



DEVELOPMENT AND CHRONIC POVERTY IN NIGERIA: AN EXAMINATION OF OBASANJO'S ECONOMIC REFORM PROGRAM

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Abstract:

There is no doubt that Nigeria under Obasanjo's administration is engulfed in a web of chronic poverty, which affects its performance in the development arena. The country has all it takes to develop but unfortunately it could not due to the complex nature of the country's social problems. The country is endowed with vast agricultural and natural resources, and has a relatively important industrial sector (48% of the GDP in 2001), as compared to other West African or Sub-Saharan countries (less than 30%). The recent Human Development index has placed Nigeria among the 20 poorest countries in the World. It is estimated that up to 70% of Nigerians are living below poverty line. Nigeria has been branded by the international community as the second most corrupt nation in the World. For three consecutive years, 2000, 2001 and 2002, it has maintained that unenviable position. The rating came up as a consequence of several failed attempts by the Obasanjo's administration to wipe out corruption and poverty or reduce them to a tolerable level in the polity. In the same vein, within the Obasanjo's administration the country has been engulfed in a series of conflicts resulting in the lost in lives and property. Various developmental strategies have been adopted by the Obasanjo's administration, yet the situation is not very encouraging. We have passed the 2015 deadline for the achievement of the MDGs, the poverty eradication policies are judged to be unsatisfactory and inadequate in meeting the MDGs. It is absolutely frustrating and painful when you realize the immense potentials of Nigeria. Eight years is enough time for any administration to sort out the fundamental problem of the country (poverty). Against this backdrop, the paper examined the various developmental strategies for combating poverty in Nigeria. This is with a view to proffering policy recommendations for the present administration on how best to alleviate poverty in Nigeria to achieve the sustainable developmental goals now in place.

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1. Introduction

Nigeria is engulfed in a web of chronic poverty, which has affected the rate of development in the country. Poverty in Nigeria has become wide spread. It is estimated that up to 70% of all Nigerians are poor- i.e living on less than \$1 per day (Abdullahi, 2004). Poverty eradication programs and policies have evolved over the years, including a succession of policies and plans of Government, Non-Governmental Organizations and International donor Agencies. The Nigerian Government at different times introduced policies and plans with a view to address the problem of poverty. Notable among these programs are: Operation feed the nation (1976), Green revolution (1980), Back to land (1983), Better life for rural women (1985), National Directorate of employment (1985) etc. In 1999 the Obasanjo's administration introduced the National Poverty Eradication Program (NAPEP), the Youth Empowerment Scheme (YES), the Youth skill Acquisition Program (YAP), the Capacity Acquisition Program (CAP) and Rural Infrastructures Development Scheme.

To augment the effort of the Nigerian government, international donor agencies such as Action Aid international, Department for international Development (DFID), Tony Blair's commission for Africa etc. have helped and are still helping in that direction. In addition, Non-Governmental organizations in Nigeria and beyond are also contributing their own quota. This is in addition to the efforts of the informal sectors to reduce poverty in Nigeria.

All these recent programs and initiatives are geared toward realizing the number one (1) Millennium Development Goal (MDGs), which is to eradicate extreme poverty and hunger by the year 2015. Almost a year after the 2015 deadline for the achievement of MDGs, these policies and programs are judged to be unsatisfactory and inadequate in meeting the MDGs. This therefore necessitates the need for an elaborate study to critically assess the effort of Obasanjo's administration with a view to come up with policy recommendations to address the manifestations of chronic poverty in Nigeria. The choice of Obasanjo's administration is because it is the period when Nigeria returned to democracy after 16 years of military rule. Similarly, within the 16 year period (1999- date) of re-introduction of democracy, the Obasanjo's administration stayed longer than all the administration within the period. Against this background, the paper seeks to address the questions of why has poverty persisted in Nigeria? To what extent has Nigerians benefited from poverty eradication policies and programs of Obasanjo?

To answer these questions the paper is divided into four sections. Section is the introductory section where a general synopsis of the paper is given; section two deals with conceptual clarification where key concepts of the paper were defined; section

three glanced at Obasanjo's efforts at alleviating poverty 1999-2007, which is the spine of the paper. Finally, section four draws some conclusions.

2. Conceptual clarification

2.1 The concept of development

Development has been defined variously. According to Walter Rodney, development is many-sided process in human society. At the individual level it means increased skill and capacity, greater freedom, self-discipline etc. At the societal level, development encompasses an overall approach in which a particular society has become capable of realizing its potentials in several spheres of life-political, economic, social etc.

Historically, the meaning of development or development of society was equated to economic growth. Adam Smith in his classical economic theory developed the idea that for a society to develop it needs first, economic growth i.e economic growth is equal to development. The classical theorists believe that development will come about naturally if there is increase in income, production of goods, services and wealth. (cited in Dansabo, 2006).

Development on the other hand is multi-dimensional (Seers, 1973). Seers accept the economic meaning to be central having radical implications on the political, social and cultural aspects. This implies that development may be equated to economic growth provided that the latter leads to the combating of social and political problems. In his article 'The meaning of development' he said that there are three fundamental questions to be asked about development of a country. These are what happened to poverty, what happened to unemployment, what happened to inequality? If these variables are on the decline from high level, then beyond doubt there has been a period of development of the country concerned. But if one or two of these central indicators are going worse, it will be strange to call the result development even if the national income has developed like in the case of Nigeria. Considering the level of poverty and unemployment and the wide gap between the rich and the poor, one can argue that this assertion is very relevant in an attempt to establish a link between these problems and the level of development in the country.

2.2 Poverty defined

In an attempt to understand chronic poverty there is the need for the definition of the root word-poverty. The United Nations Development Programme (UNDP), states that is hunger, lack of shelter, being sick and not being able to see a doctor, not having access to school and not knowing how to read. Poverty is not having a job, is fear for the future, living one day at a time. Losing a child to illness brought about by water borne disease. Poverty is powerlessness, lack of representation and freedom (World Bank, 1994, Poverty Net 2004). In what seems to be official definition of poverty by the government, the vision 2010 defines poverty as a condition in which a person is unable to meet basic needs of food, housing, education and clothing (Sani, 2008: 5). Poverty can

be defined in absolute and relative terms. Relative poverty is said to exist when the subjects under consideration are poor in relation to others. In this case, poverty is comparative and subjective. Absolute poverty is, however, a condition characterized by severe deprivation of basic human needs of food, safe drinking water, sanitation facilities, health, shelter, education and information (Mohammed, n.d). In general terms, poverty is better understood and appreciated as a condition in which its victims are unable to have access to basic needs of life. These needs include having enough to eat, safe water to drink, adequate housing, and health care (Abdullahi, 2004:3). To these basic needs can be added intellectual development through education, and adequate access to productive resources and participatory opportunities for the victims to free themselves from the bondage of poverty. Certain common indices and factors are generally used to identify the various manifestations of poverty in a given time and place. It is in order to simplify the global measurement of poverty on a universal scale. A highly generalized denominator of one US Dollar (US\$ 1.0) is below which a person is classified as poor.

2.3 Chronic poverty

Chronic poverty refers to a situation where a certain level of poverty persists through time. It is a type of poverty that is persistent, and therefore permanent in nature. A person who is chronically poor has no capacity to climb out of poverty trap on his/her own without external assistance. The person has no means or capacity of becoming non-poor. An example of such person is uneducated individual born in poverty without assets such as land (Barret, 2003:15). As argued in Chronic Poverty Research Centre (CPRC) 2004 report, the distinguishing feature of chronic poverty is, simply, extended duration. Chronically poor people are those who are usually living below the poverty line. They are likely to be multi-dimensionally deprived, lacking not only income but also capabilities such as good health or educational achievement. It is this combination of capability deprivations, low levels of material assets and social or political marginality that keeps people poor over a long period of time. Karofi and Malami (2004) argue that the chronically poor in Nigeria do not have adequate shelter. In many cases, they possessed only one or two sets of clothing.

According to the summary of chronic poverty report 2004-2005 "chronic poverty is absolute poverty that is experienced for an extended period of time" (<http://chronicpoverty.org>). Persons living in absolute poverty are not able to satisfy their minimum requirements for food, clothing or shelter. Thus, chronically poor people are people who are living below an absolute poverty line (defined normally in terms of money-metric-expenditure, consumption and income-but it could also be defined in terms of wider aspect of deprivation, or subjectivity) for a 'long time'. Such poverty may be passed from one generation to another.

The CPRC outlined three main forms of chronic poverty; namely

- 1) Long-term poverty-poverty that is experienced by an individual or household for so many years that is unlikely to change

- 2) Life-course poverty-poverty that is experienced over the entire length of a person's life
- 3) Intergenerational poverty-poverty or poverty related capital that is transmitted from parents to children via the conditions of childhood and youth, young adulthood and inheritance.

According to chronic poverty report 2008-2009 the chronically poor experience multiple deprivations, including hunger, under nutrition, illiteracy, lack of access to safe drinking water and basic health services, social discrimination, physical insecurity and political exclusion. The report further identifies five main traps that underpin chronic poverty, namely; insecurity, limited citizenship, spatial disadvantage, social discrimination and poor work opportunities. The distinguishing feature of chronic poverty is its extended duration in absolute poverty. Therefore, chronically poor people always or usually, live below poverty line, which is normally defined in terms of money indicator (e.g consumption, income etc.) but could also be defined in terms of wider or subjective aspects of deprivation (Scott, 2008). This is different from the transitorily poor, who move in and out of poverty, or only occasionally fall below poverty line. Various characteristics are commonly associated with chronic poverty. These include geographic locations such as remote rural areas, urban slums and conflict zones; disadvantaged social groups such as tribes, ethnic groups and refugees. Within the households, the elderly, women and children, people living with disabilities, serious illness, widows, and orphans are also more likely to live in chronic poverty. CPRC uses chronic poverty to describe extreme poverty that persists for long time-many years, an entire life, or even across generations. People living in chronic poverty are those who have benefitted least from economic growth and development. They depend on work which is insecure, low paid, unhealthy, and have little scope to improve their situation.

CPRC estimates that between 300 and 420 million people are trapped in poverty (Moore, 2005:4). To Moore, these people experience deprivation over many years, often over their entire lives, and sometimes pass poverty to their children. The above suggests that the chronically poor people are not a distinct group, but usually are those who are discriminated against, stigmatized or 'invisible': socially-marginalized ethnic, religious, indigenous, nomadic and caste groups; migrants and bonded laborers, refugees and internally displaced people with impairment and some illness especially HIV/AIDS (Moore, 2005:4). While chronically poor people are found in all parts of the world, the largest numbers live in South Asia. The highest incidence is in sub-Saharan Africa, where between 30% and 40% of all present 'US \$ 1/day' poor are trapped in poverty: an estimated 90 to 120 million people (Ibid). On the causes of chronic poverty, Moore (2005) argues that the causes of chronic poverty are complex and usually involve set of overlaying factors. Sometimes they are the same as the causes of poverty, only more intense, widespread and lasting. In other cases there is qualitative difference between the causes of transitory and chronic poverty, except that rarely is there a single, clear cause. Mostly, chronic poverty is as a result of multiple interacting factors operating at levels from the intra-household to the global. Some of these factors are

maintenance of chronic poverty: they operate so as to keep poor people poorer. Others are drivers of chronic poverty: they push vulnerable non-poor and transitory poor people into poverty out of which they cannot find a way out.

3. An assessment of Obasanjo's administration effort at alleviating poverty 1999-2007

When Nigeria returned to democracy in 1999, people started jubilating thinking that their plight will improve particularly in terms of poverty reduction. The result was not all together positive. Economic reforms of Obasanjo were intended to transform Nigeria. The Obasanjo's regime in an attempt to make Nigerians realize their dream introduced in May, 2004 the National Economic Empowerment and Development Strategy (NEEDS). This in response to development challenges of Nigeria. The goal of NEEDS according to Obasanjo is to mobilize the resources of Nigeria to make a break with the failures of the past. NEEDS is the Nigerian economic recovery plan for poverty alleviation and sustainable development.

Between 2004- 2007 Nigerians have assessed the NEEDS program and found it not to have made a fundamental break with the failures of the past. This made some academics to believe that the democratic administration of Obasanjo failed to redress the economic power of the average Nigerian. It is estimated that three quarters of the country's inhabitants live on roughly \$1 per day (Khalid, 2008). Adogamhe (2010) argued that because of the apparent disconnect between the government and the poor, and the dichotomy between the rich and the poor, NEEDS appears to be colossal failure in terms of poverty reduction.

To buttress the above points, Brande (2012) cited an example of Professor Wole Soyinka's assertion, where he contends that: *"three and a half years of elected civilian rule have created a big disillusionment to virtually all those who had staked high hope on democracy as the panacea for our national woes, and socio-economic predicament"*. Some opined that the regime was corrupt, leaving Nigeria both in economic and political uncertainty. Specifically, Banmbale (2011) argued that NEEDS has not made significant impact on Nigeria's infrastructures and standard of living of the majority and therefore the status of poverty remain at alarming rate. He further contends that the failure of NEEDS to significantly generate employment and reduce poverty has been attributed largely to weak institutional frameworks and lack of political will in the Nigerian state.

Poverty is better understood and appreciated as a condition in which its victims are unable to have access to the basic needs of life. These needs include not having enough to eat, safe water to drink, adequate housing and health care. In Nigeria majority of people take cereals and starchy food to the absence of nutritional food. Thus Nigerians are ill-fed, ill-clothed; ill-educated and are in a state of ill-health.

Though poverty cut across all parts of Nigeria, the rate is higher in the northern parts. According to National bureau of statistics, the poverty rate in the country now stands at 54 per cent, with northern parts of the country accounting for more than half the number; as most are said to be living in abject poverty. The MDG report of 2005

showed that poverty is more acute in rural areas and that some geo-political zones are particularly harder hit than others by the phenomenon. States in northern part of the country use firewood as means of cooking the more, with Jigawa leading with a very high figure of 98.5 per cent closely followed by Kebbi and Yobe 98.1 per cent and 96.7 respectively. Lagos and Oyo formed the least with 1.1 per cent and 38.4 per cent respectively. The two states are however leading in the utilization of electricity, gas and kerosene as means of cooking. This is in contrast to states like Jigawa, which has only .9 per cent utilization of kerosene and a zero percent utilization of gas. (Weekly Trust, October 15-21:17)

In the same vein, Garba (2006) found that 78% of the rural dwellers in Sokoto were living below the poverty line. The result of his findings further showed that 28% of rural dwellers were absolutely poor, living below \$1 per day.

It is obvious from the foregoing that poverty is more pervasive in the northern part than in other parts of the country. The poverty situation in the country as a whole is not very encouraging. It therefore suggests that Nigeria cannot talk of development going by Seers' fundamental question about development. The poverty situation in Nigeria affects other aspects like unemployment, which is one of the cardinal points of development. Employment opportunities in Nigeria are grossly inadequate. Nigeria is characterized by high rate of unemployment. The national unemployment rate estimate of the office of the statistics is not encouraging. Cases of retrenchment and redundancy are rampant in Nigeria. Policies put in place by government are more of rhetoric than real action. For example money allocated to assist unemployed Nigerians through the National Directorate of Employment end up in the pockets of the managers of the agency. The situation at the National eradication is even worse (Leadership, October 9, 2005).

Similarly, the monetization policy, which was supposedly meant to cushion the effects of retrenchment, has woefully failed because workers were sacked without any thing to fall back on. The implications of unemployment are numerous. Unemployment leads to the feeling of deprivation and frustration, which serves as a necessary condition for aggression. Most unemployed people may perhaps be aggressive. Most actors in riots, armed robbery, theft etc. are unemployed and as rightly argued by Seers, any nation whose unemployment rate is on the increase cannot boast of development. NEEDS which is the plank of the Obasanjo's reform agenda targeted to create seven million jobs between 2004- 2007 have not really achieved its objectives. One of the measures introduced by the administration to reduce unemployment was the establishment of NAPEP, which to a large extent did not achieve its objective.

Apart from unemployment poverty can widen the gap between the rich and the poor. Nigeria as a dependent capitalist nation is characterized by sharp inequality. Abdullahi 2004 argued that looking at the lavish life style of some rich Nigerians there is an unacceptable gap between the income of the very rich and those of the very poor.

Commenting on Obasanjo's efforts aimed at alleviating poverty, Eze, (2007) contends that the government adopted a policy of poverty eradication and promotion

of socio-economic development and at the same time pursued a policy of retrenchment of thousands of workers from the federal bureaucracy. This sounds ironical. The government is only paying lip service because the efforts are more of rhetoric than real action. You cannot claim to introduce policies aimed at alleviating poverty and at the same time embark on massive retrenchment. That is why the situation in Nigeria cannot be regarded as a development scenario because Seers' three fundamental questions have all been answered in the negative by Nigeria's situation. Therefore, the result cannot be claimed to be development.

4. Conclusion

To conclude this paper it is necessary to re-emphasize certain facts. As stated earlier the Obasanjo administration's effort of reduction in poverty was slow in meeting the target set for 2015. We are now in 2019 and the chronic nature of poverty in Nigeria shows that one can hardly call the result development. It is absolutely painful and frustrating when you realize the immense potentials of the country. Sixteen years is enough for any administration to sort out its basic problem (poverty). The effects of poverty on Nigeria's socio-political and economic development are myriad. The present administration has a lot to do especially in the areas of poverty and unemployment. Concerted efforts have to be geared toward realizing the goals of Sustainable Development Goals. The present administration even though at the formative stage, which one cannot claim to say whether or not it has achieved in transforming the lives of Nigerians ought to really demonstrate radical changes in our social, economic and political lives. By so doing it will be able to achieve tremendously in new package of sustainable development goals.

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