

Evaluation of the concepts, implementation and impact of poverty alleviation programmes in Nigeria.

OYESANMI O.¹ EBOIYEHI F.² ADERETI A.³

1. Department of Management and Accounting
Obafemi Awolowo University, Ile-Ife, Nigeria.
2. Centre for Gender and Social Policy Studies,
Obafemi Awolowo University, Ile-Ife, Nigeria.
3. Department of Accounting,
Olabisi Onabanjo University, Ago-Iwoye,
Ogun State, Nigeria.

The authors acknowledged the Centre for Gender and Social Policy Studies; Obafemi Awolowo University, Ile-Ife, for providing data and part of the work used for this study.

Abstract

The study appraises and assesses the concepts, implementation and impact of poverty alleviation programmes in Nigeria over the past ten years. The research adopted the interview and structured questionnaire method in two states of Nigeria. Discussions were held with representatives of government, stakeholders, and development partners. In total 154 individuals were interviewed. 92 (60.0%) of this number were male while 62 (40.0%) were females concentrated mostly in the rural areas. Findings revealed that although Government conceptualization of the programmes involves community leaders in the rural areas, the implementation was within the Government machinery, and the impact of various programmes has not contributed significantly to the well-being of the poor. The awareness of the programme is very high among the educated elite than the illiterate. Credit scheme was considered as the most effective poverty reduction programme in the country.

Introduction

The level of poverty has increased in Africa and in Nigeria since the implementation of the structural adjustment programme in the '80s (UNDP Nigeria, 1998; FOS, 1999; World Bank, 1999). Data from the Federal Office of Statistics (FOS) on poverty profile in Nigeria (1999) showed that the incidence of poverty increased from 28.1 % in 1980 to 43.6 % in 1985 but declined to 42.7 % in 1992 and rose again to 65.6 % in 1996(see table 1). Since 1990, the country has been classified as a poor nation. The UNDP Human Development Index (HDI) for 2000 ranked Nigeria as the 142nd with HDI of 0.40 among the poorest countries.

For the period 1980 to 1996, the population of poor Nigerians increased fourfold in absolute terms. The percentage of the core poor increased from 62 % in 1980 to 93 % in 1996, whereas the moderately poor only rose from 28.9 % in 1992 to 36.3 % in 1996. The proportion of total income spent on food by the core poor and moderately poor was approximately 75 % and 73 %, while the non-poor category spent about 53 % of their total income on food (FOS, 1999).

The analysis of the depth and severity of poverty in Nigeria showed that rural areas were the most affected. Several reasons accounted for this situation; the large concentration of the populace in the rural area, many years of neglect of the rural areas in terms of infrastructural development, and lack of information on the way government is being run. The CBN/World Bank study on Poverty Assessment and Alleviation in Nigeria (1999) attested to the fact that the living and environmental conditions of those living in the rural areas have worsened. Urban poverty is also on the increase in the

country. This has been attributed to the under provision of facilities and amenities which are inadequate to match the growing demand of the urban populace as well as the rural-urban movement which has caused serious pressure on the existing infrastructural facilities.

Concern about the problem as well as efforts made to reduce it cannot be said to be new. However, while major reductions in poverty level have been in the developed countries, the same cannot be said regarding the undeveloped countries of the world. Indeed sub Saharan Africa has been characterized as being among the poorest regions of the world. Poverty in the region has increased due to global economic policies, political instability, civil wars and structural adjustment programme (SAP) among others. About 250 million Africans (about 45 percent) of the population are poor (World Bank, 1996). In rural areas, where most Africans live, the situation is worse. The high poverty level in sub Saharan Africa has been attended by the decline in per capita income, wages and employment in the surroundings of the population pressure, fragile national resources and weak institutional financial structure (Afonja, 1996).

Poverty alleviation programmes in Nigeria.

The concern over increasing poverty levels especially in the developing countries and the need for its alleviation as a means of improving the standard of living of the people has led to the conceptualization and implementation of various targeted or non-targeted poverty alleviation programmes worldwide. In Nigeria, both the Nigerian government and donor agencies have been active in efforts to analyze and find solutions to the menace of poverty in the country. Government programmes and agencies designed to impact on poverty include:

The Directorate of Food, Roads and Rural Infrastructure (DFRRI) was the major programme established by the Federal Government of Nigeria with the aim of not only opening up the rural areas but also improving the conditions of the vulnerable poor. The other two tiers of government (i.e. local and state) were also involved in the execution of the programme. The programme was broadly conceived and hence saw all rural areas as its constituency. Unfortunately no attempt was made to prioritize its programmes to meet the need of the most vulnerable poor. Hence the selection of project was no given adequate consideration. DFRRI could therefore not achieve its lofty objectives because no standard was set for project harmonization. There was no effective mechanism for co-ordination among the three levels of government and between DFRRI and the tiers of government.

The National Directorate of Employment (NDE) was established to tackle the problem of mass unemployment. Specifically the directorate gives loans, trains the unemployed and assists small scale entrepreneurs in various ways. Despite the sharp focus of this organization, its major defect is lack of high quality staff and management. Besides, it was impossible for the directorate to cope with the needs of the ever expanding applicants in the face of inadequate fund. Thus its sustainability is highly questionable.

Most of the institutions mandated to offer assistance to the manufacturing sub-sector were very inactive and plagued with mismanagement have become economic moribund, hence the establishment of the People's Bank of Nigeria. The People's Bank of Nigeria was established on October 3, 1989 to cater for the credit needs of the less privileged Nigerians backed up by Decree 22 of 1990 which was promulgated

to give basic credit to under-privileged citizens involved in legitimate economic activities with not more than five percent interest. The establishment of the bank has changed the concept and practice of banking in Nigeria. In the first twelve months the bank disbursed over N100 million to the poor, under-privileged but economically active Nigerians, the funds were given to a total of 121 thousand Nigerians and recorded an impressive repayment rate of 94% of the total facility granted. Of course the bank grew tremendously in the first three years with over 200 branches nationwide and therefore gained popularity and acceptability among the poor.

The Better Life Programme (BLP) was mostly gender specific, it was meant to improve the life of rural women. Harnessing the potentials of the rural women in order to boost their economic activities and improving their incomes were the goals of the programme. However, the programme was hijacked by position seeking individuals. The resources were used for personal aggrandizement rather than for the set objectives. As such it was more rhetoric than pragmatic in its objectives. Family Support Programme (FSP) the successor of the BLP was beset by the same problems suffered by its predecessor, and so could not achieve its objectives.

Agricultural development programme (ADP) is a World Bank assisted programme. It was executed jointly by the World Bank, the Federal and state Governments. Its principal aim was to boost the productivity of the peasant farmers through farm inputs supply extension services and construction and maintenance of rural roads. The achievement of ADP is quite sizeable. It teaches farmers modern techniques of farming as well as supply of necessary farm implements (e.g. improved seedlings and fingerlings for production), practice the research output of various

agricultural research institutions through pilot farms. ADP also provides feeder roads, earth dams, boreholes, tube wells and modern farming kits, to mention a few. An example is the Fadama Irrigation Scheme in the North of Nigeria which provides water for farming throughout the year. Among others it has also fostered the establishment of Co-operatives among farmers.

National Agricultural Land Development Authority (NALDA), The Strategic Grains Reserve Authority and the Accelerated Crop Production (ACP) were all established to improve the productive capacities of peasant farmers as well as improving their incomes and well-being.

The Nomadic and Adult Education Programmes were established in 1986 to assist in the eradication of illiteracy which was found to be a major cause of poverty anywhere in the world. Since 1991 several education programmes which focus on women, handicapped, and fishermen were launched just to re-emphasize the desire for the total eradication of illiteracy. The primary objective of these programmes is to use educational skill to improve the living conditions of the people and hence improve the manpower base of the country.

With the return of democracy on May 29, 1999, the Federal Government has embarked on poverty reduction programmes. Specifically, government has put in place a National Poverty Eradication Programme (NAPEP) in the year 2000. The programme was aimed at eradicating absolute poverty and it consists of four schemes namely; a youth empowerment scheme, rural infrastructures and development scheme, social welfare services scheme and rural resources development and conservation scheme.

To implement this programme, government placed emphasis on complementation, collaboration and coordination between the various tiers of government on the one hand and between government, Donor/agencies, non-governmental organizations and local communities on the other. A multi-agency implementation structure with coordination, monitoring and evaluating organ was introduced in order to ensure cost effective delivery target with optimal social benefit. Essentially, this and many other poverty alleviation programmes are being implemented in Nigeria.

The questions that arise from the implementation of these programmes are:

- i. Is poverty alleviation appropriate for developing countries like Nigeria?
- ii. What influence do the donor agencies and other international agencies have on poverty alleviation programmes that are being implemented in the country?
- iii. How has government's concept of the programmes affected their success?
- iv. Has poverty alleviation programmes especially rural credit schemes reduced poverty?

Objectives

The objectives of the study are to:

1. Evaluate the concept of poverty alleviation so as to know the extent to which Nigerians understand it.
2. Identify and assess the poverty alleviation programmes applied by the Nigerian government.
3. Identify and evaluate poverty alleviation programmes being implemented by the donor/international agencies so as to know the extent of their adequacy among the populace.

4. Appraise the impact of the poverty alleviation programmes being implemented in Nigeria so as to explain the effects on the citizenry, the economy and the Nation as a Whole.

Methodology

Both secondary and primary data were collected. In order to assess class differences in the perceptions of the impact of poverty alleviation programmes on the beneficiaries. Focused Group Discussions were held with young and old beneficiaries of the programmes in the selected areas. In-depth interviews were carried out with opinion leaders and credit providers In order to reach the cross section of the people in the area of study.

In-depth interviews were held with policy makers on poverty alleviation at the local government and State levels. In-depth interviews were used to obtain qualitative data about historical and current practices with respect to utilization of credits. Socio-cultural factors affecting the success of poverty alleviation programmes in the selected communities were explored through in-depth interviews. In addition structured questionnaires were also used to collect data.

The target population for the study was the core-poor, men and women who had obtained credits for the purpose of alleviating poverty and live in the rural and urban areas of Ebonyi and Osun states using the poorest local governments as samples. The local governments were chosen with the aid of FOS statistics. In some cases secondary data were collected in respect of the whole country Nigeria. In total 154 individuals were interviewed. 92 (60.0%) of this number were male while 62 (40.0%) were females concentrated mostly in the rural areas.

Results and Discussion

The distribution of income earned by respondents in the last twelve months before the study is shown in table 4 below. Results from the table indicates that over half (55.7%) of the respondents earned over ₦50, 000 % 44.3% earned between ₦7,000 and ₦40,000, The median total income for all respondents is ₦27, 250 per annum (Range 2000 – 360,000). Median total income of respondents ranged from N7, 000 per annum in Ebonyi to ₦42, 500 in Osun State. The median total expenditure was lowest in Osun State (₦29, 500) and highest in Ebonyi State (₦50, 800.00) – Table 4.

Salary and wages was the largest source of income for the Osun state while pension is the largest source in Ebonyi. Median income from salary range from a low of ₦12, 200 per annum in Osun State to as high as ₦ 36000 in Ebonyi State - Table 5.

Expenditure on food accounted for the single expenditure item ranging from a low of ₦12, 000 in Osun state to a high of ₦25, 000 in Ebonyi State. Expenditure on food as percentage of total income is also highest in Ebonyi (median, 73.0%) - table 7. There was no significant difference in the median expenditure on food between male and female respondents.

Table 7 shows that Ebonyi State has the largest proportion of food poor people (60.5%) The lowest proportion of food poor people are found in Osun (27.1%). Sixty-one (61%) of male and 50% of female respondents were judged not food poor. Whereas 28% of male respondents were judged extremely food poor as opposed to female.

Expenditure on health is as low as ₦6, 000 in the two States.

Findings

The study reveals the following:

- (1) Government is the major organ responsible for poverty alleviation programmes;
- (2). although Government concept of the programmes involves community leaders in the rural areas, the implementation was within the Government machinery, and the impact of various programmes has not contributed significantly to the well-being of the poor.
- (3). the awareness of the program is very high among the educated elite than the illiterate.
- (4) Credit scheme was considered as the most effective poverty reduction program in the country.
- (5) Capacity of CBOs and NGOs should be strengthened in order to encourage effective engagement with the issues and advocate for desired changes.

However, poverty is not alleviated in Nigeria because of lack of participatory research and development activities as a result adoption of grass root approaches that will involve all stakeholders in poverty alleviation programmes becomes necessary. A few policy issues that are relevant for participatory approaches to poverty alleviation programmes which arise from the study include:

- (i). The need for targeting women and other vulnerable groups of poor people in order to prevent bias against women in accessing information about poverty alleviation programmes;

- (ii) Participation should be built at all stages to involve the target groups including all stakeholders from project design, implementation, monitoring to evaluation.
- (iii) Information should be well disseminated in order to create public awareness through broad based participation and supports from the media;
- (iv) Grass root participation approaches should be encouraged in order to facilitate accountability;
- (v) Capacity of Community Based Organizations and Non Governmental Organizations should be strengthened in order to encourage effective engagement with the issues and advocate for desired changes.

We also found out that poverty alleviation programmes initiated by the government and its agencies will not succeed unless various stake holders are involved. That is to say the-bottom-top approach to poverty alleviation should be adopted rather than the top-bottom approach. According to DFID (September, 1998), the purpose of a Policy on Poverty Alleviation (PPA) is to create a process for Participation of local people in the analysis of poverty and policy. Through this participation, a deeper understanding can be reached of the dynamics of the poverty and its environmental characteristics.

From 1993, the PPAs started to be implemented alongside World Bank Poverty Assessments, supported by foreign countries, particularly from ODA (now DFID), the Netherlands Ministry of Development Cooperation, and the Swedish International Development Authority (SIDA). The number of PPAs gradually increased, with one-quarter of the Poverty Assessments completed in 1994 including a PPA, rising to half in 1995. By June 1997, 39 WORLD bank-initiated PPAs had been carried out, mostly in Sub Saharan Africa.

Summary and Conclusion

A poor person is considered as one without job, who cannot help himself or cater for his family, who has no money, farm or business. Adolescent males and females are poor if they have no parents, no education, no good food, clothes and health. A poor person is described as one who undernourished and ageing fast, one without self confidence, looks dirty and lives in filthy environment, one who cannot cater for his family, train his children in the school and unable to pay medical bills. In response to the poverty trend, male in some areas harvest palm produce for women who produce palm oil under the oil mill cooperative society organised by the people themselves. These people have heard of poverty alleviation programmes like Life Enhancement Programme by their States Government and UNDP Assisted Programme but have not benefited in any way from these. Cooperative societies from which loan can be obtained were being organised but the people could not participate due to the high registration fees. Those who managed to register were never given any loan eventually. Most of the time, loans are given to those who are well connected in the society.

The local resources from which revenue can be generated in the areas are palm oil, palm kernel, limestone, gravel, petroleum, kola nut and cocoa. To reduce poverty in the areas, the following are suggested: provision of electricity, pipe borne water, boreholes, good roads, more school and teachers, agro-allied industries to offer employment, free education and provision of scholarships, allowances for old people, credit facilities to enable people establish their business, monitoring of programmes to ensure that benefits reach the intended targets and reduce inflation.

Poverty alleviation benefits should pass through the community head to the people, government should ensure proper monitoring of programmes so that benefits can reach the intended targets, loans should be made available to farmers, and reduction in the cost of fertiliser, education should be made free, provisions of hospitals, water and employment for the jobless. Provision of credit facilities, agricultural materials, like water pump and fertilisers, sewing and grinding machines, market storage facilities, dam project which could aid farming and catering for animals in the dry season, drainages to prevent flooding, training in handicraft and artisan works for the illiterates, establishment of industries to generate employment and to reduce crime rate, rehabilitation of markets and schools.

Appendices

Table 1: Poverty level in Nigeria 1980-1997

Year	Poverty Level %	Estimated Total Population (millions)	Population in Poverty (millions)
1980	28.1	65	17.7
1985	46.3	75	34.7
1992	42.7	91.5	39.2
1996	65.6	102.3	67.1

Source: Federal Office of Statistics, 2001.

Table 2: the poor and core poor in Nigeria

Year	Non-poor %	Moderately poor %	Core poor %
1980	72.8	21.0	6.2
1985	53.7	34.2	12.1
1992	57.2	28.9	13.9
1996/1997	34.4	36.3	29.3

Source: Federal Office of Statistics, 1996 and 2001

Table 3 : Poverty by Size of Household

Size of household	Poverty headcount			
	1980 %	1985 %	1992 %	1996/1997 %
1	0.2	0.7	2.9	13.1
2-4	8.8	19.3	19.5	51.5
5-9	30.0	50.5	45.4	74.8
10-20	51.0	71.3	66.1	88.5
20+	80.9	74.9	93.3	93.6
All Nigeria	27.2	46.3	42.7	65.6

Source: Federal Office of Statistics (2001) poverty profile for Nigeria 1980-1997

Table 4: Income and Expenditure

STATE	Median Total Income ₦	Median Total Expenditure (range) ₦
Ebonyi	40,400.00 (7,000.0 – 93,600.00)	50,800.00 (13,300.0 – 65,000.00)
Osun	18,000.00 (2,000.00 – 126,600.00)	29,500.00 (1,350.00 – 42,500.00)

Source: Survey Data

Table5: Sources of income by state

State	Ebonyi ₦	Osun ₦
Salaries and Wages	36,000.00 (3,800-50,000).	12,200.00 (6,000-69,800)
Gift and Transfers	3,000.00 (500 – 6,500)	12,000.00 (100 –12,000)
Formal Business	9,390.00 (1,000 -8,000)	12,000.00 (300 –30,000)
Informal Business	6,500.00 (1,800-42,000)	6,000.00 (300 –60,000)
Pension	42,000.00 (8,000-42,000)	2,000.00
Terminal Benefits	42,000.00	-
Others	42,000.00	15,000.00

Source: Survey Data

Table6: Household Expenditure by State

State	Ebonyi ₦	Osun ₦
Food	25,000.00 (200-36,000).	12,000.00 (200-18,000)
Electronic	3,050.00 (984 – 6,500)	4,600.00 (1,500 -12,000)
Furniture	6,500.00 (1,000 -35,000)	9,000.00 (5,000 –20,000)
Vehicles	5,500.00 (300-25,000)	6,000.00 (2,400 –48,000)
School Fees	7,500.00 (600-40,000)	6,000.00 (200 –12,000)
Health	6,000.00 (18 – 107,000)	6,000.00 (150 –60,000)
Social Ceremonies	4,800.00 (20-35,000)	5,000.00 (600-54,000)
Clothing	8,000.00 (700-30,000)	3,500.00 (1,000-500,000)
Housing	2,300.00 (1,200-50,000)	9,000.00 (2,000-60,000)
Others	20,000.00 (550-5,000)	36,000.00 (2,400-126,000)

Source: Survey Data

Table7: Food Expenditure as percentage of total income

STATE	Median %	Range %
Ebonyi	0.73	0.1 - 1.92
Osun	0.50	0.1 - 1.50

Source: Calculated from Survey Data

Table8: Classification of Poverty by States in percentage

STATE	Non poor %	Moderately Poor %	Extreme poor %	N
Ebonyi	39.5	7.0	53.5	86
Osun	60.9	8.7	30.4	46

Source: Calculated from Survey Data

References

- Aboyade, O. 1983. *Integrated Economics: A Study of Developing Economics*, Addison-Wesley Publishers, London.
- Adereti, A. 2000. "The Performance of Micro-Credit Finance Institutions in Poverty Alleviation", (Unpublished, Nigeria: O.A.U.)
- Akinlo, A. E. 2001. "Current status of poverty in Nigeria". Paper presented at the centre for Gender and Social Policy Studies, (Nigeria: O.A.U.)
- Ali, A.A.G. 1998. *The Challenge of Poverty Reduction in Africa*. Discussion Paper Series, ESPD/DPS/98/1, UNECA, Addis Ababa, Ethiopia
- Ali, A.A.G., and E. Thorbecke. 1998. *Poverty in sub-Saharan Africa: Magnitude and Characteristics*. Draft, AERC Nairobi, Kenya
- Ames, B.; Brown, W.; Devarajan, S., and Izquierdo, A. 2001. *Macroeconomic Policy and Poverty Reduction*, (Washington: International Monetary Fund and World Bank).
- CBN/World Bank. 1999. *Study on Poverty Assessment and Alleviation*, Nigeria
- Federal Office of Statistics. 1999. *Poverty Profile for Nigeria 1980-1996*, Federal Office of Statistics, Lagos
- Federal Office of Statistics. 2001. *Poverty Profile for Nigeria 1996/1997*, Federal Office of Statistics, Lagos
- International Monetary Fund, 1998, *the IMF and the Poor* (Washington: International Monetary Fund).
- Khan, M. H., 2001. *Rural Poverty in Developing Countries (Implications for public policy)* World Bank, Washington.
- National Planning Commission, 2004, "National Economic Empowerment and Development Strategy", (Abuja: NPC)
- Ravallion, Martin, 1997, "Can High-Inequality Developing Countries Escape Absolute Poverty?" Policy Research Working Paper No. 1775 (Washington: World Bank).

- Squire, Lyn, 1993, "Fighting Poverty," American Economic Review, Papers and Proceedings, Vol. 83 (May), pp.377-82.
- Thorbecke, Erik, and Hong-Sang Jung, 1996, "A Multiplier Decomposition Method to Analyze Poverty Alleviation," Journal of Development Economics, Vol. 48 (March), pp. 279-300.
- UNDP Nigeria. 1998. Nigerian Human Development Report 1998. United Nations Development Programme, Lagos
- UNDP. 1990. Economic Development Report 1990: Oxford University Press, New York
- UNECA 1999. Economic Report on Africa 1999. United Nations Economic Commission for Africa, Addis Ababa
- UNFPA. 2000. State of the World Population. UNFPA. New York.
- UNSN. 2001. Nigeria Common Country Assessment 2001. United Nations System in Nigeria. Nigeria
- World Bank, 1982, Accelerated Development in Sub-Saharan African (Washington: World Bank).
- World Bank, 1996, Nigeria: Poverty in the midst of Plenty. The Challenge of Growth with Inclusion. A World Bank Poverty Assessment Population and Human Resources Division. Report No. 14733 UNI. Washington, DC
- World Bank, 1996b, Poverty Reduction and the World Bank (Washington: World Bank).
- World Bank, 1999. World Development Report 2001/2001. Consultation with the Poor. Nigeria: Voice of the Poor, Country Synthesis Report, Nigeria.
- World Bank, 2000, World Development Report (New York and Washington: Oxford University Press and World Bank).