

Poverty Reduction Strategies: An Assessment of Development Initiatives in Africa

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Abstract

The objective of virtually all development initiatives in Africa is poverty reduction. The crippling challenge of poverty facing most African states is, by no means, a fresh one. However, the problem has assumed a disturbing dimension at the turn of the 21st Century, if we compare African states with emerging economies in the global south. The paper adopts functionalism as a theoretical framework due to the fact that African states have embraced the idea of integration, with African Union (AU) being a potential instrument of realising their development aspirations. Relying on secondary sources of data collection, it sought to gain in-depth understanding of previous studies, in order to gain fresh insight and enriched perspectives. The paper examined selected continental and global development initiatives, as well as their impact towards achieving the goal of poverty reduction in Africa. While noting that political stability is a major precondition for economic growth, the paper noted that most African states are at sub-optimal level of economic performance because of high level of impunity among the political leadership, abuse of due process and failure to adhere to global best practices. The paper observed that the realities of the present interdependent world system dictate that there is no alternative to global partnership if African states are desirous to make a break from their stunted growth and vicious cycle of poverty. The paper recommends that African states need to re-tool and refine their development strategies along the Asian trajectory. It concludes that only an African consensus on the utility of an integration framework can help advance the goal of poverty reduction in the continent.

Keywords: Integration, Partnership, Poverty, Sustainable Development

JEL Classification: I32, P36

1. Introduction

Over the years, most African states have been gripped with the scourge of poverty and the crippling effect of inequality, and both, in turn, have implications for the living standard of the people. Indeed, one of the most challenging images of Africa has been that of a land of abundant resources inhabited by poor people. This

paradox of "poverty in the midst of plenty" has constituted a serious developmental challenge for the continent and its political leadership. The challenge of poverty reduction is further accentuated by such factors as conflict, institutional decay, economic mismanagement, corruption, and absence of good governance. There is already a consensus on how to measure human development. The Human Development Indices (HDI), as designed by United Nations Development Programme (UNDP) are per-capita income, access to education and health care. In recent years, Gender Development Index (GDI) has been added. Based on these criteria, most African states are at the lowest ebb of the development ladder (Audi, *et al*, 2014).

Six decades after 'Africa Year of Independence', it is no longer realistic to lay blame on colonial factor for Africa's under-development, dependence, and consequently, poverty. Rather, it is more plausible to argue that, presently, African states are not strong or resilient enough to cope with the intrigues of the international political economic system conceived under the Brentwood System, currently sustained by the politics of 'Washington Consensus', and reinforced by the forces of globalisation. Following the idea of reduced state's participation in economic activities, championed by former President Ronald Reagan of the United States and former British Prime Minister Margret Thatcher, most African states embraced the wave of the Structural Adjustment Programme (SAP) in the 1980s, under the supervision of the International Monetary Fund (IMF). However, a major consequence of the implementation of the IMF policy prescriptions such as removal of subsidies, privatisation and commercialisation, and down-sizing of the labour force is that it has eliminated the social safety net hitherto provided by the government for the people (Onimode, 2000).

In a continent, according to Ali Mazrui (1980) where its people 'consumes what it does not produce, and produces what it does not consume', it would amount to double jeopardy to subject the citizens to the inequities of IMF's policy prescriptions. It is even worse that the state has been displaced from its traditional role of being the regulator of the national economy. It has now assumed the role of the facilitator of the private enterprise in its free-wheeling and laissez faire approach to economic activities. The absence of the required regulation of private enterprise has further improvised and aggravated the level of poverty and inequality in the continent. In order to address the challenges of poverty, Obasanjo (2014) argues that African states have no alternative than to adopt major continental and global initiatives at the level of the African Union (AU) and the United Nations (UN) such as the New Partnership for African Development (NEPAD) and the African Peer Review Mechanism (APRM). African states now argues that global partnership is key to development and alleviation of poverty. However, the limitations of the MDGs as a poverty therapy led to the idea of the Sustainable Development Goals (SDGs) in 2015.

The objective of the paper is to examine the challenges of poverty reduction in Africa, and the effectiveness of the strategies being employed by African States to address them. For many states in Africa, including Nigeria, the scourge of poverty has assumed a multi-dimensional degree. It is not difficult to identify several

indices of poverty in Africa as manifested in deplorable welfare standard of the citizens, lack of access to quality education and health services, including low life expectancy among the populace. For this reason, it is imperative for leaders of African States to design and implement appropriate policy measures to address this challenge, taking into account the need to embrace partnership and collaboration while leveraging on the benefits of peer review mechanism. The paper is organised into six sections. Section one is the introduction which states the objective of the paper, literature review, methodology, and theoretical framework. Section two is an outline of the objectives of selected regional and global development programmes adopted in Africa, while section three present the images of poverty in African states, in their different manifestations and the progress made in HDI, so far. Using the Asian examples as a guide, section four examines the poverty alleviation programmes in three emerging economies in Asia, and how they brought about poverty reduction in those countries. Section five examines the prospects of integration in Africa, within the context of African Continental Free Trade Arrangement (AfCFTA). Section six make recommendations and concludes the paper.

2. Literature Review

There is extensive literature on the relatively disadvantaged position of Africa within the world political economy (Karlsson 2012, McGee, & Norton, 2014) stated Indeed, the problems of poverty and rising global inequalities constitutes the moral core of the crisis of the present world system". To Obasanjo (2014: 119-135) the idea of global partnerships for development, as encapsulated in global initiatives such as the MDGs and SDGs, are recognition of the severity of the challenge, and attempts at finding solutions to them. One of the many strategies to foster collaboration and create opportunities for trade expansion is through integration, which has found expression in African Union's New Partnership for African Development (NEPAD), and the African Peer Review Mechanism (APRM). According to (Kaarbo and Ray, 2011: 446), the thrust towards integration differs if we compare European countries with developing countries. For the former, the emphasis was initially avoidance of war, and the latter, the focus is clearly economic. Kissinger (2001: 47) had earlier elaborated on Kaarbo and Ray's view: "Initially, Europe saw integration as a way to overcome the suicidal rivalry that led it to catastrophic wars, and to overcome the economic ravages of those wars by cooperative actions". Essentially this is why the idea of North Atlantic Organisation (NATO) preceded that of the European Union (EU).

Yet, integration has its own challenges, which Afegbua (2019) has blamed for exposing member states to illicit trade, cross-border crimes such as terrorism, with serious implications for border management and internal security. Despite these challenges, Kituyi (Kituyi, 2019) posits that African states are not deterred, hence the idea of the African Continental Free Trade Agreement (AfCFTA), which came into force following the Kigali Declaration of 21st March 2018. Kituyi admitted that currently, transcontinental trade in Africa remains weak and accounts for only 15. 2percent of African exports and imports, compared to Europe and Asia where intercontinental trade accounts for 67 percent and 61 percent, respectively. Kituyi,

therefore views AfCFTA as a good initiative to promote trade expansion, generate employment, and address the problem of poverty, and its eradication or reduction in Africa.

The liberal theory emerged in reaction to the wave of criticisms of the realist thought. Although there are distinct schools of thought within the liberal tradition; yet there are sufficient common elements among the variants that can be weaved together to arrive at some general themes. Central to liberalism is the belief in reason and the possibility of human progress. Liberals also view the individuals as a seat of human values that should be treated as ends rather than means of state policy. While the Realists counsel decision makers to seek the lesser evil rather than absolute good, liberals place more emphasis on ethical principle over the pursuit of power, and institutions over military capabilities. Unlike the realist theory which emphasises power and focuses on competition among states, liberal theory emphasises international cooperation, and stresses the role of international organisation in order to promote mutual economic benefits.

By extension, liberals also believe that politics at the international level should strive towards building coalition, consensus and mutual gain, rather than a mere struggle for power and prestige. In short, while realists are pessimistic, liberals are optimistic about the nature of man. Unlike realists who blame international conflict on human nature or lust for power, liberals prefer to blame the conditions and institutions under which people live. To enhance prospects for world peace, liberals suggest institutions building and political reforms. For example, when Woodrow Wilson mooted the idea of the League of Nations after World War I and also proclaimed that “democratic governments will make wars less likely” he was speaking in line with liberal tradition. It is therefore not surprising that liberals’ dislike for war and preference for peace make them to support disarmament, resolution of disputes through the mechanisms of laws, legal procedures and diplomatic means, and encouragement of trade relations as a means of promoting cooperation and mutual benefits among states. Finally, liberals recognise fully the role of international organisations and multinational corporations. For example, bodies such as the United Nations Organisation (UNO) and the World Trade Organisation (WTO) through their activities, often set agenda for states and continue to pose challenge to the dominance of states in the international arena.

Like other theories, the liberal theory has also been criticised for its inherent weaknesses. First, international institutions can only exert minimum influence on states, and using the U.S unilateral action against Iraq in 2003 without the authorization of the United Nations as an example, international institutions cannot stop states from behaving according to the balance of power logic. Second, liberal thought seems to have more relevance in low politics arena of commercial, financial, and environmental issues, rather than high politics arena of national security where strategic considerations dictate support for the realist perspective. Indeed, on defence and security issues, it is safe for states to have trust in their own power, not on guarantees by, and from international institutions that may not be able to provide timely and muscular responses to aggression. In spite of these limitations, the realities of the present global economic system dictate the need for

cooperation, collaboration and partnership among states to address common challenges, especially those that are economic and developmental in nature, in an increasingly interdependent and globalised world.

3. Methodology

The subject scope in this paper focuses on poverty reduction strategies and how the development initiatives of African states have assisted to address this problem. The paper adopts qualitative and descriptive approach and relies mainly on secondary sources of gathering data. These sources include relevant academic and research materials, books, journals, newspapers, archival materials, workshop and seminar papers, Internet sources, including official publications from relevant government ministries, agencies and research institutes, INGOs. Data from these sources were thoroughly evaluated, examined and analysed with a view to assisting in coming up with findings, from which recommendations were made and conclusion reached.

4. Findings

Major Development Initiatives/Programmes Targeted at Poverty Reduction in Africa

In the last two decades, the goal of poverty reduction in Africa is being advanced through some strategies. Some of these development programmes include the following:

The African Growth and Opportunity Act promoted by former U. S. President Bill Clinton and the Commission for Africa sponsored by former British Prime Minister, Tony Blair

The African Growth and Opportunity Act (AGOA) is a United States Trade Act enacted on 18 May 2000 as a Public Law 106 of the 200th Congress. AGOA's is to enhance market access to the United States for qualifying Sub-Saharan African (SSA) countries. AGOA has been renewed until the year 2025. Initiated in 2004, The Tony Blair Commission for Africa was meant to provide impetus for development in Africa and to generate new ideas for development and to deliver the commitments of the international partners to Africa. The AGOA with the Report of Tony Blair Commission for Africa in 2005 represent notable development initiatives in Africa. The Africa Progress Panel (APP), which emerged from the Gleneagles G8 Summit of 2005 was formed as a vehicle to maintain a focus on the commitments which the international community made to Africa. The APP was also to focus on the performance of Africa by African leaders themselves. From 2008 to 2014, the themes of the annual reports of APP were attempts to benchmark progress made in Africa. The themes, among others, include "Africa's Development: Promises and Prospects" (2008), "From Agenda to Action: Turning Resources into Results for People" (2010) and "The Transformative Power of Partnerships" (2011) (Obasanjo, 2014: 127-130).

The Millennium Development Goals (MDGs)

The United Nations Millennium Development Declaration was signed in September 2000 Goals. The Declaration committed the 191 UN member states to Eight Millennium Development Goals MDGs that were projected to be achieved within a period of fifteen years projected for 2015. The MDGs include the

following: eradicate poverty and hunger, achieve universal primary education, promote gender equality and women empowerment, reduce child mortality and improve mental health. Others are to combat HIV/AIDS, malaria, and other diseases, ensure environmental sustainability and develop a global partnership for development.

The New Partnership for African Development (NEPAD)

NEPAD was an economic development programme of action of the African Union (AU), the successor continental organisation to the now defunct Organisation of African Unity (OAU). NEPAD was adopted at the 37th session of the Assembly of Heads of State and Government in July 2001 in Lusaka, Zambia. NEPA seeks to provide an overarching vision and policy framework for accelerating economic cooperation and integration among African countries. Indeed, NEPAD is a merger of two plans: the Millennium Partnership for the African Recovery Programme (MAP), initiated by former President Thabo Mbeki in conjunction with former President Olusegun Obasanjo, and President Abdelaziz Bouteflika of Algeria; and the OMEGA Plan for Africa developed by former President Abdoulaye Wade. The overall aim of NEPAD, as articulated in 2001 and embodied in the Memorandum of Understanding and The Declaration on Democracy, Political, Economic and Corporate Governance, is to enhance the quality of governance by instituting and implementing policies that would lead to good governance. One of the instruments put in place by the AU is the African Peer Review Mechanism (APRM), which is a process voluntarily acceded to by member states of the AU members as an African self-monitoring mechanism.

The Sustainable Development Goals (SDGs)

The 2030 Agenda for Sustainable Development was adopted by the United Nations in 2015, as a successor programme to the MDGs. It provides a shared blue print for peace and prosperity for people, now and into the future. What later became known as the Sustainable Development Goals (SDGs) listed 17 goals that call for urgent action among UN members. They include the following: No Poverty, Zero Hunger, Good Health and Well-being, Quality Education, Gender Equality, Clean Water and Sanitation, Affordable and Clean Energy, Decent Work and Economic Growth, Industry, Innovation and Infrastructure and reduced inequality. Others are Sustainable Cities and Communities, Responsible Consumption and Production, Climate Action, Life Below Water, Life on Land, Peace, Justice and Strong Institutions and Partnership to achieve the goals (Gate Foundation 2019). The origin of the SDGs can be traced to the United Nations Conference on Sustainable Development (UNCSD) otherwise known as Rio+20, in 2012. At the conference, a resolution, the "Future We Want", also known as Brundtland Report, was reached by member states. The SDGs is popularly defined as development that "meets the needs of the present without compromising the ability of future generations to meet their own needs".

Attempts have been made to draw a comparison between the MDGs and SDGs. The Economist (2019) stated that while the MDGs is about development, the SDGs is about sustainable development. It also states that while "the MDGs used a sole approach to problems, the SDGs takes into account the inter-connectedness of all

the problems". More importantly, while the MDGs focused specifically on developing countries, the SDGs is meant to have global application. It also places emphasis on the process of implementation, and mobilisation of financial resources, along with capacity building and infusion of technology. Despite being more specific and comprehensive in its objectives, the SDGs has its weaknesses. One of it is that it sets contradictory goals and seek to do everything first, instead of focusing on the most urgent or fundamental priorities. For example, goal 13 which seeks to achieve "harmony with nature" contradicts goal 8, which calls for 7 percent annual growth rate. In short, the SDGs is calling for both less and more at the same time (British Educational Research Association, 2021). Yet, barely four years after it was launched, it is premature to pronounce definitively on the SDGs.

Regional Integration as an Instrument of Poverty Reduction

As a political and economic strategy, states around the world have leveraged on the idea of integration to widen their opportunities, encourage transnational synergy and promote partnership in diverse areas (Effiom and Udah, 2014). Despite the setback the European Union has suffered with Brexit, it remains a uniquely success story of integration efforts. Similarly, in spite of occasional skirmishes with Mexico over illegal migrants, which reached its crescendo under former President Donald Trump, NAFTA is also another good example of a supranational arrangement. The Association of South East Asia Nations (ASEAN), has also survived the strategic rivalry among its leading members, notably China and India over border disputes (Kissinger,2001: 110-119) However, with a lesser degree of success African states are also trudging along with ECOWAS and SADEC, not deterred by the travails of the East African Community which collapsed in 1977 and was later revived in 2000. For example, when ECOWAS was formed in 1975, its objective was to move gradually from a free trade area, through customs union, common market, economic union, and ultimately towards economic integration.

More than four decades after the ratification of the ECOWAS' flagship Protocol on Free Movement of Persons, nothing more concrete has been achieved. Indeed, forced by domestic economic circumstances, many ECOWAS members have not kept faith with the Protocol. However, ECOWAS' decision at its Abuja Summit of June 29, 2019 to adopt a common currency, the "Eco", with the commencement date set for January, 2020, is a positive development that will hopefully further the course of integration in the sub-region. But for it to work, according to Ordu (Alosysius, 2019), ECOWAS member states must learn positive lessons from the Euro zone and work towards the harmonisation of their fiscal and monetary policies. The proposed common currency is expected to increase cross-border trade, eliminate the problems associated with convertibility of currencies, encourage specialisation among member-states, based on comparative advantage, and impact significantly on the living standard of 385 million people within the sub-region. Six ECOWAS member states, including Nigeria, Liberia and Ghana would have to swap their currencies for the new currency, while Guinea, Bukina Faso, Ivory Coast, Senegal and Guinea Bisau would have to abandon the CFA in order to adopt the new currency. For a successful introduction of "Eco", ECOWAS would need to collaborate with the West African Monetary Agency, the West African Monetary

Institute and the Central Bank to speed up the implementation of the currency in January 2020.

Assessment of Poverty Reduction Strategies in Africa

Despite years of the implementation of the various development programmes in Africa, reports from development agencies have indicated that the goal of poverty reduction is yet to be achieved. Some of the indicators are explained below:

Poverty Indices in African Countries

As a summary measure of average achievement in key areas of human development in life expectancy, knowledge and standard of living, the 2017, the HDI categorises countries into very high, high, medium and low. It is instructive that there are no countries in Africa with "very high "human development. The 2015 progress report of the United Nations Development Programme indicates that limited progress was made in Africa, with average poverty rate in the continent in the range of 48 percent. Of equal concern is that the limited growth rates in a few African countries are not inclusive enough to create jobs. In addition, poor implementation and undue reliance on development aid have also hampered the attainment of the MDGs (Africa MDGs, 2019). The 2018 HDI report also states that seven African countries including Seychelles, Mauritius, Algeria, Tunisia, Botswana, Libya and Gabon ranked high in HDI. Some of the 14 countries grouped within the medium position include South Africa, Egypt, Morocco, Kenya, Ghana, Angola, Cameroon, Equatorial Guinea, among others. Nigeria was no 157 in HDI, and was joined by Tanzania, Zimbabwe, Uganda, Benin Republic, Senegal Sudan and Togo, among others.

Significantly, the Global Peace Index has identified 8 main drivers for positive peace to include a well-functioning government, sound business environment, high level of human capital, low level of corruption, and equitable distribution of income. Similarly, the Forum for Peace in USA also compiled 12 indices which predicts the vulnerability of state to collapse. Soludo (2019) submits that most African states are poorly ranked in the global peace index as well as the fragile state index. While these indices are negatives for the goal of poverty reduction in Africa, the announcement by the Norwegian Nobel Committee of Ethiopian Prime Minister as the winner of 2019 Nobel Peace Prize, out of 304 applicants including U.S. President, Donald Trump, is a fresh positive for Africa.

There are a few exceptions in positive HDI statistics. Seychelles became independent in 1976 and has since grown its nominal GDP by more than sevenfold (2017 Report Human Development Index). Seychelles is the only African country to be rated as having high HDI, ranked 63rd in the world and first in Africa in 2017. The unemployment rate was 3% in 2015, while GDP per capita is US \$28,000 (El-Rufai, 2018). Botswana is a sparsely populated country of some 2m people. At independence, it was the third poorest country and could only boast of 12km of paved roads. But today, Botswana has moved its per capita income from US \$70 in the 1960s to US \$18,825 by 2015. Botswana's economy is based on diamond mining, cattle rearing and tourism, and presently has about the highest HDI in sub-Saharan Africa (El-Rufai, 2018). On the other hand, despite her huge potentials Nigeria has consistently averaged 152nd in Human Development Index (HDI) since

2013, and far behind other smaller African countries in welfare indices: out of school children, life expectancy, per-capital income, inequality of income, ease of doing business and financial inclusion. The National Bureau of Statistics (*Vanguard*, 2017) revealed that unemployment rose in Nigeria from 14.2 percent to 18.93 in 2017, youth unemployment at 61.6%, which means that the supposedly active segment of the population is not productive.

Like most other African states, majority of Nigerians, due to population pressure, presently live below poverty line (Otti, 2017). According to the World Bank (2022), Nigeria has overtaken India as the nation with the most extreme poverty. Estimates from the World Poverty Clock indicates that at the close of May 2018, 86.9 million Nigerians, which represents about 50 percent of the nation's population are extremely poor (World Bank, 2019b). Nigeria also has a very high dependency ratio, currently standing at 88.2 per dependants per 100 non de pendants (Wikipedia, 2019). By the United Nations estimates, extremely poor Nigerians are earning less than \$1.90 a day. Thus, poverty reduction or eradication remains a major goal of the Buhari administration's Economic Recovery and Growth Plan (ERGP), and the first assignment President Buhari gave to the National Economic Advisory Council is how to lift 100 million Nigerians out of poverty in the next ten years (World Bank, IMF and others, 2019).

Currently, the combined population of all the 54 states in Africa as at 2022 is 1.4 billion with a total GDP of \$2.7 trillion (2022), and a GDP per capita of \$1,626. But the GDP figures may also be misleading if we compare Nigeria with South Africa. Although Nigeria is the largest economy in Africa based on GDP, but Nigerians have lower per capita income of less than \$2000 in comparison to South Africa's \$7000. This has implications for the purchasing power of the citizens, velocity of money in circulation and the capacity of the government of the two countries to fund poverty reduction programmes. The extent and depth of poverty in Africa will become glaring when it is compared with the United States, with a population of 327 million, and a GDP of \$19.39 trillion (2017), and a GDP per capita of \$59,531 (2017). China, with a population of 1.4 billion has GDP of \$12.24 trillion (2017), but with a far less GDP per capita because of the huge population it has to provide for. But the phenomenal leap which China recorded in growth rate can be better appreciated if her GDP of \$305 billion is compared to US' \$2.8 trillion in 1980 (World Bank, 2019a). The report stated: "The gap between the US and China GDP kept increasing until 2006, when it reached its maximum. From then on, the gap has been reducing because China is having more incremental GDP than US". Although, former President Buhari described as 'wild estimates' statistics compiled by the World Bank and IMF, the data, in the least, speak to the limited economic growth rate being recorded in Africa (World Bank, IMF and others, 2019).

Poverty Reduction Strategies by Emerging Economies of Asia

In order to appreciate the increasing developmental gaps between the global North and global South, a brief discussion of the poverty alleviation in selected Asian countries is relevant here. Unlike African countries, many Asian countries like Singapore and Japan, are not resource-rich, but because they have benefitted from

leadership with creative capacity, their economies have been transformed and their peoples have been lifted out of poverty. Three emerging economies in Asia will provide sign posts for African states.

Poverty Alleviation Programmes in China

From the "Great Leap" of 1958 under Mao, it is remarkably revealing that China moved from a poor country that relied on nearby Hong Kong for essential staple items in the 1970s, to its present status of being the world's second largest economy. In 1974 when Deng Xiaoping started opening up China, he insisted on his view that economic growth, and not the class struggle should be the standard measure of the quality-of-life indicators. His pragmatic approach, coupled with his popular slogan: "practice is the sole criterion of truth" led to the phenomenal transformation of China. The result is that China which had only 8 million university graduates in the 1970s today has more than 300 million graduates. As Deng would say: "seek truth from facts", this multitude of university graduates became both a ladder and safety net for the Chinese huge population. In the early days of her resurgence, China also faced the challenges of limited resources. But the secret behind the success story of China is that her limited resources were efficiently applied in selected high impact sectors with higher multiplier effect on the rest of the economy. Another strategy adopted by Deng was to focus his attention on key cities such as Schengen, Shangai and Guangxi that were identified as development hub, from where the spill-over effect would spread to other parts of the country (Sanusi, 2019).

Conventional economic wisdom dictates that the easiest way to alleviate poverty is employment generation. As of 1990, China had a total of 756 million of its citizens living in extreme poverty. China leadership immediately saw the potential danger of having a huge number of its population, in what Karl Marx described as "reserve army of labour". As a response strategy, China developed a comprehensive poverty eradication plan, along with appropriate implementation strategies. The Chinese poverty eradication programme was massively resourced with a budgetary provision of \$41.7 billion between 2013 and 2017, more than double the level of the previous five years (The Borgen Project, 2019). The funds deployed by the Chinese authorities under the poverty alleviation programme focused on rural infrastructure, agricultural subsidies and discounted loans. The broad goal of multi-pronged approach aimed at encouraging the self-development and empowerment of the poor population. The success of the policy largely contributed to the phenomenal leap in employment generation in the country. According to a World Bank Report (2019b), from 1981 to 2013, China lifted 850 million people out of poverty, with the percentage of people living in extreme poverty falling from 88 percent to 1.85 percent.

India Poverty Reduction Programmes

India is another Asian country whose poverty alleviation programmes offer good lessons for Africa. Until the 1980s, India was a typical third world nation, and along with China, both as prominent members of the non-aligned movement. From the early 1990s India implemented series of poverty-alleviation programmes that were carefully targeted at different segments of the country. The programmes were

grouped into: Wage employment programmes, Self-employment programmes, Food security programmes, Social security programmes and Urban alleviation programmes. The Integrated Rural Development Programme (IRDP) introduced in 1978-1979 was the most ambitious poverty alleviation programme in India. During the sixth five-year plan (1980-1985) assets worth 47.6 billion rupees were distributed to about 16.6 million poor families. This was followed in 1987-1988 when another 4.2 million families were assisted with an average investments of 4,471 per family, or 19 billion rupees in total.

"The Jawahar Gram Samridhi Yojana" (JGSY) was also launched on April 1 1999. Its aim was the development of rural infrastructure, especially road to connect the village to other areas so as to facilitate market access. The other objective was to guarantee wage employment for those below poverty line (BPL). Other programmes specifically targeted at the poor were the National Old Age Pension Scheme (NOAPS), National Family Benefit Scheme (NFBS), among others. The net effect of these programmes is that millions of Indian citizens were lifted above the poverty line (APL). It is significant that the 2019 Nobel Prize for Economics went to a couple, Abhijit Banerjee and Esther Duflo for their experimental approach to alleviating global poverty. Both scholars focused on the lives of the poor in India, "in all their complexity and richness", and "how an inadequate understanding of poverty had blighted the battle against it"(The Guardian Editorial, 2019).

Singapore Strategies of Economic Transformation

Another Asian success story is Singapore. Lee Kuan Yew was able to transform Singapore from a Third World to a First World within a generation. He built strong political institutions and made a conscious effort at putting in place a succession plan for sustainability of his policies after his exit from office. Lee was succeeded by his son, Lee Hsien Loong, to whom Lee Kuan Yew became Minister Mentor. Kissinger alluded to the remarkable economic progress of the South-East Asia, city state, when he wrote: "superior intelligence, discipline, and ingenuity would substitute for resources" (quoted in Lee Kuan Yew, 2000: x). As at 2001, Singapore was able to achieve a per capita income of close to US \$25,000 in terms of purchasing power parity, which puts her in the bracket of high-income countries. (Brookings, 2019). Beyond institution building and policy re-engineering, African leaders have a lot to learn from their Asian counterparts in the areas of appropriate value systems. Singapore, for example, does not pretend to be a welfare society, but rather a fair and meritocratic society in which every citizen has a stake in the country and its future. Lee Kuan Yew (2000: 95), while not rejecting the socialist dogma of an egalitarian society, however believed that "personal motivation and personal rewards were essential for a productive economy".

Copious references have been made to Nigeria and South Africa in the paper, not only because they are the two largest economies in Africa, but also for the fact that the differences among the countries in Africa are only in degree, but not in kind. Thus, for several reasons, Nigeria and South Africa qualify as representative images of the continent. With a GDP of \$ 397 billion as at 2018, Nigeria is Africa's largest economy, followed by South Africa with a GDP of \$349 billion. Nigeria is

also the most populated country in Africa, with an estimated population of 202 million as at October 6, 2019, a factor which puts a lot of pressure on the economy. The two other countries closer to Nigeria in population are Ethiopia and Egypt with population figures of 110 million and 105.55 million respectively. Their combined population is roughly equal to the size of Nigerian population (Nigeria Population 2022, <https://www.worldometers.info>, accessed on 29/06/2023) Yet, Nigeria's huge population, or its ethnic diversity should not constitute a hindrance to development, if China, with the highest world population of 1.4 billion and a territorial size of 9,600 square kilometres (in comparison to Nigeria's 923,000 square kilometres), has been able to achieve economic transformation, and its people able to escape the poverty trap.

Similarly, India with a population of over 1.3 billion and a more ethnically diversified and heterogeneous society has been able to achieve similar feat of economic transformation as China. Over the years, China and India have consistently maintained manufacturer to GDP ratio of 25 to 30 percent and 17 percent, respectively, and this has helped to increase economic growth, generate employment and reduce poverty rate in the two Asian countries (Soludo, 2019). Although with a slightly lower GDP compared to Nigeria, South Africa has a better industrial base than Nigeria, and also currently the most industrialised in the continent. As a member of the BRICS nations, which also comprise of Brazil, Russia, India, and China, South Africa has a better economic prospect. If South Africa can rise above her past history of racial hatred, which has bred Xenophobia and Afro-phobia, the country would continue to sustain its role as the economic hub of Southern African Development Community (SADC), the role Nigeria is playing in ECOWAS and the USA in NAFTA. No doubt, Xenophobia is a strong disincentive to regional integration. Yet, economic and political integration holds the key, and remains a potent instrument of poverty reduction in Africa (Iwuagwu, 2011).

The Prospects of the African Continental Free Trade Agreement (Afcfta)

One of the obstacles to integration, among others, is the traditional rivalry or clash between the pull and push of national sovereignty and the imperatives of transnationalism (Mitrany, 1950). Indeed, domestic economic considerations is a major reason why some countries, especially the two largest economies in Africa, Nigeria and South Africa, were hesitant to sign unto the African Continental Free Trade Agreement (AfCFTA). Nigeria's initial argument was that AfCFTA would frustrate locally manufactured goods, for fear of not being able to withstand competition with imported goods. This is a clear reference to the traditional infant industry argument for building tariff wall against imported goods; but this is a policy which is no longer sustainable in the face of wider acceptance of the idea of regional integration. Nigeria's experience with local industries/companies, notably Michelin that was forced to migrate to nearby Ghana due to high cost of production in the country suggests that the industrial policy of the Nigerian government should aim at improving ease of doing business index so as to encourage local manufacturing industries as well as the competitiveness of their products. According to Soludo

(2019), research has shown that the cost of energy alone represents additional 40 percent to the cost of production in Nigeria.

The African Continental Free Trade Agreement was signed at Kigali, Rwanda on 21st March 2018 by 44 African Union member states. AfCFTA aims to boost intra-African trade through progressive elimination of tariffs and non-tariff barriers to trade in goods and liberalisation of trade in services. Nigeria was one of the 11 AU members that did not sign the agreement (IMF, 2019). Indeed, AU member states signed three separate agreements: the AfCFTA agreement, the Kigali Declaration and the Protocol on Free Movement of Persons. Kenya and Ghana were the first countries to deposit the ratification instruments on 10 May 2018, after ratifications by their parliament. After ratifications by Sierra Leone and the Sahrawi Republic on 29 April 2019, the threshold of 22 states required for the trade area to come into force was reached. The conspicuous absence of Nigeria and South Africa, the two leading economies in Africa with the potentials to drive economic growth and development in the continent, at the early stage, did not go unnoticed. South African President, Cyril Ramaphosa underscored the lack of inclusiveness of AfCFTA when he said: "the continent is waiting for Nigeria and South Africa. By trading among ourselves, we are able to retain more resources in the continent".

Besides the initial challenge of lack of inclusion, one other complicating problem with AfCFTA is that Africa had already been divided into eight separate free-trade areas and/or customs union, each with different regulations. The compromise reached was that these regional bodies would continue to exist while the task before AfCFTA is how to reduce trade barriers between the different pillars of the African Economic Community (AEC). However, despite their initial reluctance, Nigeria and South Africa eventually joined AfCFTA, which represents a major boost to the trading bloc. President Buhari's initial explanation was that Nigeria couldn't do anything that would undermine local manufacturers and entrepreneurs. For fear of being isolated, Nigeria and South Africa eventually signed AfCFTA agreement on 7th July 2019 while South Africa with four other African countries signed on 21st July 2018. Because the two largest economies remain the economic hub, it is in their enlightened self-interest to ensure that the gains of an integrated Africa percolates to the rest of the continent. Otherwise, the implication is that with the prospects of free movement of labour across borders, the pressure of unemployment will force other Africans to migrate in droves to Nigeria and South Africa. With AfCFTA, the prospects of the free market as an instrument of intra-African trade, economic growth and poverty reduction are undoubtedly bright, as it would promote trade expansion at the regional level and also gives African region the clout to withstand competition with other trading blocs around the world.

5. Recommendations and Conclusion

In the light of the findings above, the paper makes the following recommendations: First, a new political, economic, legal and governmental foundation should be instituted in Africa in order to create a conducive economic environment that promotes economic growth and employment creation. Second, a comprehensive development programmes along the Asian model should be developed for the continent, taking into account Africa's comparative advantage and specific

challenges. Third, there should be a greater focus on small and medium scale industries because they have the greatest potentials to create employment in areas where highly skilled labour is not needed. More importantly, because SMIs create higher employment opportunities for the low and semi-skilled labour which are in abundance in the continent, they tend to impact more on the economy on account of their higher multiplier effect. A higher manufacturer to GDP ratio is, therefore, recommended for Africa.

Fourth, there is the need to diversify and restructure the economies of African states away from primary products such as oil in Nigeria, gold in South Africa, Cocoa in Ghana, etc. The fact that crude oil has virtually become Nigeria's life support that currently contributes 70 percent of government revenue and 90 percent of foreign exchange earnings is an existential problem, as noted by President Buhari in his October 1st, 2019 Independence Speech. The situation is not different in other African states. Although the revenue windfall in a mono-cultural economy may impact positively on a country's GDP, it does not necessarily translate into employment generation, because the petroleum sector, for example, relies on highly skilled, expatriate workers, and not semi-skilled that are in abundance in Africa. A policy response to address this challenge is imperative. In addition, the problem of infrastructural deficits should be addressed because lack of basic infrastructure constitutes a major barrier to economic growth. Power, road and rail infrastructure should be accorded utmost priority because they remain the backbone of industrial expansion. The United States' experience in the post-civil war era attests to these major catalysts of industrial breakthrough.

The alarming increase in population of African states, without a commensurate productive base, poses danger to sustainable development, and should be urgently addressed. A realistic population policy that focuses on economic and social inclusion has become imperative. To fully optimise Africa's latent potentials, necessary policy support instruments that will help grow the economy, and a new national governance and business model that places emphasis on ethically based, global best practices, should be instituted. A new value system that rejects public sector corruption should replace the dominant culture of graft that currently dominates the public sphere. In the final analysis, in a continent where the revenue base is weak, there is no alternative to global partnership for development and sustenance of the integration framework as instruments to achieve the goal of poverty reduction.

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