

FRAMEWORK FOR BUILDING SUSTAINABLE POVERTY ALLEVIATION STRATEGIES IN NIGERIA

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ABSTRACT

This paper analyses past poverty alleviation measures and their implementation in Nigeria. The author highlights the causes of poverty alleviation policy failures and describes a sustainable framework for poverty alleviation strategies in Nigeria with particular focus on the agricultural sector. To this end, participation of the affected populace in the planning, formulation and implementation of future policies need to be encouraged. The poor also stand to gain a lot, if bureaucratic processes which increase the 'benefits capture' syndrome reduced.

1. Introduction

ROBERT McNAMARA, a former president of the World Bank (1968-1981), was among the first to see that it was in the best interest of the United States and the West to raise the living standards of the poor in the Third World. McNamara, therefore, vigorously extended the capacity of the bank to intervene, in the belief that the bank's vision of development could fulfil this mission. Yet, poverty continued to bite hard no matter how much money was invested. Since the days of McNamara, poverty has continuously been a problem facing the Third World. The bank sees the poor as threatening political stability and even undermining the planet's ecology (George and Sabelli, 1994).

The World Bank, in its drive to reduce the level of the world's poverty has contributed by supporting more than 5,000 development projects in over 400 countries, and by lending out more than \$300 billion (Sandstrom, 1994). Despite this immense effort by the World Bank, poverty remains unabated and the greatest challenge facing the world today.

The world's poor are concentrated in 65 low income countries, mainly in sub-Saharan Africa and South Asia, with a population of 3.2 billion and per capita income (PCI) of \$390 a year. Most live in rural areas; they lack adequate access to safe water and other basic services; nearly 40 per cent of their children

are malnourished; and over 40 per cent of primary school-age children are not enrolled in school (Patel, 1994).

Projection by a group in the Netherlands, based on past growth rates of population and the growth of agriculture in developing countries shows that, a total of about 1 billion malnourished and poor people will inhabit the earth by the year 2010 (Patel, 1994).

Unlike concepts such as inflation and unemployment, poverty often defies objective assessment. It is not only an expression of a life situation, but also of a state of mind and a perception of self in the complex roles of social relations (Aboyade, 1975).

Seebohm Rowntree, in Aboyade (1975), defines poverty as the state of a household when its resources are insufficient to obtain a basket of goods and services, judged to be necessary for survival. Poverty is also defined in terms of inadequate income (or more generally of disposable resources) to support a minimum standard of living.

Baratz and Grisby (1975) refer to poverty as a condition involving those severe deprivations and adverse occurrences that are closely (but not necessarily exclusively) associated with inadequate economic resources.

All these definitions have their innate deficiencies, as there is no generally acceptable definition of poverty. In this paper, poverty is seen as being relative. It is better defined in the context of the environment and relationship among variables that generate symptoms perceived as breeding poverty. However poverty is defined or explained, it refers to the underprivileged, the down-trodden; and the have-nots.

In the first quarter of 1996, the World Bank disclosed that 58.4 million (73%) Nigerians were poor. Worse still, 26 million (32.5%) were living below the poverty line, existing on less than \$1 daily (Concord, 1997). The Federal Government of Nigeria has recently corroborated the views of the World Bank. It conceded, towards the end of 1996, that the poverty level in Nigeria was reaching unmanageable proportions. In order to fight such growing poverty, a large-scale project was proposed by the Federal Government: the Community Action Programme for Poverty Alleviation (CAPPA).

To complement CAPPA is the Family Economic Advancement Programme (FEAP). The 1997 budget speech earmarks the enormous amount of ₦4 billion for this programme.

Several ambitious programmes and projects had been adopted in the past to check the increasing poverty rate in Nigeria. It is also worthy of note that most of these projects failed to achieve their specified objectives and targets. The collapse of DFRRRI and the Better Life for Rural Women Programme, among others, are unique examples. What then is the guarantee that new programmes

will be successful? What strategies have been put in place to sustain any new poverty alleviation strategy? Has any new poverty alleviation programme set out to convince the rural poor to participate in government programmes? This paper is concerned with the development of sustainable strategies for poverty alleviation.

It is expected that if a proffered framework is adopted before policy/project formulation and implementation, the measures and strategies contained therein will be sustainable and the poor in the society will be encouraged to work with government. The paper aims at analysing past poverty alleviation measures in Nigeria. It will also highlight policy errors that bedeviled the implementation of previous measures, vis-a-vis the attainment of their desired goals. Finally, the paper will proffer a framework for future poverty alleviation policy formulation and implementation in Nigeria.

The rest of the paper is arranged into four sections. Section 2 undertakes a critical analysis of poverty alleviation measures adopted in Nigeria to date. Section 3 discusses the reason why poverty alleviation policies are ineffective in rural areas. Section 4 deals with developing a strategy or framework for future sustainable poverty alleviation measures. Section 5 summarizes and draws conclusions.

2. Analysis of Poverty Alleviation Measures in Nigeria

The Nigerian Government, as far back as 1971, had identified poverty as the bane of rural development in the country. In order to tackle this impediment to rural development, government, in line with the recommendations of the World Bank and based on its agricultural survey of Nigeria, embarked on the implementation of three pilot integrated agricultural and rural development projects in Funtua, Gusau and Gombe. The Agricultural Development Projects (ADPs) later spread to all states of the federation. The main purpose of these projects was to stimulate increased food production and enhance the income of the rural population.

Early poverty alleviation measures were targeted at the agricultural sector. The rural areas which comprise more than 90 per cent of the agricultural sector of Nigeria, are believed to have the highest level of poverty in the country. During the mid 50s and early 60s, rural development was viewed as agricultural development. Intensification in rural development worldwide was to eradicate poverty, raise the standard of living of the rural dweller and develop agricultural productivity (Ekong, 1991).

Apart from the ADPs, an integrated rural development strategy, as proposed by the United Nations, was adopted. In the strategy were three major models: rural-urban integration; intersectional and/or zonal coordination; and the package

approach. Strategies such as Operation Feed the Nation and the Agricultural Credit Guarantee Scheme Fund; among others, were adopted in this period. However, this approach failed to meet, not only the food aspirations of the nation, but the upliftment of the poor class. Ekong (1978), after an assessment of the strategy, discovered that none of the models met the criteria of integrated rural development (IRD).

A new dimension and focus came in with the civilian administration in 1979, to rekindle the ailing rural development process. The Green Revolution was adopted to improve, not only farm produce, but also rural living standards. It was also aimed at providing modern farm settlements with basic amenities such as electricity and potable water supply. Furthermore, it was aimed at creating a congenial environment in the rural areas to discourage farm labour from migrating to urban centres. A survey of this strategy, however, showed that it failed to meet its targets and objectives, as it ended up increasing the number of the rural poor, decreasing food production and increasing the rural-urban drift. It was thus scrapped by the government. The River Basin Development Projects were also adopted in the same period to raise agricultural productivity as well as the living standards of the rural areas. The failure of its operations forced government to excise some of its departments in the 1980s. What is left of these projects is currently being probed.

In 1986, a mass mobilization approach, which included integrated rural development and basic needs strategies, was adopted in the country. Programmes that were created in this macro approach included: the Directorate for Food, Roads and Rural Infrastructures (DFRRI); the National Directorate of Employment (NDE); Mass Mobilization for Social Justice and Economic Reconstruction (MAMSER); Better Life for Rural Women; the People's Bank; community banks; rural health schemes; and the Expanded Programme on Immunization (EPI). The ADPs were also strengthened.

The Directorate for Food, Roads and Rural Infrastructures (DFRRI) was expected to provide basic amenities like access roads, rural electrification and potable water to ease the living conditions of the rural people. The National Directorate of Employment (NDE) was to help provide self employment opportunities for unemployed youths in rural and urban areas. They were to do this by training the youths in different arts and crafts, and by providing them with soft loans and equipment. MAMSER was to provide mobilization and encourage the participation of rural people in their development. The banks were to provide credit to rural and small investors in the informal urban and rural sectors. The People's Bank for instance, was specifically created to grant loans to its customers without the need for collateral, both in the urban sector and the rural areas. The EPI and other rural health programmes were to cater for the

health needs of the rural people. The ADPs which had earlier been established, were strengthened to provide greater and improved assistance to rural farmers. Such help was intended to stimulate higher agricultural productivity.

These programmes (a mass mobilization approach) bring to focus, a balanced approach to rural development and poverty alleviation. However, a stocktaking of the massive investment highlighted negative results after six years of implementation. The number of poor people, especially in the rural areas, was increasing, inflation was spiralling, the rich were getting richer, while the poor were getting poorer. The gulf between the rich and poor was widening (depicting greater income inequality) and rural-urban migration by farm labour was high. The failure of these institutions to alleviate poverty culminated in the termination of some of the projects (e.g., DFRRI, MAMSER, Better Life for Rural Women), while the remaining ones were allowed to operate on skeletal levels.

The Federal Government of Nigeria, in its 1997 budget speech, corroborated the increasing poverty problem. A new approach, the Community Action Programme for Poverty Alleviation (CAPP), was formed by government to help alleviate poverty. The objectives were:

- i. improvement of the living conditions of the poor through a targeted, cost-effective, demand-driven and promptly delivered programme.
- ii. enhancement of the productivity of the poor through skills improvement
- iii. improvement of the nutritional status of the poor through improved household, food security and health practices

The design of CAPP depicts yet another government programme, with strict and enviable objectives, but the basis or framework for the adoption of this method is not clear. Since the programme is meant to help the poor, the question is how government will encourage the already discouraged poor to participate in the programme's implementation and sustenance? Will projects emanating from this programme suit and satisfy the yearnings, needs and aspirations of the poor? In designing this new programme, what was the percentage contribution or participation of the rural poor, for whom the programme was packaged? These questions must be addressed if any meaningful solution to reduce or eradicate poverty.

3. Causes of Policy Failures in Poverty Alleviation

There are several causes of the failure of poverty alleviation policy in Nigeria. The causes are divided into two broad categories. The causes associated with policy design and implementation, and causes associated with policy acceptability. Factors that relate and have bearing on these causes include:

Misunderstanding of the policies made for the people by the policy makers; misplaced priorities; favouritism; and benefit capture, which breeds contempt for the policies.

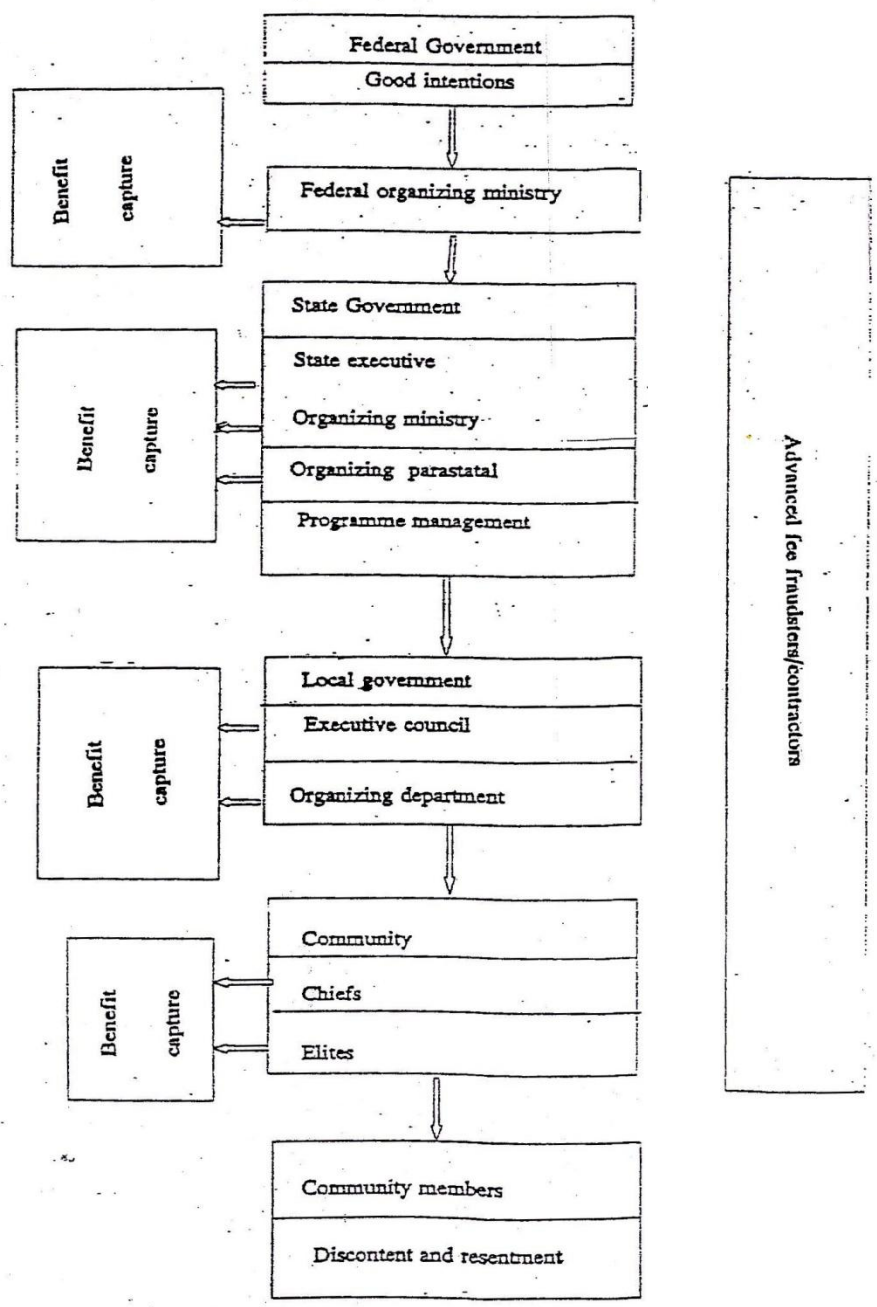
When policy makers do not know the people they make the policies for, they are bound to either overestimate or underestimate the capacities of such people, and are also bound to misplace priorities. They may, for example, recommend a health centre for a community where illness is prevalent, that only needs good drinking water to stay healthy. Policy prescriptions like these are what the paper refers to as 'aspirin solution' — a situation where instant solutions are prescribed to treat the perceived symptoms of a problem, without considering the root cause(s) of the problem. Another important cause of policy neutrality in this area is 'benefit capturing'. 'Benefit capture' depicts a scenario where benefits that should have accrued to the end-user or beneficiary of designed projects are 'captured' away at every stage of the project's development. The failure of most poverty alleviation policies have been attributed to 'benefit capture' and 'aspirin solutions' within and outside government circles in Nigeria. This paper will, therefore, dedicate the remaining part of this section to a proper treatment of 'benefit capture' and 'aspirin solution' models.

3.1 'Benefit capture'

'Benefit capture' means the illegal diversion or legal misappropriation of benefits (financial and otherwise) meant for a certain people or group, such that the people or group for which such benefits were meant see little or nothing of such benefits. The model below (fig. 1) gives a clear picture of how such 'benefit capture' leads to the frustration and discouragement of the target groups and the subsequent feeling of discontentment and resentment that the 'would-have-been' beneficiary groups had towards the bodies from which they were expecting such benefits.

From figure 1, the Federal Government's good intentions, in this case, for putting in place poverty alleviation measures for rural people, is represented in box 1. Such good intentions are transferred in form of benefits to the organizing ministry: that is, the ministry responsible for implementing such activities (box 2). Before the benefits are sent from the federal ministry to the states, some parts of the benefits are captured, either by way of servicing transactions, or are used to lobby ministry staffers responsible for immediate transfer of such benefits to the states. When the benefits reach the states in box 3, the states' executive councils will deliberate on the benefits, appoint executing ministry, parastatal and programme. At this level the greater part of the benefits will be captured to service transactions and to lobby for the quick release of such benefits by the states. The benefits which are now reducing are transferred to the programme

Figure 1. Benefit Capture Model



managers and executors. In order to successfully execute the programmes for which the benefit are meant in the rural communities, the local government must be contacted. At the local government stage (box 4), the executive councils will want to be lobbied. Also, the organizing department will demand certain benefits to introduce programme implementors to the rural communities.

The programme implementors and the organizing department of the local governments may not be able to enter the rural communities until they are permitted by the chiefs. Obviously, the chiefs, the chiefs council and elites in the communities, who must be contacted, will be lobbied with part of the benefits which are meant for the rural community members. At all the stages of benefit movement also, there will be advanced fee fraudsters and contractors tapping these benefits through fraudulent ways. At the end in box 6, the benefit left for community members will be very meagre, meaningless, and too small for any investment. The poor rural community members seeing this as government's reward for their cooperation (for example if they had given out their land to government), will be discontented and resentful of government. These feelings will discourage them from participating in these government projects and they are also likely to resist any attempt to mobilize them to participate.

With the benefit capture model, any benefit earmarked by government for the rural people which has to travel through this route, may eventually not get to the people.

3.2 'Aspirin solutions'

Another very important cause of policy failure in the area of poverty alleviation has been the ad hoc and instant solution methods we have been adopting. This paper conceptualizes these solutions and methods as 'aspirin' — an instant but ill-conceived cure to a perennial problem. The causes and solutions to poverty lie in understanding the root causes of poverty. Figure 2 demonstrates an encapsulation of the various 'aspirin' cures that have been adopted in Nigeria to alleviate poverty.

Symptoms of Poverty

Disease, ignorance, lack of credit, malnutrition, etc.

Simple Diagnosis of Problems

No hospital, insufficient food, no credit source, no education

Easy "Aspirin Cures" prescribed

Provide hospital, subsidize fertilizer, open banks, build schools.

Policy outcome

Hospitals are not patronized, fertilizers do not get to the real farmers at subsidized rates, banks are not patronized, parents do not send their wards to school. All projects created to alleviate poverty finally collapse because of unsustainability.

A top down explanation of the model shows that symptoms of poverty are first identified. These symptoms include disease, ignorance, lack of credit, population pressure, malnutrition etc. These and others constitute the symptoms of poverty in the country. The simple diagnosis of these problems by policy formulators include the fact that these poor people suffer because they do not have hospitals, there is insufficient food, there is no credit source, there is no education etc. In order to treat the diagnosed problems, policies in Nigeria over the years will always seek to provide hospitals, subsidize fertilizer, open rural banks, build schools, etc. In most cases these solutions are proffered without seeking the people's opinions about solutions to their problems. Thus the likely outcome of such cures, as is depicted in the model, is that the hospitals are not patronized, and that fertilizers do not get to the end user at the subsidized rate. Banks opened are not patronized (they refuse to put their funds in such places). Also parents do not send their children to school. This attitude of the supposed beneficiaries causes the alleviation measure to collapse, since it is not able to achieve the desired goals and targets.

4. Sustainable Framework for Poverty Alleviation Strategies in Nigeria: Poverty is best understood by the poor. It is the poor who must escape from poverty, and what motivates the poor to improve their condition depends on their appreciation of the opportunities open to them, the risks involved in taking those opportunities, and the limitations their conditions places upon them. Much of what society does to assist them will only be as good as it is perceived to be by those being served. No matter how much is invested in a school or health center, if the poor people decide not to frequent these facilities, the investment will be wasted. Thus for poverty reduction strategies to be effective and sustainable, they must reflect a systematic understanding of the perceptions of the poor (Salmen, 1994:45). How can this be achieved? This paper suggests strongly that for poverty alleviation strategies to work, a methodology which brings together all the stakeholders, from the planning to the implementation stage of any strategy, must be developed and strictly followed. The participatory technique to development issues, although new, has been of tremendous value in the sustainable implementation of poverty alleviation measures in developing countries. It is seen as having a greater chance of being successful in the long-run if the stakeholders feel they have genuine stake in the outcome (Adams and Mccracken, 1994).

The participatory technique brings together development planners and the poor at the planning and implementation stages of the development process. The coming together affords all stakeholders the opportunity to understand themselves and to determine a common goal and purpose. Salmen (1994) observed that the participatory approach addresses a wide range of critical questions such as:

- How do the poor perceive the relative importance of the various manifestations of poverty, such as low income, lack of food security and an increased propensity to ill health?
- ii. What do they see as the root causes of poverty?
 - iii. What factors block their opportunities — e.g., insufficient access to assets such as land and credit; geophysical factors causing isolation; and gender, ethnic, class or religious discrimination?
 - iv. How are they affected by labour market imperfections and price increases of key commodities?
 - v. What changes in incentives would be most welcome, and what impact would these changes have on productivity?
 - vi. How do the poor view public services (e.g. health centres, family planning programmes, schools or agricultural extension), and how will this affect their willingness to help defray cost?
 - vii. How does officially provided credit affect risk-taking behaviour?
 - viii. How do informal credit sources operate at the community and family levels?

Answers to these questions will bring out the role of the poor as actors, instead of mere passive recipients of government largesse or the attention of non-governmental organizations. In the words of Salmen (1994:42), 'the developed communities know best what it can supply to meet the needs of the poor, but the poor know best what they need (demand) and what resources and services are available'. The participatory approach aims at a rapid understanding of a developmental programme with a greater participation of the stakeholders.

Development studies and experts have identified that the most optional method for poverty alleviation is the participatory development method. The participatory technique is said to be sustainable, in that every stakeholder participates in all stages of the development process. The bottom line remains that the poor, as stakeholders, must be given the opportunity to share in discussing or formulating ideas for their future, and joining in the implementation of such ideas. Many grandiose projects aimed at poverty alleviation in Nigeria have failed because the poor people do not know how to maintain them. In most

cases they wait for outside intervention to sustain their projects. If the participatory approach is built into poverty alleviation development methods, a wider range of success, in terms of maintenance and sustainability of projects will be inevitable.

Participatory techniques will go a long way in reducing the identified effects of the 'benefit capture' and 'aspirin solution'. If every stakeholder is involved in policy formulation and implementation, there will be a drastic reduction, even eradication of 'benefit capture', and policies formulated will not be 'a given' as in the 'aspirin solutions' model. The participatory technique will highlight the need to reduce the bureaucratic process of benefits transfer due to its in-built transparency and openness.

5. Summary and Conclusion

This paper, is aimed at analysing Nigeria's past poverty alleviation measures, assessing the reasons for their inability to achieve set goals and targets, and the formulation of a framework for building and implementing future poverty alleviation strategies. The paper started with a broad-based outline on the background of poverty, highlighting its measurement problems, the past strategies adopted to contain it and the reasons for the failure of these policies. The paper uses the 'benefits-capture' and 'aspirin solutions' models for illustrating its theme. 'Benefits capture' refers to situations in which the process of handing down good intentions of the government or similar funding agencies undergo distortions in the hands of 'others', reaching the final beneficiaries in a state of 'nothingness'. 'Aspirin solutions' on the other hand involve meting out wrong and 'white elephant' solutions to simple problems as a result of the ill-conception of the root causes of the problem, and the relegation of the affected populace to the background, while formulating policies targeting them. The paper has suggested a participatory approach to the planning, formulation and implementation of further policy alleviation strategies in Nigeria. A reduction in the bureaucratic processes was also suggested, so as to minimize the benefits capturable before an intention is actualized. This will make the rural poor 'friends', rather than 'enemies' of the government.

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