POVERTY AND DEVELOPMENT IN NIGERIA: TRAILING THE MDGS?

Adekunbi Kehinde Omideyi

Faculty of Social Sciences
Obafemi Awolowo University, Ile-Ife, Nigeria.
E-mail: akomid2000@yahoo.com

Abstract

Poverty levels in the developing world, especially Sub-Saharan Africa still pose major challenges to overall development in the continent and globally, against the backdrop of the millennium development goals. A critical appraisal of poverty and development theories suggests that as long as individuals and communities are caught in poverty traps (in the form of low resources, low physical and human capital), exclusions from global markets and government and market failures they cannot enjoy the economic development experienced in high income, developed countries. The MDGs were developed in good faith to assist in reducing global economic development disparities; however, an assessment of the current status of African countries reveals a trend whereby it is highly unlikely that any of the targets set by the goals will be met by 2015. Goal 4 - the reduction of infant mortality rates - which would have been met, has been threatened by civil disturbances and increasing incidence of HIV/AIDS. Within Nigeria, where 50% live below the poverty line, the poverty situation is exacerbated by inequality in incomes, in assets (education and health status), in control over public resources and in access to essential services, coupled with high levels of insecurity. Growth strategies for reducing poverty levels in Sub-Saharan countries, and Nigeria in particular, must be pro-poor. Such strategies must eliminate discrimination against rural and agricultural development; invest in human capital (education and health); improve household consumption levels to reduce deprivation of basic needs by vulnerable members, particularly children, the widowed and the aged; provide access to markets and public infrastructure and facilitate the creation of new jobs. Ongoing economic and structural reforms in the country must be maintained on a sustained level that will permit poverty reduction and better quality of life.

Key words: Poverty, Development, Millennium Development Goals, Pro-poor growth

Introduction

Reducing poverty levels in the third world is still the most difficult development issue facing the international community. In spite of poverty-reduction strategies embarked upon by the global community to meet the Millennium Development Goals only China and India have made considerable progress, and succeeded in ensuring that the goal of halving poverty by the year 2015 in the world is met. In these two countries, the proportion of people living on less than $1 a day by 2015 is projected to decrease to just over 12 percent from more than 28 percent, bringing half of a billion people out of poverty (World Bank, 2004). In parts of South Asia the poverty reduction picture is less promising and in Sub-Saharan Africa the situation is even worse: the number of people living in absolute poverty is slated to increase.

It is pertinent to ask why such a dismal picture is emerging for the third world, and especially Sub-Saharan Africa – a region in which Nigeria is the most highly populated (140 million in 2006). Development efforts have been made and are being embarked upon by these countries; the poor are targeted, and yet poverty remains a critical area of development concern.

In terms of global outlook the imbalance in world income distribution is a contributory factor. According to a World Bank report: “of the six billion people living in the world today, one billion receive 80
percent of global income, while more than one billion barely survive on less than $1 a day. And while developed
countries spend $600 billion a year on defence, and incur $300 billion in direct and indirect agricultural
subsidies, they offer only $56 billion a year in aid to developing countries”.

Yet other challenges are facing developing countries, especially Sub-Saharan Africa. Among these are
high population growth rates, declining per capita incomes and limited progress in reducing poverty. Other
developing countries have also joined in experiencing conflict, growing climate instability, and the ever-
escalating HIV/AIDS epidemic. In Africa AIDS reduced the average life expectancy at birth to 47 years, wiping
out the advances made in the previous 20 years (UNAIDS, 2002).

The United Nations made its millennium declaration in September 2000, stating that:

_We will spare no effort to free our fellow men, women, and children from the abject and dehumanizing
conditions of extreme poverty to which more than a billion of them are currently subjected._

Entrenched in the declaration was a commitment by the international community to attack poverty in
the developing world by adopting a developmental framework that acknowledges the non income as well as the
income dimensions of poverty, with clearly defined goals to track progress toward concrete, measurable results.
The Millennium Development Goals (MDGs), adopted at the 2000 United Nations Millennium Summit, were as
follows:

Goal 1: Eradicate extreme poverty - To cut in half the proportion of people living in extreme poverty – and
those suffering from hunger – between 1990 and 2015.

Goal 2: Achieve universal primary education – All children would be able to complete a course of primary
education by 2015.

Goal 3: Promote gender equality and empower women – Eliminate gender disparities in primary and secondary
education by 2015.

Goal 4: Reduce child mortality – mortality rates for infants and children under five would be cut by two-thirds
between 1990 and 2015.


Goal 6: Combat HIV/AIDS, malaria, and other diseases –

Goal 7: Ensure environmental sustainability

Goal 8: Develop a global partnership for development – Wealthy countries should work with developing
countries to create an environment for rapid, sustainable, and broad-based development.

How far have these goals been met in Sub-Saharan Africa, especially in Nigeria? What is the role of
poverty in development? What are the poverty inducing factors in Nigeria, and what are the constraints to
development? This paper reviews the poverty situation in Sub-Saharan Africa and Nigeria against the
background of poverty and development theories, with the aim of highlighting the obstacles to progress in the
areas where the MDGs were most likely to have been met.

**Definitions and Theories of Poverty**

Poverty, in its most general sense, is the lack of basic necessities such as food, shelter, medical care
and security, which are thought necessary based on shared values of human dignity (Bradshaw, 2006). It is
argued, however, that what is a necessity to one person is not uniformly a necessity to others. Needs may be
relative to what is possible and are based on social dysfunction and past experience (Sen, 1999). According to
Valentine (1968) the “essence of poverty is inequality. In slightly different words, the basic meaning of poverty
is relative deprivation.” While the social (relative) definition of poverty allows for community flexibility in
addressing important local concerns, objective definitions allow for monitoring progress and comparing one
area to another.

In the literature, poverty in developed countries is distinguished from poverty in developing countries.
The most common “objective” definition of poverty, for example, in the United States is the statistical measure
established by the federal government as the annual income needed for a family to survive. The “poverty line”

---

2 From the foreword written by the President of the World Bank (World Bank 2004)
was initially created based on three times an estimate of what a family would have to spend for an adequate but far from lavish diet (Bradshaw 2006). Adjusted for inflation, the poverty line for a family of four was $17,050 income in 2000 according to the U.S. Census. The International Labour Office (ILO) has adopted a common poverty line of $1 U.S. or $2 U.S. a day. Though there are different measures of poverty, the percentage of any population living below the poverty line is the proportion of the population whose economic welfare is less than the poverty line. Some scholars have raised issues with the definition (especially for the U.S.) related to concepts of the family, cash income, treatment of taxes, special work related expenses or regional differences in the cost of living (Blank, 1997; Quigley, 2003). Other scholars (Darby, 1996; Bradshaw, 2006) deem it essential to retain focus on the fact that the definition of poverty and the policies addressing it are all shaped by political biases and values:

“It is this disparity of status and interest that makes poverty research an inescapably political act: it is an exercise of power, in this case of an educated elite to categorize, stigmatise, but above all to neutralize the poor and disadvantaged through analysis that obscures the political nature of social and economic inequality’ (O’Connor, 2001 as quoted in Bradshaw, 2006).

Hence Bradshaw argues that political agendas are the overriding factors in poverty that not only influence the choice of theory of poverty but the very definition of poverty to be explained by each theory: “Powerful interests manage how poverty is discussed and what is being done about it”.

Most theories of poverty are based on the notion of poverty in the developed world. Recent literature on poverty acknowledges that the different poverty theories can be classified in multiple ways (Blank, 2003; Goldsmith and Blakely, 1992; Jennings and Kushnick, 1999; Rodgers, 2000; Schiller, 1989; Shaw, 1996). Almost all the authors, however, distinguish between theories that root the cause of poverty in individual deficiencies (conservative) and theories that lay the cause on broader social phenomena (liberal or progressive). Goldsmith and Blakely, for example, distinguish “Poverty as pathology” from “poverty as incident or accident” and “poverty as structure.” Schiller (1989) explains the dichotomy in terms of “flawed characters, restricted opportunity, and Big Brother.” Jennings (1999) lays emphasis on racial and political dynamics in reviewing variants of the individual vs society conceptions. Rank clearly states that: “the focus on individual attributes as the cause of poverty is misplaced and misdirected.” Structural failings of the economic, political, and social system are causes instead (Rank, 2004). According to Bradshaw (2006), the various theories are divergent and each results in a different type of community development intervention strategy. He identified five theories that make up the bulk of the poverty literature.

The first theory is a large and multi-faceted set of explanations that focus on the individual as responsible for their poverty situation. Here, theoreticians who are politically conservative blame individuals in poverty for creating their own problems and argue that with harder work and better choices the poor could have avoided (and now can remedy) their problems. Other variations of the individual theory of poverty ascribe poverty to lack of genetic qualities such as intelligence that are not so easily reversed.

The second theory of poverty has its root cause in the “Culture of Poverty,” introduced by an American anthropologist, Oscar Lewis, as a result of studying the urban poor in Mexico and Puerto Rico. The theory suggests that poverty is created by the transmission over generations of a set of beliefs, values and skills that are socially generated but individually held. Individuals are not necessarily to blame because they are victims of their dysfunctional subculture or culture (Bradshaw, 2006). According to Lewis the culture of poverty perpetuates poverty: “It tends to perpetuate itself from generation to generation because of its effects on children. By the time slum children are six or seven, they have usually absorbed the basic values and attitudes of their subculture and are not psychologically geared to take full advantage of changing conditions or increased opportunities which may occur in their lifetime.” The culture of poverty theory explains how government antipoverty programs reward people who manipulate the policy and stay on welfare.

A lot of controversy has been generated by the theory of poverty based on the perpetuation of cultural values. While some conservatives (Murray, 1984) argued that government welfare perpetuated poverty by permitting a cycle of “welfare dependency” where poor families develop and pass on to others the skills needed to work the system rather than gaining employment, others argue that the concern should really be on what causes and constitutes the subculture of poverty. Liberal scholars, for example, understand the cultural problems that Native Americans face trying to assimilate middle class American value systems. Bradshaw notes that: “Ironically, after a number of generations we recall the ‘heroic’ efforts of Irish or Italian immigrant groups and

3 The poverty line was created by Mollie Oshansky at the U.S. Department of Agriculture
4 See Ravallion (1994); Shaohua and Ravallion (forthcoming)
5 Bradshaw also identified the set of variables that are most significantly associated with causing poverty according to each theory, the mechanisms by which these variables cause poverty, the potential strategies that can be addressed in response to poverty, and the community based examples of how anti-poverty programs based on that particular theory are implemented.
their willingness to accept hard work and to suffer for long term socio-economic gains; we forget the cultural discrimination they faced for not fitting in during the first generations after they arrived.” (Bradshaw, 2006).

The third theory is a progressive social theory where the theorists look not to the individual as a source of poverty but to the economic, political and social system which causes people to have limited opportunities and resources with which to achieve income and well being. Nineteenth century social intellectuals like Marx and Durkheim showed how the economic and social systems overrode and created individual poverty (Bradshaw, 2006). Marx showed how the economic system of capitalism created a “reserve army of the unemployed” as a conscientious strategy to keep wages low. Durkheim later showed that even the most personal of actions (suicide) was mediated by social systems. Some literature now suggests that the economic system is structured in a way that poor people fall behind regardless of how competent they may be. Some of the reasons proffered are: minimum wages do not allow single mothers or their families to be economically self-sufficient (Jencks, 1996); the working poor cannot get better jobs and hence are limited to receiving low wages because of structural barriers preventing them from getting the jobs. Further complications come from the limited numbers of jobs available near workers and lack of growth in sectors supporting lower skilled jobs (Tobin, 1994). Research also shows that while wages are falling, fringe benefits including healthcare and promotions have also become scarce for low-skilled workers (Blank, 1997; Quigley, 2003).

Although education and manpower training programs which have been embarked upon have largely recorded successes in removing structural barriers to better jobs some perceived failures exist: where importance of education is acknowledged, funding per student in less advantaged areas lags that which is spent on richer students, teachers are less adequately trained, books are often out of date or in limited supply, amenities are few, and the culture of learning is under siege. This systemic failure of the schools is thus thought to be the reason poor people have low achievement, poor rates of graduation, and few pursue higher education (Chubb and Moe, 1996). Research on the linkage between wealth and power has also shown how poor people are less involved in political decisions, their interests are more vulnerable in the political process and they are thus excluded at many levels. A broad category of system flaws associated with poverty also relate to groups of people being given a social stigma because of race, gender disability, religion, or other groupings, leading them to have limited opportunities regardless of personal capabilities. In addition, according to Bradshaw (2006), “no treatment of poverty can be complete without acknowledging that groups against which discrimination is practiced have limited opportunities regardless of legal protections.”

The fourth theory is based on poverty caused by geographical disparities. The theory calls attention to the fact that people, institutions, and cultures in certain areas lack the objective resources needed to generate well being and income, and that they lack the power to claim redistribution. Framings of the underlying problem are found in expressions like: rural poverty, ghetto poverty, urban disinvestments, Southern poverty, Third world poverty, etc. Shaw (1996 quoted in Bradshaw, 2006) points out that: “Space is not a backdrop for capitalism, but rather is restructured by it and contributes to the system’s survival. The geography of poverty is a spatial expression of the capitalist system.”

Three theoretical perspectives on spatial concentrations of poverty come from the economic agglomeration theory, the central place theory and the selective out-migration theory. Agglomeration, usually used to explain the emergence of strong industrial clusters (Bradshaw et al., 1999) “shows how propinquity of similar firms attracts supportive services and markets, which further attracts more firms. In reverse, the propinquity of poverty and the conditions leading to poverty or the consequences of poverty (crime and inadequate social services) generate more poverty, while competitive areas attract business clusters, drawing away from impoverished communities. Low housing prices in such locations attract more poor persons, for example, leading to housing disinvestments by building owners.”

Central place theory and related “human ecology” examinations of urban growth trace the flows of knowledge and capital (Rural Sociological Society 1990). Hansen (1970) notes that rural areas are often the last stop of technologies, and low wages and competitive pricing dominate production. The lack of infrastructure that allows development of human resources limits economic activity that might use these resources.

Selective out-migration theory holds that people from disadvantaged areas, e.g. ghetto areas, with the highest levels of education, the greatest skills, widest world view, and most extensive opportunities were the ones who migrated out of central city locations to other places (Wilson, 1987). In addition, Wilson argued, these departing people were the community’s best role models and were often civic leaders. Rural poverty is thus attributable to selective out-migration. Population density (both low rural density and the negative impact of high density) constitutes another emerging body of theory on spatial variables in social science using tools of geographic information systems (GIS) to track spatial dynamics of opportunity and poverty (Bradshaw and Mueller, 2003).

The fifth and final theory of poverty, as outlined by Bradshaw, is the most complex of the theories and, to some degree, builds on components of each of the other theories in that it views the individual and the community as being caught in a spiral of opportunity and problems, and that once problems dominate they close other opportunities and create a cumulative set of problems that make any effective response nearly impossible.
The cyclical explanation explicitly looks at individual situations and community resources as mutually dependent, with a faltering economy, which makes economic survival even harder for the community since people pay fewer taxes (Bradshaw, 2006). The theory has its origins in the work of Myrdal (1957) who developed a theory of “interlocking, circular, interdependence within a process of cumulative causation” that helps to explain economic underdevelopment. Myrdal notes that personal and community well being are closely linked in a cascade of personal and community problems including migration of people from a community. Thus the interdependence of factors creating poverty actually accelerates once a cycle of decline is started (Bradshaw, 2006).

Theoretical Approaches to Development

Development theory is a conglomeration of theories about how desirable change in society is best to be achieved. The term economic development here refers to widespread, widely shared, sustainable economic growth accompanied by significant structural change in production patterns and in economic and political institutions and by generalized improvement in living standards. This definition distinguishes economic development from economic growth that is narrowly based; dualistic in production and distribution; cyclical; grounded in the exploitation of natural resources; and unaccompanied by systemic changes in production structure, institutional development or improvement in the living standards of the poor (Adelman and Morris, 1997).

Four historical development theories, encompassed within the development theory, are briefly outlined: Modernization theory, Dependency theory, World Systems theory and the State theory. The Modernization theory (developed and popularised in the 1950s and 1960s) combines previous theories of socio cultural evolution with practical experiences and empirical research, especially from the era of decolonisation. The theory states that:

– Western world countries are the most developed and, and the rest of the world (mostly former colonies) are on the earlier stages of development, and will eventually reach the same level as the Western world.
– Development stages go from the traditional societies to the developed ones.
– Third world countries have fallen behind with their social progress and need to be directed on their way to becoming more advanced (Rostow, 1960).

The theory stresses the modernization factor: many societies are simply trying (or need) to emulate the most successful societies and cultures. It also states that it is possible to do so, thus supporting the concepts of social engineering and that the developed countries can and should help those less developed, directly or indirectly. Modernization theory was built upon Classical liberation and the belief in individuality, free trade and the market fundamentalism. Technology played a key role in the development theory because it was believed that as technology was developed and introduced to less developed countries it would spur growth.

The “dependency” theory of economic development was critical of the Modernization theory. It was founded on the concept that the effects of colonialism on less developed countries (such as trade inequities) must be considered in creating future development. Scholars like Prebisch (1950) and Singer (1950) argued that the world had developed into a “centre-periphery” relationship among nations where the Third World was regressing into becoming the producer of raw materials for First World manufacturers and were thus condemned to a peripheral and dependent role in the world economy. Thus, according to Prebisch, some degree of protectionism in trade was necessary if these countries were to enter a self-sustaining development path. Import substitution enabled by protection and government policy, rather than trade and export orientation, was the preferred strategy. This approach aims to discredit the modernization theory’s development process by stating that since exploitation allowed the centre to develop it is impossible for the same process to lead to the development of the previously exploited countries. Some criticisms of the dependency theory are that it provides no feasible development solution; it does not acknowledge distinctions within the periphery or vulnerability in the centre and does not outline any means of observing change within development.

Wallerstein (1976) developed the World Systems theory in response to the criticisms of the dependency theory. Here, the division of the periphery and centre was further divided into a trimordial system consisting of the core, semi periphery and periphery. In this system, the semi-periphery lies between the core and periphery; is exploited by the core, and exploits the periphery. This division aims to explain the industrialization within less developed countries. The theory focuses on inequality as a separate entity from

6 Schultz (1961) emphasized education and training as pre-requisites of growth and the identification of the problem of ‘brain drain’ from the Third world to the First. Singer (1950) also argued that social development as a whole – notably education, health, fertility - by improving human capital, were also necessary prerequisites for growth.
growth in development and examines change in the global capitalist system. Wallerstein argued that the ‘periphery’ (the semi-periphery and periphery, both between and countries) localities are, in fact, exploited and kept in a state of backwardness by the developed core; a core which profits from the periphery’s cheap, unskilled labour and raw materials (i.e. from those nations’ lack of a skilled workforce and industries that can process raw materials locally). Out of this theory stem anti-systemic movements that attempt to reverse the terms of the system’s inequality through social democratic and labour movements.

The distrust of the State in World Systems theory led to the State theory. This theory is based upon the view that the economy is intertwined with politics and therefore the take-off period in development is unique to each country. State theory emphasized the effects of class relations and the strength and autonomy of the State on historical outcomes: class relations and the nature of the State impact the ability of the State to function. Development is dependent upon the state stability and influence externally as well as internally. State theorists therefore believe that a developmentalist stance is required for development by taking control of the developmental process within a state (Wikipedia, 2007).

The Human Development Index (HDI) was developed in 1990 as a comparative measure of life expectancy, literacy, education and standards of living for countries worldwide. It is a standard measure of well being, especially child welfare, adopted by the United Nations Development Programme (UNDP) in its annual Human Development Report. It is also used to categorize a country as developed, developing or underdeveloped, and to measure the impact of economic policies on quality of life.

**The Role of poverty in the Development of Third World countries**

A synthesis of the theories of poverty and development theories reveals a dismal picture for development of third world countries. While poverty in these countries (Tables 1 and 2) can, to some extent be blamed on individual and government inabilities to function to expectation, the impact of internal and external factors is not to be contended. Using World Development indicators to compare development in various countries of the world, the World Bank group expected developing economies to grow faster than high-income countries thereby closing the development gap. The reasons for this expectation were adduced to the labour surpluses and higher returns to physical capital in such countries, along with ready access to technology already

---

7 Ecological economics is a multi-disciplinary field of academic research that addresses the dynamic and spatial interdependence between human economies and natural ecosystems.
8 Sustainable development has been defined as the process of balancing the need of humans for economic and social development with the need to protect the natural and built environment so that these needs can be met not only in the present but in the indefinite future. The term was used by the Brundtland Commission which coined what has become the most often-quoted definition of sustainable development as “development that meets the needs of the present without compromising the ability of future generations to meet their own need.”
9 Welfare economics is a branch of economics that uses micro-economic techniques to simultaneously determine the allocational efficiency of a macroeconomy and the income distribution associated with it.
10 Feminist economics broadly refers to a developing branch of economics that applies feminist insights and critiques to economics.
11 The index was developed by Pakistani economist Mahbub ul Haq and has been used since 1993 by the UNDP.
12 The HDI measures the average achievements in a country in three basic dimensions of human development: (i) a long and healthy life, as measured by life expectancy at birth, (ii) knowledge, as measured by the adult literacy rate (with two-thirds weight) and the combined primary, secondary, and tertiary gross enrolment ratio (with one-third weight), (iii) a decent standard of living, as measured by gross domestic product (GDP) per capita at purchasing power parity (PPP) in USD.
developed and amortised in high-income countries. This was not so, however. Among the factors outlined for finding that only a few of these developing economies enjoyed sustained periods of high growth, and even fewer reached the average growth of high-income economies were: poverty traps, exclusion from global markets and government and market failures. The countries found to be at the slow end of the spectrum in the report were those that experienced major conflicts or financial crises in the last decade and are landlocked or are far from major trade routes. Most of these were located in Sub-Saharan Africa (Olajide, 2007).

Table 1: GDP per capita growth by region (annual percentage)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>East Asia and Pacific</td>
<td>6.23</td>
<td>5.98</td>
<td>5.5</td>
<td>6.7</td>
<td>6.1</td>
<td>6.7</td>
</tr>
<tr>
<td>Europe and Central Asia</td>
<td>-2.53</td>
<td>6.57</td>
<td>2.2</td>
<td>4.6</td>
<td>4.3</td>
<td>4.5</td>
</tr>
<tr>
<td>Latin America and the Caribbean</td>
<td>1.22</td>
<td>2.12</td>
<td>0.3</td>
<td>1.8</td>
<td>1.8</td>
<td>3.7</td>
</tr>
<tr>
<td>Middle East and North Africa</td>
<td>1.26</td>
<td>2.24</td>
<td>3.2</td>
<td>3.1</td>
<td>3.3</td>
<td>3.9</td>
</tr>
<tr>
<td>South Asia</td>
<td>3.34</td>
<td>2.38</td>
<td>4.9</td>
<td>5.4</td>
<td>5.4</td>
<td>5.4</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>-0.67</td>
<td>0.58</td>
<td>3.2</td>
<td>2.8</td>
<td>2.8</td>
<td>3.5</td>
</tr>
</tbody>
</table>


Also, according to the report, although the number of people living on less than one dollar a day in developing countries fell by more than 260 million over 1990 – 2004 due to massive poverty reduction in China, in contrast, the number of poor people continued to increase in Sub-Saharan Africa, rising by almost 60 million. The millennium development goal of halving the proportion of poor people is still within reach at worldwide level – with a projected decline from 29 percent to 10 percent between 1990 and 2015. However, according to the report, many countries will most likely not reach it, particularly those in Sub-Saharan Africa, where average poverty rates remain above 40 percent. This raises concerns of widening inequalities between regions.

Table 2: Number of people living in poverty (millions)

<table>
<thead>
<tr>
<th>Region</th>
<th>People living on &lt;$1 a day</th>
<th>People living on &lt;$2 a day</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Asia and Pacific (excluding China)</td>
<td>470</td>
<td>261</td>
</tr>
<tr>
<td>Europe &amp; C. Asia</td>
<td>110</td>
<td>57</td>
</tr>
<tr>
<td>Latin America and The Carribean</td>
<td>6</td>
<td>20</td>
</tr>
<tr>
<td>Middle East and North Africa</td>
<td>48</td>
<td>56</td>
</tr>
<tr>
<td>South Asia</td>
<td>466</td>
<td>432</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>241</td>
<td>323</td>
</tr>
<tr>
<td>Total (excluding China)</td>
<td>1,237</td>
<td>877</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


Poverty is inimical to development. It is only a reduction in its extent that can bring about growth, and hence development. According to Mwabu and Thorbecke (2007): “Like two sides of the same coin, poverty
reduction and growth are two dimensions of the same phenomenon. Scrutinizing poverty separately and independently from the overall growth process is clearly artificial.”

Correlates of poverty in Africa

A number of studies on poverty, income distribution and labour markets were conducted in twelve countries of Sub-Saharan Africa\(^{13}\) between 1997 and 1999. These studies focused on poverty assessment profiles and analyses of macroeconomic and sectoral policies to alleviate poverty within the context of economic growth (Nwabu and Thorbecke, 2007). Based on the poverty profile which identified the major household and environmental characteristics associated with poverty the major correlates of poverty that appeared in virtually all the country profiles were: labour force and occupational status, race, location (e.g. urban/rural, provincial or regional breakdown), education and health, size of household, gender (e.g. male- vs female-headed household), age, dependency ratio, market orientation, ownership of land and assets, and marital status. The South African study showed a convincingly close link between employment and poverty. All the studies found that the incidence of poverty was relatively greater in the rural areas: “Indeed, because most of the African population is rural, African poverty is a rural phenomenon, despite the emergence of high urban poverty incidence in some countries” (Nwabu and Thorbecke, 2007).

In general, the country reports found a strong, negative correlation between education and poverty, though in a few countries like Ethiopia, South Africa and Kenya, rates of return to primary education were much lower than the returns to secondary education. Poverty per household number or per adult-equivalent also increased with the size of household. Male-headed households were found to suffer from less poverty than female-headed households, though some countries (Cameroon, Mozambique, Ghana) reported less poverty among female-headed households. In general, age of household head and dependency ratio were found to be positively correlated with poverty. In South Africa it was found that domestic workers and farm workers were the most vulnerable groups in the labour market. Africans (Blacks) and women dominated both these groups completely. Spatial divides also prevailed, with urban work-seekers having access to rural jobs on average, if they so desired, while rural work seekers typically did not possess the characteristics necessary to compete in the urban labour market. Also, younger cohorts entering the labour market faced a much lower probability of finding jobs than older cohorts.

Poverty and Human Development in Africa

The Chicago endogenous-growth school, in their underdevelopment theory, identified low-human capital endowments as the primary obstacle to the realisation of the potential economies of scale inherent in the industrialization of developing countries (Adelman and Morris, 1997). In the 2006 report of the Human Development Index by the United Nations\(^{14}\) the world HDI stagnated, due to a continued improvement of developed countries, but averaged with a general decline in the developing world. Countries in Sub-Saharan Africa and South Asia showed an important decline in HDI, in comparison with the previous year’s report (UNDP 2006).

The decline in HDI of Sub-Saharan African countries is no doubt linked to low economic growth and the inability of countries to increase spending on health and education. In the World Bank report (2004) enrolment rates in primary school lagged farthest behind in Sub-Saharan Africa, with little progress since 1990. At a summit meeting\(^{15}\) held in Brussels on May 2, 2007 a participant\(^{16}\) remarked that “developing nations do not have the means to improve education without international investment”, thereby calling for an international partnership with “energy, political will and investment”, and a message to rich nations to fulfil their commitment and release sufficient aid to fund African governments’ fully-costed education plans.

The Nature of poverty in Nigeria

\(^{13}\) The twelve countries studied were Benin, Cameroon, Ethiopia, Ghana, Kenya, Madagascar, Mozambique, Nigeria, South Africa, Tanzania, Uganda and Zimbabwe.

\(^{14}\) The report for 2006 was launched in Cape Town, South Africa on November 9, 2006. Its focus was on Power, poverty and the global water crisis”.

\(^{15}\) At the meeting, the British Chancellor Gordon Brown and the international development secretary, Hilary Benn met with finance and international development ministers from across the European Union, G8, Gulf and Arab states, and also representatives from the UN, NGOs and the private sector (www.politics.co.uk, 3 May, 2007)

\(^{16}\) The Executive Director of campaign for Female Education (Camfed).
Nigeria, the most populous country in Africa with a population of 140 million\(^{17}\), suffers from extreme poverty: over 70 million people (50 per cent) live on less than $1 US a day. According to DFID (2007) the country has some of the worst social indicators in the world:

- One in five children die before the age of five
- 7 million children are not in school
- Around 3 million people are living with HIV or AIDS

In a study that investigated inequality and poverty in Nigeria, using data from national household income surveys between 1985 and 1996, it was found that an increasing number of Nigerians were living in absolute poverty. Applying the head count index the proportions were 38 per cent in 1985, 43 per cent in 1992 and 47 per cent in 1996 (Aigbokhan 2000). Poverty was found to be higher in rural than in urban areas – 38 per cent, 35 per cent, 37 per cent respectively in urban compared to 41 per cent, 49 per cent, 51 per cent respectively in rural areas. Poverty was more pronounced in male-headed households, and indeed, male-headed households slipped deeper into poverty over the period between 1985 and 1996 while female-headed households fared slightly better.

At the level of geo-political zones it was found that poverty tended to be lower in the Southern than in the Northern zones: poverty incidence actually improved in the Southern zones during the 1990s but deteriorated in the North, particularly in rural areas. Within the zones the incidence of poverty was found not to be uniform: in the South, poverty was found to be higher in Akwa Ibom, Delta and Edo states and in the North in Bauchi, Jigawa and Yobe states. The depth and severity of poverty generally increased over the study period, but the trend was not uniform over geo-political zones: during the 1990s the depth of poverty increased in the Middlebelt, Northeast and Northwest zones while it declined in other areas. The increase was more pronounced in rural areas (Aigbokhan, 2000). Other studies corroborate the findings above, i.e. the higher rural poverty and the growing incidence and depth of poverty (Okunmadewa et al., 2005; Okojie et al., 2000; FOS, 1999).

The Human Development Report (UNDP 1999) revealed that Nigeria was one of the poorest among the poor countries of the world. The country ranked 54\(^{th}\) with respect to the Human Poverty Index (HPI), making it the 20\(^{th}\) poorest country in the world. It also ranked 30\(^{th}\) in Gender-related Development Index (GDI) and 40\(^{th}\) position from below in its Human Development Index (HDI) (Okunmadewa et al., 2005). According to NISER (2003): “The bitter reality of the Nigerian poverty situation is that more than 40 per cent of Nigerians live in the conditions of extreme poverty, spending less than N320 per capita per month. This expenditure would barely provide a quarter of the nutritional requirements for healthy living.”

Emphasizing the importance of inequality of access to opportunity, assets, income and expenditure and the role its reduction plays in reducing poverty and spurring the economy to long term development the World Bank (2000) stated that: “In Nigeria …households are not only poor, they also suffer from vast inequality in incomes, in assets (including education and health status), in control over public resources, and in access to essential services as well as pervasive insecurity.” The study by Okunmadewa et al (2005) revealed that factors such as age, gender and educational level of the household head are important factors that explain inequality profile in the country.

World development indicators in the World Bank Report (2006) showed that in 1985 the population living below the poverty line in Nigeria was 49.5 percent in the rural area and 31.7 per cent in the urban area. In 1992, rural and urban poverty decreased to 36.4 and 30.4 per cent respectively while by 2003 the population living below the poverty line (i.e. below one dollar per day) was 70.8 per cent. The report, based on household survey data for 22 developing countries and an expanded database, noted that Nigeria’s Gross Domestic Product (GDP) grew from 2.5 per cent in 1990-2000 to 5.9 per cent in 2000-2005: annual percentage growth in agriculture grew from 3.4 per cent to 5.8 per cent in 2005; industry average annual percentage growth grew from 1.0 to 5.5 per cent in 2005 while manufacturing grew from 1.1 per cent to 8.8 per cent in the same period. Also in the country, gross savings amounted to 34.1 per cent in 2005, consumption of fixed capital 10.5 per cent; net savings 23.6 per cent; education expenditure 0.9 per cent; energy depletion 54.4 percent and adjusted net savings 31.4 per cent.

In spite of the net economic growth recorded, and the suggestion that the positive adjusted net savings leads to increasing value of social welfare, the concern is whether this translates to reduction in poverty rates, and hence improvement of the quality of life in the country.

Some barriers still need to be tackled. Among these are the improvement of security to provide the right environment for investment, encouraging private initiative and investment to help provide basic services and conditions to empower poor people by improving health, education and infrastructure, removing administrative and legal procedures required to register new firms, and improving the administration of tax systems in the country (World Bank, 2006).

\(^{17}\) The National Population Commission returned the figure after the 2006 national census was conducted between March 15 and 19, 2006.
The issue of conflict, violence and the impact on poverty in Nigeria also needs attention. In a study that examined armed violence and poverty in Nigeria, some of the severe poverty impacts that accompanied the small arms and light weapons possession (SLWP) and usage were:

- Massive displacement in many conflict areas with the result that many markets are no longer operating, and fleeing civilians have been reliant on subsistence living.
- Towns, particularly in the Delta regions are open to frequent attacks by armed or security services, leading to severe interruptions to economic activities. The fear of imminent future attacks has disrupted normal trade, including fishing.
- Large areas of farmland in places such as Benue, considered the food basket of Nigeria, have been abandoned with consequences for food security in the local area and Nigeria as a whole.
- The extortion of taxes on highways has led to traders raising food prices for key goods e.g. food produce, further impoverishing the poor.
- The threat and actual use of armed violence has led to the growth of private security services (for those who can afford them) and vigilante ‘protection’ for the poor [who often have to pay some amount from their meagre income for sustaining such groups]18.
- Social capital has been severely eroded.” (Ginifer and Ismail, 2005).

Africa and the MDGs

In assessing the performance of African countries in the light of the millennium development goals a few points need to be noted. First is that most of these countries were colonized by countries of the first world at one time or the other, during which time both their physical and human resources were inputs into the development process of the latter. This fact is implicit in some of the theories earlier discussed.

Secondly, these countries are caught in the low-income-level trap (one of the multiple stable equilibria characterising the highly non-linear process emphasized by modern development pioneers. This low-income-level trap occurs at low levels of physical capital, both productive and infrastructural, and is maintained by low levels of accumulation and by Malthusian population growth (Adelman and Morris, 1997). The lack of coordination of investments in these countries, instead of individual profit maximisation by firms, usually do not permit increasing returns to scale and, together with low incomes (which restrict levels of savings and aggregate demands) and high population growth rates ensnare economies starting at low levels of income and capital in a low-income-level trap (Rosenstein-Rodan, 1943; Nurkse, 1953).

Thirdly, low human capital endowments are an obstacle to the realization of potential economies of scale inherent in industrialization of developing economies (Adelman and Morris, 1997).

The fourth point to note is that most of these countries are just beginning to embark on, or have not yet fully developed the democratic form of governance. This is an essential prerequisite for stable, economic growth. In their view, Adelman and Morris contend that: “this group of countries has been characterized by minimal degrees of development of market institutions and political systems, and by a pre-eminence of social tribal influences over the economic activity of the predominantly subsistence agrarian economy. The process by which economic growth was induced in this low-development group of countries has entailed a dualistic development of a modern, export-oriented primary sector which provoked significant transformations of social structure, the diffusion of the market economy and the reduction in the sway of traditional tribal customs over economic activity.”

Of equal significance is the impact of the HIV/AIDS scourge that is taking its toll in the reduction of the labour force, especially among youth between the ages of 15 and 24, and among women.

Finally, the effects of the globalization phenomena, and particularly the pressure to liberalize these economies in the face of imbalance in trade tariffs and protection, further reduce the competitive playing field of these economies.

From the foregoing it is obvious that the performance of African countries in reaching the millennium development goals cannot but be far from impressive. With regard to the first MDG, judging from present trends, the goal of cutting in half the proportion of people living in extreme poverty can hardly be met in Sub-Saharan Africa. The World Bank (2004) reported that GDP per capita in this region fell by 5 per cent but extreme poverty rose from 47.4 per cent in 1990 to 49 per cent in 1999, and the number of people living in extreme poverty in Sub-Saharan Africa is expected to rise by 82 million by 2004. By current trends this region will account for 50 per cent of the world’s poor in 2015, up from 19 per cent in 1990. Regional trends also showed that malnutrition rates are rising in the region.

The target of achieving the second MDG – universal primary education by 2015 is also far from being realized in Sub-Saharan Africa. More than 150 million children of primary school age are in danger of falling

18 Author’s addition
short of the goal in three developing regions, namely Middle East and North Africa, South Asia and Sub-Saharan Africa. Of these, according to the World Bank, Sub-Saharan Africa lags farthest behind, with little progress since 1990.

Goal 3, which calls for eliminating gender disparities in primary and secondary education by 2005 – and at all levels of education by 2015, is also unlikely to be met given that in Sub-Saharan Africa the ratio of girls to boys in primary and secondary enrolments has barely changed since 1990, and in 1998 it stood at 80 per cent.

Due to rapid improvements before 1990 the hope that infant mortality rates would reduce drastically rose, as called for in Goal 4. However, progress slowed down almost everywhere in the 1990s, particularly in Sub-Saharan Africa where civil disturbances and HIV/AIDS drove up rates of infant and child mortality in many countries (World Bank, 2004).

With respect to Goal 5 calling for improvement in the health of mothers, maternal mortality ratios are still among the highest in Sub-Saharan Africa – between 800 and 1,000 per 100,000 women of childbearing age. This is so because skilled attendants and health facilities are not readily available. Reducing the 1990 figures by three quarters before 2015 will be a tall order, as women will need to have greater access to modern health services.

Goal 6: In Africa the spread of HIV/AIDS has reversed decades of improvement in life expectancy, leaving millions of children orphaned. “It is draining the supply of teachers and eroding the quality of education. In 2002, 42 million adults and 5 million children were living with HIV/AIDS – more than 95 per cent of them in developing countries, 70 per cent in Sub-Saharan Africa” (World Bank, 2004).

The goal of achieving environmental sustainability in Sub-Saharan Africa is still far from being achievable in the wake of deforestation, desertification, loss of biological diversity, low energy use and conservation, greenhouse gas emissions, growing urban slums and its attendant waste disposal problems, and limited availability of adequate water and sanitation services. The spread of water-borne diseases in the region is largely due to lack of clean water and basic sanitation. In 2000, according to the World Bank, 1.2 billion men and women still lacked access to improved water source, 40 per cent in East Asia and Pacific, and 25 per cent in Sub-Saharan Africa.

In meeting Goal 8, global partnership for development is being forged, both within the continent (through the New Economic Partnership for Africa’s Development (NEPAD)) and between African countries and International institutions like the United Nations (UN), International Monetary Fund (IMF), Organization for Economic Co-operation and Development (OECD), World Trade Organization (WTO), etc. to create the right environment for rapid, sustainable and broad based development. A lot, however, will depend on the weight that the African Union (AU) brings to bear on the G8 and other world bodies in bringing African economic issues to the fore of world development agenda.

Achieving the MDGs in Sub-Saharan African Countries: Future Prospects

A lot of development experts have put forward strategies for poverty reduction in developing countries. A broad consensus has been reached on the respective roles of growth and inequality in reducing poverty but what may be important, according to Besley and Cord (2006), is to adopt policies and strategies which enable poor households to participate in and benefit from growth. Essentially, it is important to know by how much the poor benefit from development. The International Poverty Centre (IPC) presented global estimates of growth and its pro-poorness19 on the basis of cross-country analysis of 237 growth spells in 80 low- and middle-income developing countries, between 1984-2001, spanning two successive household surveys for a given country (Son, 2007). Table 3 shows growth spells in various country classifications as defined in the World Development Indicators. The results show that low-income countries, heavily indebted countries and Sub-Saharan Africa – the largely overlapping country groupings with the highest incidence of poverty – had a lower than average frequency of growth spells that were both positive and pro-poor: about 20 per cent. In Sub-Saharan Africa just over half of the growth spells were positive (54.3 per cent) and over one-third anti-poor. From the above, it is evident that a pro-poor growth strategy is what is needed for poverty reduction in Sub-Saharan Africa.

Further research into strategies of countries that have been relatively successful in delivering pro-poor growth was conducted in eight countries to determine how country policies and conditions interact to reduce poverty and to spread benefits of growth across different groups20 (Cord, 2007). Apart from asserting the

---

19 The study defined growth as pro-poor if poor households increase income (or consumption, whichever measure is available for a given country) more than the non-poor, i.e. households above the poverty line. When growth is negative, in a recession, it is called pro-poor if the income decrease is proportionally less, on average, for poor households than for the non-poor ones (Son, 2007).

20 The studies integrated growth analytics with the microanalysis of household data for these countries: Bangladesh, Brazil, Ghana, India, Indonesia, Tunisia, Uganda and Vietnam. Changes in the mean growth rate in
influence of growth and inequality as important factors in poverty reduction, the results also underscored the fact that: “a successful shared growth strategy needs to have, at its core, measures for sustained and rapid economic growth. These measures include macroeconomic stability, well-defined property rights, trade openness, a good investment climate, an attractive incentive framework, well-functioning factor markets, and broad access to infrastructure and education” (Cord, 2007).

The country cases also suggested the design of policies that enable poor people participate in and benefit from work. This requires a conscious and sustained effort on the part of governments to provide the basic growth in the regions and sectors where people live and work. In addition, the role of employment in pro-poor growth (Khan, 2007) and formalising informal enterprises as an empowerment process and a central feature of poverty-reduction strategies (Ishengoma, 2007) have also been emphasized.

### Poverty Reduction Strategies in Nigeria: Achieving the MDGs

In Nigeria the poverty reduction strategy is embedded in the National Economic Empowerment and Development Strategy (NEEDS)\(^2\), along with the attempt to restore macro-economic stability and effective management of oil revenues; the fighting of corruption through the establishment of the Independent Corrupt Practices Commission (ICPC) in 2000 and the Economic and Financial Crime Commission (EFCC) in 2003; and through other economic, social and political reforms. States of the Federation are also implementing the States Economic Empowerment and Development Strategies (NEEDS) but the effects of these in promoting economic growth and reducing poverty are yet to be measured.

In terms of meeting the MDGs, Nigeria’s debt cancellation in October 2005 has assisted in releasing funds to spend on poverty reduction. According to the Department for International Development (DFID) report, in 2006 the gains in the release of such funds resulted in retraining 145,000 teachers and the recruitment of 40,000 new teachers. A Universal basic Education (UBE) bill, to get girls as well as boys into school has been approved at Federal level and most States have ratified its provisions. Net enrolment is around 60 per cent, consumption of the poor (RPPG, the rate of pro-poor growth) were compared with changes in average consumption for the whole population to provide a more precise measure of the impact of growth on the well-being of the poor and non-poor.

---
\(^2\) The NEEDS focuses on four key strategies: 1. Reforming government institutions; and to restructure and strengthen government; 2. Growing the private sector by reducing the influence of government in the economy and accelerating the privatisation, deregulation and liberalisation programme; 3. Beginning to implement a social charter to improve people’s access to health, education, welfare, employment, security and participation; and 4. Value re-orientation - including anti-corruption, freedom of information; and enhancing the role of civil society. NEEDS-2 document, to span the period 2008-2011, is currently being prepared.
rising slowly and spending on education is increasing as a share of the budget (DFID, 2007). Further improvements are required, however, if Nigeria is to reach the universal primary education MDG by 2015.

On all health-related MDGs Nigeria is currently off-track and total government spending on health has remained below 5 per cent – one of the lowest rates in Africa. The infant mortality rate (IMR) in the country is still relatively high at 100 per 1,000 (NDHS, 2004); maternal mortality ratio still remains at 800 per 100,000 women of childbearing age (UNICEF, 2007). The total fertility rate, a very important component of population growth in Nigeria’s young population, is decreasing, but still relatively high – from 6.3 in the late 1970s (Omideyi, 1984) to 6.0 in 1990, and 5.7 in 2003 (NDHS, 2004) due to a high unmet need for family planning. The provision of health facilities is still grossly inadequate. However, new National Health policy and health reform strategy have been approved to rebuilding systems to deliver public health services.

Water supply in the country suffers from limited investment in infrastructure and poor management. Access to safe drinking water may or may not be met by 2015, depending on how government, through its water policy, improves governance in the water sector and uses its resources more effectively (DFID, 2007).

In relation to HIV/AIDS the country has the second largest number of people living with the disease in Sub-Saharan Africa (3,300,000) and 58 per cent of these are women (FMOH, 2004). To reduce the burden of HIV/AIDS in the country the National Action Committee for AIDS (NACA) was set up in 1999 to coordinate the various HIV/AIDS prevention, treatment and care activities in Nigeria. So far, although there has been some progress towards achieving the goals of the HIV/AIDS Emergency Action Plan (HEAP), there are still huge gaps in HIV prevention, treatment and care services, particularly at the community level (PHRplus, 2004).

Conclusion

Poverty may still remain a feature of African countries’ economic profile for a long time to come unless significant efforts are made by the various governments to focus on development strategies that are pro-poor. Five broad elements of a pro-poor growth strategy were recommended for Sub-Saharan African countries on the basis of research into poverty, inequality and labour markets (Mwabu and Thorbecke, 2007). These include:

1. Eliminating the discrimination against rural and agricultural development. A continuous flow of resources need to be provided to agriculture (learning from successful countries like East Asia) in the form of elements such as rural infrastructure, inputs, research and credit combined with appropriate institutions to increase the sector’s productivity and potential capacity for contributing an even larger reverse flow to the rest of the economy.
2. Investment in human capital (education and health, including nutrition and sanitation) so as to improve human welfare directly. Providing these services on a wide scale should be a key objective of development strategy.
3. Improvement of intra-household allocation of consumption. Public policies need to be designed to reduce deprivation of basic needs by some vulnerable household members, particularly children, widows and the aged.
4. Providing access to all markets (labour, business assets, land, social capital, food, etc.) and public infrastructure.
5. Facilitating the creation of new jobs.

With the on-going economic and other structural reforms in most developing countries, including Nigeria, there is hope that the hitherto stalled economic growth will pick up and be maintained on a sustained level that will permit poverty reduction and the pursuance of policies promoting human well being and better quality of life for all.

References


---

22 NACA’s main responsibility is to execute and implement activities under the HIV/AIDS Emergency Action Plan (HEAP), introduced in 1996 as a bridge to long-term strategic plan. HEAP had two main components: firstly to breakdown barriers to HIV prevention and support community-based responses, and secondly to provide prevention, care and support interventions directly. HEAP has now been replaced by the National HIV/AIDS Strategic Framework, which will run until 2009.