

## **POVERTY REDUCTION AND THE ATTAINMENT OF THE MDGS IN NIGERIA: PROBLEMS AND PROSPECTS**

**Segun Oshewolo**

University of Ilorin, Nigeria

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### **Abstract**

Due to precarious socio-economic ambience and the global publicity it has generated, sub-Saharan Africa has become synonymous with poverty, and Nigeria hosts the largest population of poor people in the region. Although several ideas have been generated domestically to address the scourge but the persistence of poverty in large scale explains the inherent limitations in government interventionist measures. Consequent upon this, the inauguration of the MDGs, which represents an attempt at combating poverty through global partnership for development, appears to constitute the key to Nigeria's escape from poverty trap. Worryingly however, the current progress towards the attainment of the goals is approximately at a snail's pace. The paper therefore critically examines the problems and prospects of achieving a remarkable reduction in Nigeria's poverty profile within the framework of the MDGs. To escape from the doldrums, the paper argues that sound reform practices are required.

**Key words:** Poverty; MDGs; Official Development Assistance; Development; Africa; Nigeria;

### **Introduction**

The poverty situation in Nigeria is galloping. Despite several attempts by successive governments to ameliorate the scourge, Eze (2009:447) explains that the level of poverty is geometrically increasing (see also Okpe and Abu, 2009:205). Poverty is deep and pervasive, with about 70 percent of the population living in absolute poverty (Okonjo-Iweala, Soludo and Muhtar, 2003:1; the Punch Newspaper, 2009:14). The ballooning

poverty situation notwithstanding, Nigeria is blessed with abundant resources. Chukwuemeka (2009:405) observes that the country is blessed with natural and human resources, but in the first four decades of its independence, the potentials remained largely untapped and even mismanaged (see also Omotola, 2008:497). Putting the problem in proper perspective, Nwaobi (2003:5) asserts that Nigeria presents a paradox. The country is rich but the people are poor. Given this condition, Nigeria should rank among the richest countries that should not suffer poverty entrapment. However, the monumental increase in the level of poverty has made the socio-economic landscape frail and fragile. Today, Nigeria is ranked among the poorest countries in the world.

The fight against poverty has been a central plank of development planning since independence in 1960 and about fifteen ministries, fourteen specialized agencies, and nineteen donor agencies and non-governmental organizations have been involved in the decades of this crusade but about 70 percent of Nigerians still live in poverty (see Soludo, 2003: 27). Observers have unanimously agreed that successive government's interventions have failed to achieve the objectives for which they were established (See Ovwasa, 2000:73; Adesopo, 2008; 219-222; Omotola, 2008:505-512). The failure to effectively combat the problem has largely been blamed on infrastructural decay, endemic corruption, and poor governance and accountability (see Okonjo-Iweala, Soludo and Muhtar, 2003:1).

With the recognition of poverty as a common denominator in the global community (see Ovwasa, 2006:65; Development Assistance Committee, 2001; Nwaobi, 2003:2), the Millennium Development Goals (MDGs) were adopted in September 2000. As reported by Social Watch (2008), the overall goal of the Millennium Declaration which gave birth to the MDGs was a reinstatement of commitment to free all men, women and children from the abject and dehumanizing conditions of extreme poverty by the year 2015. With reference to sub-Saharan Africa including Nigeria, the inauguration of the MDGs more or less represents an exit strategy from poverty trap. The global partnership for development which constitutes the substance of goal 8 reflects the commitment of the industrialized North to the fight against poverty in the developing world through official development

assistance. In view of the practical impact of the MDGs on the different dimensions of poverty in Nigeria, the MDGs have been fully domesticated through the creation of MDGs office. Despite the implementation of the MDGs in Nigeria and the activities of other poverty alleviation agencies, the scourge still remains widespread. Therefore, given this background analysis, the paper critically examines the problems and prospects of achieving a remarkable reduction in Nigeria's poverty profile within the framework of the MDGs by the target year of 2015.

### **Conceptual Dissection of Poverty**

There is no one-size-fits-all definition of poverty. This is obviously because the concept is multi-dimensional in nature and can be approached from different perspectives. As a result, Eze (2009:446) submits that there is a plethora of literature on the concept of poverty. Quite a number of works have been done on the concept of poverty but rather than reaching a consensus on its meaning, scholarly works have proliferated alternative poverty concepts and indicators. This condition explains the complexity involved in the conceptual analysis and dissection of poverty.

Maxwell (1992:2) asks a number of agitating questions bordering on the current terminology of poverty. Is poverty simply about the level of income obtained by households or individuals? Is it about lack of access to social services? Or is it more correctly understood as the inability to participate in society economically, socially, culturally and politically? According to Maxwell, the posers above reflect the complexity of measurement which mirrors the complexity of definition, and the complexity increases where participatory methods are used and people define their own indicators of poverty. However, beyond the complexities, the posers represent the different dimensions of poverty from income and consumption poverty to vulnerability, deprivation, powerlessness and isolation.

The complexities above notwithstanding, different ideas have been expressed on the concept of poverty. The concept has been defined in absolute sense. The World Bank

(2000) defines absolute poverty as ‘a condition of life degraded by diseases, deprivation and squalor. Again, in relative sense, poverty implies relative deprivation (see Bradshaw, 2006:4) However, Rocha (1998:1) notes that the persistence of chronic deprivation of basic needs nowadays makes absolute poverty the obvious priority in terms of definition, measurement and political action from the international point of view.

Gore (2002:6) explains the concept of ‘all-pervasive’ poverty. According to him, poverty is all-pervasive where the majority of the population lives at or below income levels sufficient to meet their basic needs, and the available resources even where equally distributed, are barely sufficient to meet the basic needs of the population. Gore reiterates further that pervasive poverty leads to environmental degradation, as people have to eat into the environmental capital stock to survive. When this happens, the productivity of key assets on which livelihood depends is greatly undermined.

Development Assistance Committee (DAC) (2001) posits that poverty encompasses different dimensions of deprivation that relate to human capabilities including consumption and food security, health, education, rights, voice, security, dignity and decent work. Nwaobi (2003:3) also identifies the dimensions highlighted by poor people to include lack of income and assets to attain basic necessities (food, shelter, clothing and acceptable levels of health and education), sense of voicelessness and powerlessness in the institutions of the state and society; and vulnerability to adverse shocks.

Basically, the different approaches to poverty comprises deprivation, which focuses on the non-fulfillment of basic material or biological needs including such elements as lack of autonomy, powerlessness, and lack of dignity; vulnerability and its relationship to poverty; inequality which has emerged as a central concern; and the violation of basic human rights (see Shaffer, 2001:4).

The juxtaposition of the conceptual analysis above and the practical reality in Nigeria reveal that there is high-level mass and pervasive poverty in the country. This explains why the attainment of the MDGs and poverty reduction in Nigeria require massive efforts

from governments at all levels and other stakeholders including the international donors.

### **Poverty Profile and the Failure of Government's Interventions**

As noted by Ovwasa (2000:68), evidence abounds to illustrate that Nigeria is a poor nation. This position is justified because a large percentage of the population lives below the poverty line. Socio-economic indicators also present a pale picture of the situation. Four decades after independence, Nigeria remains a poor country with an annual per capital income of barely \$300. This figure is below the sub-Saharan average of \$450 (see AFPODEV, 2006). At the dawn of the third millennium, approximately 70 percent of the population still lived on less than US \$1 a day, an indication of extreme poverty. Real GDP growth has remained sluggish averaging 3.5 per cent per annum since 2000 (see AFRODAD, 2005: iv & 1). Furthermore, Igbuzor (2006) observes that Nigeria is among the 20 countries in the world with the widest gap between the rich and the poor. According to Earth Trends (2003), the total income earned by the richest 20 percent of the population is 55.7 percent while the total income earned by the poorest 20 percent is 4.4 percent. In terms of human development index, Nigeria is ranked 158<sup>th</sup> of the 159 countries surveyed in 2005 (CIA World Fact Book, 2009; Oshewolo, 2010b).

Using selected world development indicators, the life expectancy at birth in 2006 for male and female in Nigeria was 46 and 47 years respectively. Between 2000 and 2007, 27.2 percent of children under five were malnourished. This is alarming compared to the figure of 3.7 percent between the same periods in Brazil, another emerging economy. Worse still, the mortality rate for children under five is given as 191 per 1000 births in 2006. This is unacceptably high compared to the figures of 69 per 1000 births in South Africa, 108 per 1000 births in Togo and 120 per 1000 births in Ghana (see World Bank, 2008; Oshewolo, 2010b). By economic rating, even on the continent of Africa, Nigeria is poorly ranked.

The pervasive poverty situation in Nigeria clearly betrays the high hopes at independence that the country would emerge as a major industrial haven in the world. The high hopes

were hinged on the availability of abundant natural and material resources in the country. Today, Nigeria is ranked among the poorest economies in the world; a situation described in Nigeria's political lexicon as a 'bewildering paradox.'

In reaction to the horrendous poverty crisis in Nigeria, different interventionist programmes have been established by successive governments. Measures taken to combat poverty and promote development in the country actually started at the beginning of Nigeria's statehood. This was achieved through the adoption of different development plans. However, literatures on development in Nigeria have categorized government's efforts into two distinct time frames or eras. These include the pre-SAP, SAP/post-SAP eras.

The policies of the Pre-SAP era, described as essentially ad hoc, included Operation Feed the Nation (OFN), Free and Compulsory Primary Education (FCPE), Green Revolution, Low Cost Housing, River Basin Development Authorities (RBDA), National Agricultural Land Development Authority (NALDA), Agricultural Development Programme (ADP), Agricultural Credit Guarantee Scheme (ACGS), Strategic Grains Reserves Programme (SGRP), Rural Electrification Scheme (RES) and Rural Banking Programme (RBP) (see Garba, 2006; Omotola, 2008:506; Chukwuemeka, 2009:406). During the SAP era, which witnessed the worsening of the socio-economic and political situation of the country, the government equally made some attempts to fight the scourge of poverty (Omotola, 2008:506). These programmes included the Directorate for Food, Roads and Rural Infrastructure (DFRRI), National Directorate of Employment (NDE), Better Life Programme (BLP), People's Bank of Nigeria (PBN), Community Banks Programme, Family Support programmes (FSP) and Family Economic Advancement Programme (FEAP) (See Garba, 2006; Eze, 2009: 447).

These antipoverty measures notwithstanding, poverty has consistently been on the increase in Nigeria, showing the ineffectiveness of the strategies and programmes. The policies of the pre-SAP and SAP eras obviously failed to eradicate poverty in Nigeria. During these periods, the poverty situation in Nigeria was steadily increasing. The failure

of these measures has been attributed to lack of targeting mechanisms for the poor; political and policy instability; inadequate coordination of various programmes; several budgetary, management and governance problems; lack of accountability and transparency; and lack of mechanisms for the sustainability of the programmes (see Obadan, 2001:166-167; Oshewolo, 2010a)

With the birth of democracy and inauguration of Nigeria's fourth republic in 1999, the Poverty Alleviation Programme (PAP) came on board as an interim antipoverty measure (see Nwaobi, 2003:16). As observed by Chukwuemeka (2009:447), the programme was targeted at correcting the deficiencies of the past efforts of alleviating poverty through the objective of providing direct jobs to 200,000 unemployed people (see also Obadan, 2001:166-167). Despite the introduction of the Poverty Alleviation Programme, poverty incidence in Nigeria remained perpetually high. Following the ineffectiveness of the programme, the government came up with the National Poverty Eradication Programme (NAPEP) in 2001 (see Omotola, 2008:2009). According to Elumilade, Asaolu and Adereti (2006:70), the new programme has been structured to integrate four sectoral schemes which include Youth Empowerment Scheme (YES), Rural Infrastructure Development Scheme (RIDS), Social Welfare Service Scheme (SOWESS) and Natural Resources Development and Conservation Scheme (NRDCS). Although NAPEP appears to be well crafted but the prevalence of poverty in Nigeria and the various dimensions it has taken place the performance of NAPEP in the realm of prospective analysis.

Also worth mentioning is the National Economic Empowerment and Development Strategy (NEEDS) described as a medium term strategy. The implementation of NEEDS rests on four major strategies. First, it aims at reforming government and institutions by fighting corruption, ensuring transparency and promoting rule of law and strict enforcement of contracts. Another strategy is to grow the private sector as the engine of growth and wealth creation, employment generation and poverty reduction. Third, it seeks to implement a social charter with emphasis on people's welfare, health, education, employment, poverty reduction, empowerment, security, and participation. The fourth key strategy is value reorientation (see Federal Government of Nigeria, 2004:4; Omotola,

2008:511; Chukwuemeka, 2009:407). NEEDS is a national framework of action, which has its equivalent at the state and local government levels as State Economic Empowerment and Development Strategies (SEEDS) and Local Economic Empowerment and Development Strategies (LEEDS) respectively (AFPODEV, 2006). The implementation also stresses collaboration and coordination between the federal and state governments, donor agencies, the private sector, civil society, NGOs and other stakeholders (see Action aid Nigeria, 2009:7). As a home-grown strategy, NEEDS has been described as the Nigerian version of the MDGs (see AFPODEV, 2006).

The civilian administration that started in 2007 under the leadership of late President Umar Musa Yar'Adua proposed a Seven-Point Agenda of development. The agenda later became the policy thrust of the administration. The main objectives and principles of the agenda include improving the general well-being of Nigerians and making the country become one of the biggest economies in the world by the year 2020. The agenda has critical infrastructure as the first key area of focus. This includes power, transportation, national gas distribution and telecommunication. The second focus is to address the existing issues in the Niger Delta. Food Security constitutes the third priority area. The fourth area is human capital development and the land tenure reform is the fifth key area. The sixth key area is national security while the seventh area focuses on poverty alleviation and wealth creation. Although the Seven-Point Agenda appears to have a broad coverage to address the various development challenges facing the country, it has been widely criticized by development experts. The wide ambit of the programme may not allow for proper monitoring and effective implementation. Again resource constraints may hamper the capacity of the government to productively address the wide areas covered by the programme (see Oshewolo, 2010b).

As laudable as these programmes appear, poverty still remains endemic and pervasive in Nigeria. What then are the challenges? According to Garba (2006), all the poverty alleviation initiatives in Nigeria since independence have yielded very little fruit. He claims that the programmes were mostly not designed to alleviate poverty; they lacked clearly defined policy framework with proper guidelines for poverty alleviation; they

suffer from political instability, interference, policy and macroeconomic dislocations; and are riddled with corruption, political deception, outright kleptomania and distasteful looting. Furthermore, in an in-depth study conducted on the poverty situation in Nigeria, Oshewolo (2010a) claims that the underdeveloped nature of inter-sectoral governance system built on institutional interaction among sectors constitutes a serious challenge. The uncoordinated collaborative efforts between the state, market and civil society is hampering government's interventionist programmes. The challenges above have made government's policies to be largely unproductive. More worrisome is even the susceptibility of the MDGs to the same factors that dislocated and impaired previous interventions.

### **Progress Report on the MDGs and the Challenges**

Ban ki-moon (2007) remarks that we have just passed the midpoint in the race to reach the MDGs by the target date of 2015 and the global score card is mixed. He claims that some regions, particularly the sub-Saharan Africa, are not on track. AFRODAD (2005: iv) reports that despite rapid advances by some countries that show that the MDGs are achievable, most countries in sub-Saharan Africa including the populous nation of Nigeria are yet to mobilize resources, political and financial supports to meet specific global challenges, especially the fight against HIV/AIDS and weak fragile economies. These positions, sadly, reflect the practical realities in Nigeria. With the present State of affairs, the attainment of the MDGs benchmarked for 2015 remains a daunting challenge. If the challenges are therefore not addressed, Nigerian may remain in the doldrums for a long time to come. However, it is worth remarking that certain feats have been achieved but the current rate of progress is approximately at a snail's pace. The detail of the situation in Nigeria is shown below:

#### ***Goal 1: Eradicate Extreme Poverty and Hunger***

Over the period of 1980-1996, the proportion of poor people rose from 28.1 per cent in 1980 to 65.6 per cent in 1996 (AFPODEV, 2006). According to the United Nations Development Programme (2007), People living in poverty declined from 65.6% in 1996

to 54.4% in 2004 while 35 out of 100 people live in extreme poverty and about 30 out of 100 children are under-weight. Poverty incidence has been consistently higher in rural areas than urban areas while wide disparity occurs in poverty trend in the zones. Again, food crisis has become a critical dimension of Nigeria's poverty situation (see AFPODEV, 2006; the Punch Newspaper, 2009:14; News Star, 2009:35-36). A nation that is not food secured cannot boast of development As observed by AFPODEV (2006), Nigeria's population growth is clearly unsustainable and has a direct bearing on the nation's socio-economic development in the areas of per capita income, size of labour force, new jobs required and child dependency ratio among others. The 2005 MDG report reveals that the current rate of progress is too slow to meet the target benchmarked for 2015. If the current rate is maintained, poverty incidence would reduce to 43 per cent instead of 21.4 per cent by 2015.

***Goal 2: Achieve Universal Primary Education***

According to 2005 MDG report, the efficiency of primary education has improved over the years, as the primary six completion rate increased steadily from 65 per cent in 1998 to 83 per cent in 2001. It however declined in 2002 only to shoot up to 94 per cent in 2003. The United Nations Development Programme (2007) reports that in 2005 about 84 out of 100 school age children attended school and an increasing number stayed there through to Grade 5. Net enrolment ratio in primary school education was 84.26% in 2005 as against 81.1% in 2004. The literacy rate among 15-24 years olds also improved from 76.2% in 2004 to 80.20 in 2005. The success was bolstered by the implementation of the Universal Basic Education, improved policy environment and better intergovernmental coordination in the sector. The prospect of achieving the goal is therefore very bright.

***Goal 3: Promote Gender Equality and Empower Women***

The ratio of boys to girls in primary education improved from 79% in 2004 to 81% in 2005 while the proportion of women in non-agricultural wage employment stood at 79% in 2005. The proportion of women in national parliament was 5.76% as against 30% target. Secondary school enrolment has increased for both males and females at the tertiary level (see United Nations Development Programme, 2007). From the report of

UNICEF (2010), female adult literacy rate as a % of males between 2003 and 2007 is given as 80. In view of this situation, the incentives for parents to send their girl-children to school and keep them there should be strengthened (see United Nations Development Programme, 2007).

***Goal 4: Reduce Child Mortality***

Reduction of child mortality remains a key challenge. The infant mortality rate which was 91 per 1000 live births in 1990 declined to 75 in 1999 only to shoot up again to 100 in 2003 (MDG 2005 Report). As against the global target of 30/1000 live births, in 2005, Nigeria had 110/1000 live births. Low maternal education, low coverage of immunization, weak primary health care system, and high incidence of poverty and inequality and poor household practice accounted for high mortality rate. Under five mortality rate (per 1000 live births) improved from 201 in 2003 to 197 in 2004 as against the target of 64 in 2015 (see United Nations Development Programme, 2007). According to UNICEF (2010), under five mortality rate in 2008 is given as 186. The United Nations Development Programme (2007) reports that the Percentage of one-year olds fully immunized against measles rose from 31.4 in 2003 to 50.0 in 2004. Yet wide disparities subsist between rural and urban centres and among geographical zones. Again, 64 per cent of births in Nigeria are classified as high risk birth. Approximately 88,400 of the 340,000 infant deaths each year representing 26 per cent are preventable if women practice healthy fertility behaviour (see AFPODEV, 2006).

***Goal 5: Improve Maternal Health***

Maternal mortality also remains a daunting challenge. Nigeria has one of the highest levels of maternal mortality in the world, at approximately 1000 per 100,000 live births in the late 1990s to 2001 (AFPODEV, 2006). The United Nations Development Programme (2007) reports that against a global target of less than 75/100,000 live births in 2015; Nigeria had 800/100,000 live births in 2004. Rural areas and Northern regions are worse than the national average. About 15% and 46% of rural and urban dwellers did not go for antenatal care while about 44% deliveries were attended to by skilled health care personnel. About 2 million women of reproductive age do not survive pregnancy or child

birth in 2004. UNICEF (2010) reports that women that enjoyed access to antenatal care coverage at least once, and women attended to by skilled health personnel between 2003 and 2008 were 58 per cent and 39 per cent respectively. The challenges here include teenage pregnancy, child labour, child marriage, child disability, high cost of treatment, harmful cultural and social practices like female genital mutilation, low patronage of health infrastructures, and non-availability of health personnel especially in rural areas.

***Goal 6: Combat HIV-AIDS, Malaria and other Diseases***

Since the identification of the first HIV/AIDS case in mid 1980s, the HIV prevalence rate has continually been on the increase, from 1.8 per cent to 5.8 per cent between 1991 and 2001 (MDG 2005 Report). But the United Nations Development Programme (2007) reports that the HIV prevalence rate fell from 5.8% in 2001 through to 2005 to 4.4%. Prevalence across the states, however, varied significantly. Although AIDS-Orphans remain on the increase, the percentage of the people reporting the use of condom during sexual intercourse with non-regular partners increased. Malaria and TB remain public health problems. Malaria accounted for 60% of all outpatient attendance, 30% of all hospital admissions and 300,000 death annually. Blood transmission, unsafe injection and sexual practices are key drivers of HIV/AIDS while stigmatization and discrimination against people living with HIV/AIDS still remain rife. Poor sanitation and High cost of treatment accounted for the prevalence of malaria while poor reporting network and weak public education are responsible for the spread of TB (see United Nations Development Programme, 2007).

***Goal 7: Ensure Environmental Sustainability***

The country is endowed with abundant environmental resources but high population growth rate and increasing demand for these resources threaten environmental sustainability (MDG 2005 Report). According to the United Nations Development Programme (2007), Nigeria's rich environmental resources base is being undermined by deforestation (3.5% per annum), erosion, desertification, gas flare and oil pollution. Access to safe drinking water is improving but access to sanitation is still low while housing has reached a crisis point with only 31.0% having secured tenure. Environmental

programmes need to be mainstreamed into the development agenda of federal, state and local governments while resources for environmental management should be increased appreciably.

***Goal 8: Develop a Global Partnership for Development***

The United Nations Development Programme (2007) reports that Nigeria has enjoyed the benefits of progressive partnership with the international community. The decision to exit the Paris Club creditors was finalized in 2005. Debt service as a percentage of exports of goods and services improved from 7.3% in 2004 to 3.4% in 2005, while foreign private investment also improved significantly. However, access of Nigeria's Agricultural and Semi-processed goods to industrial countries market remains weak. Improved macro-economic management, promoting transparent and accountable governance and substantial structural reforms are central to improved partnership (see also MDG 2005 Report).

Given the current progress on the MDGs in Nigeria, the fundamental question now is whether Nigeria can or cannot attain the MDGs. Igbuzor (2006:4) observes that there is no straight forward answer to such question and that the answer can either be in the negative or affirmative. What appears to be real, however, is that there are challenges. For instance, there is the problem of data. As reported Chiedozie (2010), the federal government has admitted that the efforts by the country to meet the MDGs by 2015 were being undermined by the lack of adequate data on the various interventionist programmes at all levels of government. Without adequate data, how do we evaluate performance and make further planning? No doubt, data is a huge challenge. In the report of the Centre for Democracy and Development (2007), accurate and timely statistical figures including gender disaggregated data must be in place for effective economic development planning to take place in Nigeria.

Also, the Official Development Assistance which comes mainly from OECD countries to bridge the financing gap and promote economic development in the developing world has been observed to be generally low in Nigeria. According to AFRODAD (2005:13), ODA

per capital was less than US \$ 1 at independence in 1960. It rose more or steadily to US\$ 2 in 1970. Thereafter, aid per capital fell steadily reaching US \$ 0.388 in 1979. It began to rise, reaching a peak of US \$ 3.7 in 1989. It began to fall afterwards and reached a low rate of US \$ 1.2 in 1999. Again, in 2003, aid per capital began to rise and amounted to US \$ 2.33. The MDG Report (2005) shows that the level of Official Development Assistance is increasing but still very low. Worryingly, as observed by Shua (2010), aid often comes with a price of its own for developing nations like Nigeria: aid is often wasted on conditions that the recipient must use overpriced goods and services from donor countries; most aid do not actually go to the poorest who would need it the most; aid amounts are dwarfed by rich countries protectionism that denies market access for poor countries products; aids may fail to help the vulnerable, as aid money can often be embezzled. These factors explain why Nigeria has not been able to mobilize resources to combat poverty and achieve the MDGs.

Again, the level of foreign direct Investment (FDI) inflow into Nigeria is quite low. An examination of the data reported by AFRODAD (2005:16) reveals that FDI as a percentage of GDP exceeded 3% for only two years between 1970 and 1992. Although the ratio increased to 8% in 1994, it had declined to 2% by 2003. Between 2000 and 2003, the ratio of FDI to GDP averaged a mere 2.3%. These inflows into Nigeria are rather low and compare quite unfavorably with the high inflows into Asian countries, especially China (see also Shua, 2010). AFRODAD (2005:17) reports further that with an average annual investment rate of barely 16% of GDP, Nigeria is far behind the minimum investment rate of about 30% of GDP required to reach a growth rate of at least 7.8% percent per annum and achieve the MDGs by 2015. More so, what appears to be more worrisome is the fact that the Nigerian economy remains largely undiversified. The oil sector, which attracts the most of FDI generates nearly 95% of total export earnings and obviously constitutes the mainstay of the Nigeria economy.

Further more, the Centre for Democracy and Development (2007) reporting the Kaduna Declaration on the MDGs identifies the key challenges to poverty reduction and the attainment of the MDGs in Nigeria. It is observed that poverty eradication requires the

transformation of the Nigeria economy towards the path of sustainable industrialization that is anchored on job creation and elimination of social inequality. This is not possible within the present content of insufficient public investment in the country. Over the years, there seems to have been a deliberate and continuing curtailment of public expenditure on social service such as education and health. Where as UNESCO has set the benchmark that developing countries like Nigeria need to allocate 25% of their national budget on education, Nigeria's budgets allocate between 10 – 12% only. Similarly, where as WHO recommends that 15% of national budget be allocated to health, the figure in the last decade has been less than 10%. This is further worsened by the fact that the actual release from the budget has been far less than the allocation. Additionally, effective utilization of the little that gets released is hampered by endemic corruption in the country.

Recognizing that gender is a cross-cutting issue in the MDGs and that gender equality and women's empowerment are major strategies towards the MDGs, the Centre for Democracy and Development (2007) however observed that the non domestication of the Convention on the Elimination of all Forms of Discrimination against Women (CEDAW) and the failure to pass gender based bills before the National Assembly may hamper Nigeria's aspiration of achieving the MDGs by 2015.

Again, the poor notion of governance in Nigeria, which has adversely affected the culture of the inter-sectoral partnership constitute another challenge. State dominance in development activities does not automatically sum up to good governance. It has been observed that we live in a three-sector world comprising the state, market and civil society; and that the strategic collaboration between these entities will produce a positive impact on poverty reduction and the attainment of the MDGs (see Oshewolo, 2010). The previous policies on poverty reduction in Nigeria have been dominantly designed and implemented by the state. Where inputs from other sectors were allowed, such were not properly coordinated for effective impacts on the poor population (see Oshewolo, 2010). This condition has negatively affected the developmental impacts of both the private sector regarded as the engine of economic growth and the civil society that possesses the

The menace of corruption constitutes another problem. Political office holders are fond of diverting public funds meant for development into private use. Public officers who are supposed to be responsible public servants have become emergency multi-millionaires by diverting public funds to feather their nest. The Chairman of the Economic and Financial Crimes Commission (EFCC) reveals that over \$6 billion has been recovered from past indicted former public office holders and businessmen since inception in 2003 (The Punch Newspaper, 2010:2). In view of this, the Transparency International through its Corruption Perceptions Index has consistently ranked Nigeria in the club of world worst corrupt countries. Nigeria's closest competitors between 2000 and 2003 included Bangladesh, Haiti, Paraguay and Cameroon. These countries are all developing. It therefore appears that corruption constitutes a major generalization in the Third World. Given the multi-dimensional nature of the situation in Nigeria and the pedigree of the people affected (largely public office holders), the country has been described as hyper corrupt. The phenomenon equally reinforces inequality by widening the gap between the rich and the poor. The problem has also produced a corrosive effect on the economy by further compounding the financing gap and leaving the masses greatly deprived.

Given the precarious conditions above, it has been observed that Nigeria has the possibility of achieving only three out of the eight Millennium Development Goals by the target year of 2015. The Universal Primary Education, environmental stability, and Global Partnership for Development. Achieving the remaining five goals therefore remain a fundamental challenge (see Igbuzor, 2006:2; Centre for Democracy and Development, 2007)

### **Escaping from the Doldrums**

Despite the Plethora of arguments pointing to the daunting challenges of alleviating poverty and achieving the MDGs in Nigeria, we can safely say there are prospects. However, the prospects of attaining the MDGs do not preclude the need to deepen

governmental and structural reforms. Since independence, successive governments in Nigeria have embarked on different reforms with little results. But in contemporary development thinking, the frequency and volume of reforms is not the defining principle. The modern practice revolves round the ability to make suitable reforms backed with the political will to catalyze them in the face of prevailing circumstances. Again, very necessary is the adoption of participatory reform instruments. In this way, making reforms flexible and elastic enough to accommodate the vital contributions of the different sectors of the society, will promote positive reform outcomes.

Pursuant to the foregoing, given the prevailing poverty situation in Nigeria, the various stakeholders have different roles to play. There is the need for a national development plan that links the various development programmes and integrates the MDGs into the perspective plan. The creation of the MDGs office by the executive is a catalyst in this direction. However, strategic partnership and collaboration among the various stakeholders is required for success to be achieved. The involvement and participation of the relevant stakeholders will promote collective ownership of the development plan as against previous practices and strategies largely dominated by the state. Cooperation and collaboration between governments at all levels, the private sector, civil society and even the donor community will promote better harmonization and implementation of pro-poor policies.

Importantly, the culture of corruption in the official and public sector would have to be addressed. To effectively address the problem, the much publicized anti-corruption posture of government would have to be strengthened. The activities of the various anti-corruption agencies such as the Independent Corrupt Practices and Other Related Offences Commission (ICPC), the Economic and Financial Crimes Commission (EFCC), the Code of Conduct Bureau and Due Process Office require institutional energization. Again, there is need for value re-orientation among the populace.

The role of the private sector is equally important to poverty reduction and the attainment of the MDGs in Nigeria. According to the African Development Bank (2002:15), the

private sector can contribute to poverty reduction in two major ways. First, it can be the engine of economic growth with strong contributions to employment and higher incomes, especially for those involved in agricultural production and trade. Secondly, the private sector can contribute to the development of infrastructure and the efficient delivery of social services, including education, health, water and energy. Furthermore, to realize the private sector's potential, it is essential to create an enabling environment conducive to increasing investment and promoting both national and domestic entrepreneurs. However, the enabling environment should include better macro and sectoral policies, greater institutional capacity, reformed legal and judicial systems, and improved social and physical infrastructure (see African Development Bank, 2002:15-16). The social and economic ambience above will prevent the private sector from being an appendage of government and enable it act as a true engine of growth in the economy.

The role of civil society organizations as watchdog on government policies and programmes should be encouraged. The civil society must not only analyze budget and other economic development policies, they must begin to work towards producing a shadow report on the current progress on the MDGs and the implementation of budgets in the country (Centre for Democracy and Development, 2007). In the submission of AFRODAD (2005:19), without the active role of development oriented NGOs (those providing related services and interventions in health, education and social welfare; and the advocacy oriented NGOs (those putting pressure on government on issues related to democracy, human rights, trade justice, and better aid management), the over all debate over development especially on trade, debt and aid would have been totally one sided. Civil society organizations possess the capacity to generate and effectively manage aids as well as capacity to capture private investment (AG-CS, 2007; Allard and Martinez, 2008). This capacity is necessary to overcome resource constraints in development administration. Some civil society organizations engaged in the campaign against poverty eradication include Civil Society on Poverty Eradication (CISCOPE), the Pro-Poor Governance Network, Civil Society Action Coalition on Education for All, Civil Society for HIV and AIDS in Nigeria, among others (see Action aid Nigeria, 2009:7). An enabling environment, which should include sound legal framework and executive

friendliness, should be created to enhance their performance in the area of poverty reduction.

AFRODAD (2005) recognizes the important role played by the donor community. Since the level of ODA in Nigeria is low and has been declining during the past decade, there is a lot that the donors can do in order to assist the Country to achieve the MDGs. As reported by the United Nations Development Programme (2004: 59), low level inflow of ODA is a constraint to the achievement of the MDGs. An upward review in the amount of ODA inflow to Nigeria would therefore be necessary. Beyond aid and grant, the development partners have an important role to play by ensuring a better environment for trade. Democratizing the WTO to give the poor countries like Nigeria a stronger voice is important. Good international trade rules can create an enabling environment for poverty reduction (see AFRODAD, 2005:22)

### **Concluding Remarks**

Due to precarious socio-economic ambience and the global publicity it has generated, sub-Saharan Africa has become synonymous with poverty, and Nigeria hosts the largest population of poor people in the region. From the 1980s, the poverty situation in Nigeria has been galloping as empirical studies have shown. For an average Nigerian, to achieve a dignified living condition in a truly human sense is difficult. Poverty is more endemic in the rural areas and the Northern zones still demonstrate no hope of escaping extreme poverty. However, since independence, successive governments have made different attempts to combat the scourge, but the failure of the interventions explains the inherent limitations in domestically generated ideas on poverty reduction. Poor governance, official kleptocracy, weak legislative framework and poor budgeting culture have largely been responsible.

The inauguration of the Millennium Development Goals, coupled with the entrenchment of official development assistance from the industrialized North to the underdeveloped South including Nigeria, represents a potential exit strategy from poverty trap. For this

postulation to work, the promotion of good governance, sound reform practices, effective involvement of the private sector and civil society are required. Again, the present global system and the regime of international trade would need to be made more democratic. This will empower poor countries and also reduce the vulnerability of their economies to the adverse effects of globalization. More importantly, domestic macro and sectoral policy reforms are needed to set the country on the path of steady economic growth. This will contribute immensely to poverty reduction and the attainment of the MDGs.

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