2015 embarked on several poverty reduction strategy programmes in line with the World Bank and IMF PRSP and CDF prescriptions. The statistics obtained from the NBS office on poverty incidence during the period of the study showed that there were marginal improvement on the number of people not in poverty at some point in time. However, the gains which could have arisen from the programmes could not be sustained and there were more recorded people in poverty steadily than people out

of poverty. It therefore, validated the proposition that those poverty reduction strategies were more of a technical response to a political challenge.

The main fundamental causes of poverty in every society are political actions of both foreign and domestic actors. Except and unless there are changes in the political activities of those players both in the domestic and foreign spheres, the poverty situation in the country will continue to be endemic. The foreign actors who are trying so hard to reduce poverty in the Third World will have to loosen the stringent immigration policies and aids conditionality as one way to help the poor escape poverty.

## **7.0 RECOMMENDATIONS**

It is therefore, recommended that:

- ✓ Third World countries including Nigeria should in addition to poverty reduction strategy programmes realign their domestic politics to address inequitable distribution of resources and inappropriate application of resources to reduce poverty in their countries.
- ✓ The developed countries that are involved in poverty reduction programmes in Third World countries should adjust their immigration policies to permit the emigration of the poor out of poverty.
- ✓ The World Bank, IMF, donor and aid agencies as well as the poor countries should understand the impact of politics on poverty as such emphasizes political reforms alongside poverty reduction strategies in order to deal with poverty reduction in the Third World.

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