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Poverty Alleviation Programmes and Economic Development in Nigeria: A Comparative Assessment of Asa and Ilorin West Local Govt. Areas of Kwara State, Nigeria

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Abstract

This study investigates into the impact of government programmes towards poverty alleviation on the inhabitants of Nigeria with special reference to Asa and Ilorin West Local Government Areas of Kwara State. A focus group discussion (FGD) of 4 groups (2 males and 2 females) was conducted from whose scenario a questionnaire was raised. Both qualitative and quantitative methods were employed especially to see the impact of those policies on the inhabitants using household income as a proxy. The Sen's Gini coefficient revealed that agricultural sector is the highest income-contributing sector and worst hit income inequality group with about 84percent of total population in high poverty margin/region among the whole sectors studied. The study also acknowledged the existence of either one poverty alleviation

program at one time or the other, but often the policy targets are at variance with the outcome. The study thus that suggests a kind of performance evaluation towards reappraising and adjusting the instruments employed by the programmes, refocus on the important sector(s) in the area of finance and credit facilities and organized buffer stock against agricultural s or bumper harvest in order to sustain price stability.

Introduction

Poverty has been defined in the literature from two perspectives; the narrow economic perspective and the expansive cultural perspective. The economic perspective defined poverty in terms of the external circumstances that influence a person's behaviour, especially with respect to economic discussions and transactions like the purchase of consumer goods, the acquisition of skills and the provision of productive services. In this regard, poverty is defined as a state of deprivation in terms of both economic and social indicators such as income, education, health care, portable water, access to food, social status, self esteem and self actualization (Okoh 1998). Put more succinctly, poverty is said to exist when income or disposable resources are inadequate to support a minimum standard of decent living (Nigeria Economic Society, 1975; Ogwumike, 1991:105; Ravallion and Bidani, 1994:75).

Poverty, between 1960s and early 1970s, was minimal as few people were below the poverty line in Nigeria. During this period, Nigeria enjoyed steady economic growth and relative stability. The economy and per capita income grew steadily as the agricultural, industrial and even public sector absorbed most of the labour force. The poverty incidence started rising in the late 1970s and early 1980s when the economy experienced difficulties as a result of oil shock, deteriorating terms of trade, debt overhang and macroeconomic instability. In the mid 80s the poverty rate in Nigeria started rising. For instance about 43% of the Nigeria's population was living below poverty line between 1985 and 1986. It rose to 53% and 61% in 1996 and 1997 respectively. By 1999, about 66% lived below poverty line, making Nigeria the 54th in the Human Poverty Index (HPI) and among the twenty poorest nations in the world (CBN Bullion 2003).

Over the years, Nigerian government had made different attempts to reducing the rate of poverty in the country. Different poverty alleviation programmes and projects were instituted to achieve this aim. Thus, Roads and Rural

Infrastructure (DFRRI) in 1986; Better Life Programme (BLP) in 1987; National Directorate of Employment (NDE) in 1987; Family Support Programme (FSP) in 1993,; Family Economic Advancement Programme (FEAP) in 1997, etc were instituted. Unfortunately the wide spread of corruption, fiscal indiscipline, political and policy instability that characterized the nation made these programmes not to achieve the set goals. The government (Obasanjo Regime) recognized the need to introduce another poverty alleviation programme following the continuous increase in the poverty level and mass unemployment of youth. In the year 2000, poverty Alleviation Programme (PAP) was launched, The programme was designed to provide employment for about 200,000 people, and the sum of NI06 million was set aside for the programme. In the following year (2001) PAP was replaced with the National Poverty Eradication Programme (NAPEP), which has the responsibility of coordinating and monitoring the activities of the core poverty eradication ministries and Agencies, such as health, education, power and steel, water resources, work and housing among others. The justification for this study emanates from the fact that in spites of these poverty alleviation programmes instituted by various administration, Nigeria still ranks 54th in Human Poverty Index (HPI), and among the 20 poorest countries in the world with 70% of the population living below the poverty line as of 2003 (World Development Report; 2005). The objective of this study is to assess the extent to which Poverty Alleviation Programmes put in place by various governments have contributed to economic development in Nigeria, using Asa and Ilorin West local Government areas of Kwara state as a case study. The rest of this paper is divided into five sections. Section 2 contains the review of relevant literature; section 3 contains the methodology; section 4 presents and discusses the results, while section 5 contains the conclusion and recommendations.

Review of Relevant Literature:

Poverty connotes many things i.e. lack of material well-being, insecurity, low self confidence, psychological distress, unpredictability, lack of freedom of choice and action and inability to believe in one self (Narayan 2000:18).

Poverty can either be absolute or relative or both (Sanyal, 1991:39 and Schubet 1994:17). Poverty is said to be absolute when people fall below the level of income that is necessary for bare subsistence, while relative poverty relates to the living standards that prevail elsewhere in the community in which they live.

Poverty measurements attempt to identify those who are poor. The most frequently used measurements are (i) the head count poverty index given by the percentage of the population that live in the household with a per capita, consumption below the poverty line (ii) poverty gap index which reflects how far the average poor persons income diverges from the poverty line, and (iii) the squared poverty gap which shows the means of the squared proportion rate squared poverty gap which reflects the severity of poverty (see Grootaert and Braithwaite 1998:194).

The UNDP has recently advocated the use of Human Department Index (HDI) and Capacity Poverty Measure (CPM). Human Development index entails the combination of three elements in the measure of poverty. This includes life expectancy at birth (Longevity); educational attainment; and improvement in standard of living, proxy by per capita income. Whereas, capacity poverty measure focuses on the percentage of the people who lack basic or minimally essential human abilities needed to jump start one from income poverty to a sustainable human development.

There are factors that cause poverty. These factors include structural causes such as limited resources, location disadvantage, lack of skills and other factors that are inherent in the social and political set-up (Yahie 1993). Other factors are transitional factors that are mainly due to structural adjustment reforms and changes in domestic economic policies that may result in price changes, unemployment and so on. In addition, transition poverty can be caused by environmental degradation, natural calamities such as drought, flood and man-made disasters such as wars.

The main factors that cause poverty in Sub-Saharan Africa include: inadequate access to employment opportunities, inadequate physical assets, such as land and capital and minimal access to credit by the poor (See Obadan 1997:121, World Bank 1996). Other causes include inadequate access to markets where the poor can sell their goods and services; low endowment of human capital; inadequate access to assistance for those living at the margin, and those victimized by transitory poverty and lack of participation, that is to draw the poor into design of development programmes that affect their lives.

Urbanization is also identified as one of the causes of poverty. Poverty in most urban cities can be linked to the inner urban decay caused by prevalence of poor urban public facilities as most infrastructure assets have been allowed

to run down through lack of maintenance and investment.

Consequence of poverty can be deep and widespread; Von Hauff and Kruse (1994:141) highlighted three major consequences:

- i) Consequences for those affected. For the people affected, poverty leads to physical and psychological misery, caused by inadequate nourishment lack of medical care, a lack of basic and job related education and marginalization in the labour market.
- ii) Consequences for the national economics of countries affected. The consequences here arise from the formation of slums in cities, a worsening of ecological problems, as a result of exploitation in the agricultural sector and inability to use available human resources and,
- iii) Consequences for the political and social development of the countries affected. Here, mass poverty tends to preserve or reinforce the existing power structures and thus the privileges of a minority of the population. This situation sometimes produces corrupt elite in the society.

In view of the devastating effect of poverty, different Administrations in Nigeria have made concerted efforts, through various poverty alleviation programmes, but to no avail.

Methodology

(a) Source and Type of Data

The data for this study was purely primary that was sourced for through Questionnaire and participatory observations. The participatory observation consists of Focus Group Discussion (FGD) cutting across the select group for study (see Isiugo-Abanihe 1996:36) This is important for decomposition of the sources of income to the beneficiaries of the programmes.

The questionnaire was designed following World Bank Living Standard Measurement Pattern. The questionnaire development process was informed by the results from Focus Group Discussion (FGD). The most important part of the questionnaire is the scenario format; this scenario was the recognition of governments' effort at alleviating poverty among the rural populace. The first scenario reads; the government has been trying to come to the aid of the inhabitants through one program or the other, especially in terms of creation

of employment, capital releases and training and infrastructural development. Are you aware of any of the programs? This part of the questionnaire then considered questions along this scenario above.

The second scenario checked the impact of the programs on the life of the inhabitants of the study areas and this formed the basis of the other part of the questionnaire that pursued issues around this avenue in order to come out with laudable policy options.

b) Area of Study

The study area covered two local government areas in Kwara State; Asa Local Government Area and Ilorin West. Ilorin West is located at about 500Km from Abuja and 300km from Lagos. It has a population of about 748,874 by 1991 census, while, Asa Local Government Area is about 17km of Ilorin South West with a population of about 451,038.

c) Method of Analysis

This study employed both the quantitative and qualitative methods in order to have an in-depth understanding of the gaps to be filled. Various other methods exist for the measurement of income inequality (income distribution): Theil - Index; Deciles Dispassionate Ratio, and Gini coefficient method, to see the extent to which incomes differs from each other in any 'actual' situation (see Sundrum 1990; Ogwumike, 1991:105, Rosemary, 1998:221).

However, this study employed the Gini Coefficient method for its geometric validity to analyzing real situation, its ability to be diagrammatically represented, and has an interesting Statistical interpretation in terms of the quality known as the mean difference.

d) The Model

A large number of mathematical expressions have been proposed for Gini index; Following Couede et.al (2001), the easiest to manipulate is based on the 'covariance' between the (Y) income of an individual or household and the F-rank that the individual/household occupies in the distribution of income (This ranks takes a value between 0 for the poorest and 1 for the richest).

Thus, the standard Gini - Index is defined as:

G = 2 Cov (Y1F)/
$$\ddot{y}$$
(equt 1)
Where \ddot{y} = the mean income.

However for this study, Sen's (1973)1 Gini coefficient is preferred for its simplicity and clear positioning of sectoral, household and individual status from a whole; presented as

When $\breve{\mathbf{M}} = 0$, it signifies perfect inequality

Furthermore, the objective of the study refers, the benefit accruing to the individual or household from different government's program must be taken into consideration. The need for poverty gap becomes necessary, hence, the poverty gap as a measure of the poverty deficit of the entire population, where the notion of 'poverty deficit' captures the resources that would be needed to lift all the poor out of poverty through perfectly targeted cash transfers.

Defined as:

$$PG = i \sum_{\substack{n \text{ i} = 1}}^{q} \left(\underbrace{\frac{z - yi}{z}} \right) \qquad \dots \text{equat 3})$$

Where Z = Poverty line

yi = the income of the individual i

However, since it has been established that there is poverty and that programmes have been put in place to alleviate it, the effect of each of the government's programmes on the life of beneficiary reveals need for changes in poverty overtime. Following Ravallion and Huppi (1991) sectoral decomposition (individual sector, Agricultural sector, Manufacturing sector, Geographical, Urban Vs Rural etc), the overall change in poverty is equal to.

Where; Pi_1 , Pi_2 = Poverty measure in sector i at time 1 and 2 If there are N sectors (i = 1.....N)

 ni_1 = Population share in sector I, with I = (I and 2) i.e two periods; prior to policy full take off in 1999 and 199 to 2005 when the policies are expected to have been yielding result.

The above can be further amplified to detecting the contribution of each source of income decomposition component of General Entropy Method;

Thus, where sf is large, then the component f is an important source of income inequality.

Presentations and Discussion of Results

A total of 362 valid questionnaires were analyzed. The demographic result showed that 53.6 percent of the respondents is male, 46.4 percent female, with the majority found within the age range of 25 and 40 years while only 46.4 percent is found in the age range of 41 and 60 years. Eighty percent of the total population is married, 13 percent single, 1.3 percent widowed and 0.3 percent divorced. The dominant occupation is farming with a population of 45.3 percent of the total, 19.9 percent in civil services and 34.3 percent in other services.

Given that 99.72 percent of the respondents had lived in their different locations for over 10 years. This reveals the authenticity of the compares of past and present level of income of the inhabitants. Majority to the extent that

43 percent have no formal education, 24 percent has primary education, 19.9 percent has secondary education while 12.3 percent has tertiary education respectively. The above indicates the level of enlightenment of the inhabitants in line with what they do for a living on the one hand and realization of the importance of different government policies on the other. The result of the cross tabulation between occupation was attempted to show the different occupations as they fare within the different policies towards poverty alleviation in the study area. It revealed that as high as 86 percent of the male respondent is into farming, 15 percent in civil service, with 9 percent in other services. Majority of those into farming have no further education, for example, 72 percent of the farmers have no formal education while the rest 28 percent encompasses those with formal education.

d) Quantitative Analysis (Sectoral Decomposition Method)

i) Civil Service Sector

$$\Delta P = 2005.73 + 4.35\beta + 0 + 0$$
(3.231) (2.484)

Intra Sectoral Inter sectoral Interaction effect ii) Agricultural Sector

$$\Delta P = 98.403 + 4.914 \beta + 0 + 0$$
(3.49) (2.484)

Intra Sectoral Intersectoral Interaction effect

iii) Other Services Sector

$$\Delta P = 298.374 + 2.159 \beta + 0 + 0$$
(.572) (3.17)
Intra Sectoral Intersectoral Interaction effect

The above results showed that within three sectors considered, i.e civil services, agriculture and other services, change in income as a measure of the impact of poverty alleviation programmes is shown to have depended on the intra sectoral relationship and development. Thus, activities in another sector do not have any bearing with another. The implication of this is that the programmes are not seen to have motivated the inhabitants to move from one sector to the other. On the other hand, the impact of poverty alleviation programmes is negligible, thereby informing further probe to measuring income inequality among the different sectors. The Sen's gini coefficient showed that;

- 1. Civil services = 0.903 Close to one
- 2. Agriculture = 0.056 Close to zero
- 3. Other services = 0.95 Close to 1.

It thus means that income inequality is skewed towards the people in the agricultural sector while the rest sectors are better off. It becomes imperative to find out which sector contributes most to the economy of the communities. Further investigation of this revelation leads to the application of General Entropy.

Method to detect which sector is the most viable so as to inform public policy makers on where more resources should be directed to impact on the inhabitants.

From the above, the agricultural sector showed the highest contribution as a sector to the total income generated from all other sectors, this is followed by the other services sector with the civil service coming last. While agriculture made the largest contribution to the economy, it is the sector with the highest income inequality. The implication of our findings is that poverty alleviation programs in this area should be greatly focused on the agricultural sector where 76 percent of the male respondents are engaged. Economic empowerment in this area should also aim at enhancing the people's access to agricultural inputs, credits and other facilities.

Conclusion and Recommendations

It has been found from the results of the focus group discussion (FGD) that in the actual sense, government at one time or the other had put in place one program or the other towards alleviating poverty among the population. However, the expected achievement is marred by misplacement of priority that emanates from the pattern of the programmes.

Furthermore, the empirical results conclude the revelation found from the FGD, such that the highest contributing sector (agricultural sector) has the

highest number of poverty ridden members. It is therefore important to conclude that the policy target or objective is at variance with the outcome of such policies. Government thus needs a kind of performance evaluation towards reappraising and adjusting the instruments employed by the programmes by redirecting or focusing more on sectors which makes significant contribution to the economy i.e. poverty Alleviation Programs. The government could focus more on the most affected sector in the area of finance and credit facilities on the one hand, and organize a kind of storage facility (buffer stock) against surplus agricultural product or bumper harvest in order to sustain price stability on the other. This will assist the farmers to pay back their loans (where available) on time with little or no stress.

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i. Qualitative Analysis) Results of the focus group discussion

Scenarios	F ₁ (ASA)	F ₂ (IL/W)	M ₁ Asa	M ₂ (IL/W)	Remarks
i Recognition of the programs.	DFFRI, BLRW Alleviation of	NDE, FEAP, NAPEP	NDE, FSP Promote living	NDE and many more Improve	The objective of various programs are understood
ii Objectives	poverty.	people's lots,	standard	people's live in all ramification	
i Sources	From the various govt.	Diff govt. that come to power	officials	Federal govt.	The nature and Sources of financing in a way to benefiting people are
ii Nature	Direct financing.	Creation of Access roads	Distribution of work instruments	Vocational training on jobs	understood.
Benefit from the programs.		Some people benefit from them but not all		effective as was expected	The outcome of the programs can not be said to be highly successful.
Problems against the programs	suspended tank	Even when you partake in the apprentice, training, you hardly get paid and even if you are paid it comes very lately	agric. Loans come after planting and it usually goes to civil servants who can afford	need of the importance of the programs have no access to the	Generally, there is an expression of misplaced priority and diversion of benefits to the connected group than those for whom the programmes were set.

Note;	F 1= Female group in Asa Local government Area
	M1 = Male ,,,, ,,,,,,,,,,,, ,,,,,,,,,,,,,,,,,,
	F2 = Female group in Horin West Local government Area
	$M_2 = Male_{1},,,,,,,,$
	Progs = programmes

b) Descrip	Demographic Data	Percentage
1. Gend		1 or contage
ii Gene	Male	53.6
	Female	46.4
2. Age		
. 8	25-40 years	53.6
	>40<60	46.4
3. Mari	tal Status	
	Single	13.8
	Married	85.6
	Widowed	0.3
	Divorced	0.3
4. Tena	ncy	
	< 5 years	0.3
	> 6 years	99.72
5. Occu	pation	
	Civil Servant	19.9
	Farming	45.3
	Professional	0.6
	Others	34.3
6. Incor	ne Group .	
i)	previous (N)	
	500-1000	50.0
	1001-2500	13.6
	2501-5000	35.4
	>5000<10000	1.1
ii) New		
	500-1000	41.8
	1001-2500	13.8
	2501-5000	18.0
	>5000<10000	26.5
7. Edu	cation	
	No schooling	43.8
	Primary	24.0
	Secondary	19.9
	Tertiary	12.3
8. Acces	ss to Healthcare	
	Self medication	24.8
	Traditional	21.5
	Modern	53.6

c) Cross Tabulation on Occupation and other Variables

Variables	Occupation						
	Civil servant		Farming	Professional		Others	
Gender		21	50		2	07	
Female Male		21 51	58 106		2	87 37	
Maie		31	100		U	31	
Previous Income (N)							
500-1000	5	10		-	11		
1001-2500	20	72		-	62		
2501-5000	8	22		1	18		
>5000<10000		35	60		-	33	
New Income (N)							
500-1000	1	1		-	I		
1001-2500	20	65		-	66		
2501-5000	10	29		-	18		
>5000<10000		-	28		2	25	
Living Standard							
Mud & thatch		6	16		_	12	
Mud & Iron		17	55		_	45	
Block & plastered	2	19		_	11		
Plastered & paint		18	47		2	32	
Total modern		29	27		-	24	
Access to Health							
Self Medication		14	39		1	36	
Traditional	11	44		_	23		
Modern		47	81		I	65	
Education							
No Education		4	89		3	4	
Primary		16	40		-	65	
Secondary	20	29	10	_	32	05	
Tertiary	20	31	6		2	23	
Age							
Bet 25 & 35 years	20	32		_	37		
36-40 years	20	18	20	-	<i>31</i>	19	
45-60 years		8	24		_	-	
>60		26	88		2	52	
- 00		_0	50		-	32	