



SECTION FIVE

NATIONAL POLICY ON POVERTY ERADICATION

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Chapter One

INTRODUCTION

1.1.0 BACKGROUND

Nigeria is a large country with an estimated total area of 923,768 square kilometers and a population of about 140.8 million. Blessed with a tropical climate that produces a variety of vegetational belts ranging from forest in the South to Savannah in the North, the production of the varied, food and cash crops is distributed the whole year round. The natural balance of the flora and fauna is maintained by a distribution of rainfall that also makes irrigation practicable and productive.

1.1.2 Apart from being endowed with agricultural and water resources, Nigeria is the 6th largest producer of crude oil and is potentially viable for natural gas and a variety of solid minerals including tin, columbite, kaolin, coal, limestone, gold and iron ore. Although most of the mineral output is exported, the profile of the economy showed that the potential for domestic utilization is vast. However, as at 1999, Nigeria still reaps its greatest wealth from the production and export of crude oil, with reserves that promise continuity for at least two more decades while the natural gas deposit will last much longer. Complemented by the rising importance of gas production, export and utilization, the Nigerian economy under good governance may be said to be secured for the future.

1.1.3 As a result of macroeconomic policy distortions in the early 70s, Nigeria despite its vast resources, has not experienced the necessary economic, institutional and structural changes that would guarantee rapid and sustainable growth and development, and acceptable minimum standard of living. The productive and technological bases, which form the prime movers of activities are weak, narrow, inflexible and largely dependent on the external sector sustenance. Furthermore, the economy is still monocultural and dualistic with weak sectoral linkages and high vulnerability to externally generated shocks. The social and economic infrastructures are weak, inadequate and lack maintenance, while the private sector is weak, shies away from productive

investment and oriented towards distributive activities. The effectiveness of incentives to the private sector is generally poor while the productivity is low. The distortions generate unstable growth patterns and comparatively low social indicators, which translate into deplorable poverty situation.

1.1.4 The collapse of crude oil prices in the international oil market in the early 1980s, coupled with unabating expansion in aggregate consumption demand plunged the Nigeria economy into crisis. Consequently, the economic and social activities as well as macroeconomic aggregates plummeted. In fact, the fundamental defects of the Nigerian economy were laid bare in the early 1980s with the collapse of crude petroleum prices in the international oil market as various economic indicators recorded negative growth rate.

1.1.5 It is an issue of concern that despite concerted public sector efforts to redress the economic situation and reverse the trend through the revision of economic management strategies, these feature prevailed up to the late 1990s. arising from the fundamental defects of the economy, there was a high level of unemployment, low capacity utilization (both in agriculture and industry) in addition to inadequate local and foreign direct investment. Other undesirable features that prevailed included defective or inappropriate technology and low social indicators particularly as related to education and health.

1.1.6 Arising from the above, Nigeria experienced worsening poverty situation in the 1980s and 1990s. The incidence of poverty rose from 46.3 per cent of the population in 1995 to 65.6 percent in 1996. the depth and severity of poverty as well as income inequality also worsened during the period. The rural areas and vulnerable groups, especially women were affected most by the worsening situation. The uneducated people with large family size and those engaged in the informal sector, particularly agriculture, were among the most affected. The Nigeria situation had been made worse by rapid annual population growth rate of about 2.83 per cent since the 1970s giving rise to a high dependency ratio and pressure on resources in several areas. This situation must be redressed.

1.7 Given the magnitude and complexity of poverty in Nigeria, the pursuit of poverty eradication must be rooted in a national philosophy. This is necessary to elicit participation of the stakeholders in the implementation of the policy and the programmes derived there from. Consequently, the National Policy on Poverty eradication shall be consistent with the overall national philosophy and objectives of the government, which provides for a free, democratic.

just and egalitarian society; a united, strong and self-reliant nation; a great and dynamic economy and a land full of opportunities for all citizens.

- 1.8 Nigeria's poverty eradication policy shall be based on the integration of its people into an economically prosperous, politically stable and socially sound society with equal opportunities to live a healthier, richer and fuller life. These are to be achieved through the use of viable macro/micro economic, social and political policies that are relevant for the eradication of poverty

1.2.0 CONCEPT OF POVERTY

1.2.1 Poverty is complex and multi-dimensional. It is a dynamic process of socio-economic and political deprivation which affects individuals, households or communities viewed in the lack of access to basic necessities of life. Conventionally, poverty is viewed in terms of insufficient income for securing the basic necessities of life; food (including water), clothing and shelter. The concern here is the ability of the individual to exist and to command resources for self-sustenance. Characteristically, poverty has to do with the vicious cycle of deprivation i.e. low economic activity, low production and productivity, low income, low savings investment and consequently, low standards of living.

1.2.2 Specifically it is common to regard poverty as a condition of:

- i. not having enough to eat
- ii. poor drinking water
- iii. Poor nutrition
- iv. unfit housing
- v. a high rate of infant mortality
- vi. low life expectancy
- vii. low educational opportunities
- viii. inadequate health care
- ix. lack of productive assets
- x. lack of economic infrastructure
- xi. inability to actively participate in decision making process. The consequences of these phenomenon include:
 - xii. state of powerlessness
 - xiii. helplessness

- xiv. despair and thus inability to protect oneself against economic, social, cultural and political discrimination and marginalisation.
- xv. deprivation and lack of rights.
- xvi. defenselessness and insecurity, vulnerability and exposure to risks, shocks and stress.

These predicaments lead to desperation and helplessness and in turn produce violence, high rate of robbery, theft, thuggery and other deviant human behaviours.

1.2.3 In addition, inequalities among social groups within the community as influenced by factors such as gender and age are potent considerations in the expression of poverty, for example gender disparities in economic power-sharing are among other contributory factors to the poverty of women. In addition, the rigidity of socially ascribed gender roles and women's limited access to power, education, training and other productive resources are some of the structural causes of poverty. While poverty affects household as a whole, due to gender division of labour and responsibilities for household welfare, women bear a disproportionate burden of poverty in the home. They are often required to manage household consumption and production under conditions of increasing scarcity. Women and of course children are therefore generally more vulnerable to poverty.

1.3.0 INDICATORS AND MEASURES OF POVERTY

1.3.1 The proportion of the population with consumption falling below a defined minimum commonly called the poverty line gives an indication of the level of poverty. In addition, indicators of poverty include literacy, health, nutritional status, housing, water, sanitation, lack of access to credit etc. These indicators among others are commonly compressed into a composite index, typically the Human Development Index (HDI) of UNDP and used to measure the level of poverty incidence. Social participation indicators, which view welfare as a function of social integration and commonly accepted set of social functions that are peculiar to each society, such as meal sharing, gift giving and receiving, celebration of special social events, regularity in the consumption of certain foods, freedom and human rights are also indicative of standard of living.

Chapter Two

POVERTY IN NIGERIA

2.1.0 INCIDENCE, DEPTH AND SEVERTTY OF POVERTY

2.1.1 Information from the Federal Office of Statistics (FOS) showed that the incidence of 1985 and between 1992 and 1996. However, there was a decrease in poverty level between 1985 and 1992. the figures were 27.2 percent, 46.3 percent, 42.7 percent and 65.6 percent for 1980, 1985, 1992 and 1996 respectively. The 27.7 percent for 1980 translated to 17.7 million persons whereas there were 34.7million poor persons in 1985. Despite the drop in poverty level in 1992. the proportion in poverty was about 5 million higher than the 1985 figure. By 1996 the population in poverty had increased sharply to 67.1 million.

TABLE A: Trends in Poverty Level 1980 1996 (%)

Year	Poverty Level Population	Estimateed Total Poverty	Population in
1980	27.2	65m	17.7m
1985	46.3	75m	34.7m
1992	42.7	91.5m	39.3m
1996	65.6	102.3m	67.1m

Source: FOS Poverty Profile for Nigeria: 1980-1996

TABLE B: Dept and Security Severity of Poverty		
Year	Depth	Severity
1980	.160	.080
1985	.352	.169
1992	.384	.202
1996	.358	.207

Source: FOS Poverty Profile for Nigeria: 1980-1996

2.1.2. Other assessment of poverty also showed a deplorable situation. By 1996, infant mortality and mortality of children under 5 years were 78 and 147 per 1,000 live births respectively, while maternal mortality was 948 per 100,000

live births all critically above the average for developing countries and even for sub-saharan Africa. The 1999 preliminary health profile figure of Federal Ministry of Health (FMOH) also indicated the major causes of morbidity as follows: prevalence rate of malaria is 919 per 100,000, 386 per 100,000 for dysentery, 146 per 10,000 for pneumonia. 59 per 100,000 for measles while 3.86 percent of the population is estimated to be infected with HIV virus.

Gross primary school enrolment was 82.6 percent for girls, and 87.0 percent for boys in 1995, while adult literacy rate was 51 percent. Life expectancy, which was 54 years in 1990, has dropped to about 50 in 1996. Access to adequate shelter, water and sanitation facilities as well as inequality also worsened during the period. The *rural* areas and vulnerable groups especially women were affected mostly by the worsening situation. The uneducated, people with large family size and those engaged in the informal sector, particularly agriculture, were among the most affected. By 1996, about 50 percent of households in Nigeria were without electricity supply, only about 36 percent of households have access to pipe borne water while only about 18 percent of households were using modern refuse disposal bins (collected by government and private agencies).

- 2.1.2 The Human Development Report 2000, ranked the country number 151 out of 174 countries and amongst the poorest twenty (20) countries in the world. All these point to the fact that poverty is a serious problem in Nigeria. In fact, Nigeria faces mass poverty and this has serious social, political, economic and security consequences, which cannot be ignored. The Nigerian situation has however been made worse by the rapid population growth rate of about 2.83 percent since the 1990s giving rise to a high dependency ratio and pressure on resources in several areas.
- 2.1.4. The qualitative aspect of poverty derived from the voice of the Poor, a consultative Department for international Development (DFID) and World Bank collaboration with the National Planning Commission also manifested poverty in terms of lack of access to resources by individuals which leads to a state of powerlessness, helplessness and despair, and inability to subsist and protect oneself against economic shocks, social, economic, cultural and political discrimination and marginalisation among others.
- 2.1.5. In addition to the above factors, rapid population growth, the use of poor or inappropriate technology, low growth rate of the economy, prevalence to

inappropriate resource allocation particularly in the public sector and low rate of investment are also critical factors. The interaction of the above variables places a large segment of the society in the vicious circle of poverty, which is characterized by low productivity that leads to low per capita income which results in low savings per head. The low savings rate leads to low level of capita accumulation per head and consequently to low productivity. Low productivity can be seen as the source of vicious cycle of poverty and the point where the cycle can be broken by raising the investment level to enhance productivity.

2.2.0 DISTRIBUTION OF POVERTY

Available data from (FOS 1999) indicate that majority of the poor are in the rural areas as shown in the table below. In 1985, 49.9 percent of the population in rural areas were poor. The share of the poor in the rural areas declined to 46.1 percent in 1992 and thereafter increased to 67.8 percent in 1996, implying that about 45.63 million Nigerians in the rural areas were in the poverty web. On the other hand, the proportion of the poor in urban areas grew from 34.7 percent in 1985 to 39.6 percent in 1992 and 57.7 percent in 1996. In terms of depth and severity, the rural areas were also worse off than the urban. This makes poverty to be largely, a rural phenomenon, using consumption and income analysis, although it is still important in urban areas.

TABLE C: Poverty Trends by sector(%)

Year	Urban	Rural
1980	17.2	28.3
1985	37.8	51.4
1992	37.5	46.0
1996	58.2	69.8

Source: FOS Poverty Profile for Nigeria: 1980-1996

2.2.2 Rural areas have been largely under-served in terms of access to social and economic infrastructure and services. Generally, 50 percent of Nigerians had access to safe drinking water in 1995 while 39 percent of the rural population as against 80 percent of the urban population had access to safe drinking water supply and sanitation. Available evidence from studies in 1991

showed that the rural areas had higher rates for health indicators such as infant mortality, malnutrition and diseases prevalence. In education, the percentage of children enrolled in both primary and secondary schools in rural areas was less than in urban areas from 1990 up to 1996. Similarly, literacy rate was lower in rural communities. It is however noteworthy to mention that urban slums and shanties that share similar features, in terms of inadequate infrastructure, with rural areas, harbour the urban poor and the numbers are equally growing.

- 22.3 In terms of gender, conditions prevailing locally and globally aggravate the vulnerability of women and consequently lead to continuous increase in the number of females within the poverty bracket. These conditions include: lack or limited education, discriminatory socio-economic and political practices, civil war, civil strife, natural disaster, migration of heads of households, death (widowhood), women with all female offsprings, job discrimination etc. The 1996 National Statistics revealed that, female adult literacy rate was 41 percent as compared to the male literacy rate of 56 percent. Primary school enrolment rate is higher for boys than for girls. Women also present a dismally low proportion of the formal employment sector. Those in professional and marginal occupations constitute only 18 percent of this grade of employment. At the level of decision-making, women represent less than 10 percent of decision-making positions and have never recorded more than 3 percent
- 2.2.4 Poverty has also been known to force women into situations in which they are vulnerable to various forms of exploitation such as early marriage, teenage pregnancy and health complications. Poverty is also a factor in the high rate of infection of women with HIV/AIDS/STDs. To address this, the Nigerian National Policy on Education, work and choice in marriage and sexual life and other harmful and repulsive socio-cultural practices are contributory factor in this regard. Therefore, poverty eradication cannot be accomplished or sustained without the development of anti-poverty programmes, democratic participation and changes in economic structures, which ensure women's equal access to resources and opportunities.
- 22.5 HIV/AIDs have become the major threat to Africa's development. The result of National HIV sentinel Sero-prevalence-survey conducted in Nigeria in 1999 indicated that HIV/AIDs epidemic has reached every Community/locality

in the country with prevalence rate increasing from 1.89 percent in 1993, to 4-5 percent in 1996 and 5.4 percent in 1999. Youths within the 20-24 ages range showed a much higher prevalence rate of 1.8% with grave implication for our national development. In fact, Nigeria is among the first populous county in the world to have crossed the 5% prevalence mark. Although there are still gaps in the necessary information required to fully explain what drives the epidemic, there are, however, substantial evidences that one of the significant factors driving the epidemic is poverty. AIDS deepens the poverty of households and nations, and poverty aggregates the spread of HIV/AIDS.

F. M. F.
LIBRARY
ABUJA

Chapter Three

CAUSES OF POVERTY IN NIGERIA

3.1.0 MACRO-ECONOMIC DISTORTIONS

- 3.1.1 The Nigerian economy had experienced some changes since independence, but as at today, it is still characteristically dualistic and monolithic, depending on one primary product for over 90 percent of its exports and Government revenue. The productive base is still narrow and weak. This is despite more than three decades of deliberate efforts at promoting economic growth and development through the preparation and implementation of development plans. At independence, the Nigerian economy was almost entirely based on agriculture with the sector accounting for over 80 percent of employment, government revenue and exports. However, crude petroleum took over since the 1970s while agriculture is almost neglected.
- 3.1.2 The major causes of Nigeria's economic problem can easily be discernible. They are rooted in the structure of the economy occasioned by inappropriate planning, wrong prioritization of policy and programmes and inconsistent policy framework for the productive sector (Agriculture, Manufacturing, etc).
- 3.1.3 With the foregoing variables at play, it was not a surprise therefore that the economy collapsed with the crash of crude petroleum in the international market in 1973 and 1980. In fact, Nigeria's output tumbled from 2.3 million barrels per day in 1973/74 and 2.0 million barrels per day in 1980 to less than a million barrels a day in 1986, while the price fell from \$40.00 per barrel in 1980 and an average of 36.5 in 1981 to 10.00 in 1996. This crash in price and production level led to reduction in Government revenue and export earnings, and the accumulation of debts. It also led to balance of payments crisis and it became clear that the country was deep in economic crisis. This reduction in government revenue was reflected in the inability of government to provide necessary infrastructure for the people as depicted in FOS figures in 1980, when 27.2 percent of Nigerians were in poverty. This figure went up to 46.3 percent in 1985. During the period 1985-1992, which coincided with SAP period the worsening trend was reversed and a decrease of about 4 percent was achieved bringing the

level to 42.8 percent. This was as a result of palliative measures introduced by government to cushion the negative effect of the poverty.

3.1.4 To reverse these distortions in 1980, the immediate response of Government was the imposition of the so-called "Austerity Measures". This was a demand management policy, which involved restriction on demand for goods and services. The scope of the policy was widened as the crisis deepened. The measures were designed to reduce the level of imports to minimize the drain on the nation's external reserves, generate increased revenue and protect domestic industries. They involved the abolition of tax exemptions, increase in import duties and exchange control measures. Other measures used were price controls, staff retirement, freeze on wages and salaries increase and dismissal of employees, especially of the public sector, considered redundant in order to prune down expenditures. The government realized that the measures were inadequate to cope with the crisis, as import bills increased and debts piled up, a period of 15 months of national economic emergency was declared in October 1985. All these measures pushed many Nigerians further into poverty brackets and also accentuated the poor standard of living of vast majority of the populace at the period in focus. It became obvious that alternative solutions had to be sought. Meanwhile pressures were mounting from the external front from the creditors through the multilateral institutions for a more pragmatic and realistic approach to clear the financial arrears. A structural adjustment programme was considered the best option.

3.1.5 The Structural Adjustment Programme (SAP) was launched in July, 1986. Its main objectives were to:

- (i) restructure and diversify the productive base of the economy in order to reduce its dependence on the oil sector and imports;
- (ii) achieve fiscal and balance of payments viability over the medium term;
- (iii) lay the basis for a sustainable non-inflationary growth over the medium and long terms; and
- (iv) lessen the dominance of unproductive investment in the public sector, improve the sector's efficiency and intensify the growth potential of the private sector

Government's intention at the inception of the programme was to dismantle most of the administrative control measures due to their ineffectiveness

and put in place a framework that would rely more on market forces, and broaden the supply based of the economy.

3.1.6 In order to achieve the objectives of the programme, some measures were introduced. These include the following among others:

- (i) Strengthening of the relevant demand management polities;
- (ii) Adoption of measures to stimulate domestic production and broaden the supply base of the economy;
- (iii) Adoption of a realistic exchange rate policy;
- (iv) Further rationalisation and restructuring of tariffs in order to aid industrial diversification;
- (v) Trade and payments liberalisation;
- (vi) Adoption of appropriate pricing policies especially for petroleum products and public enterprises; and
- (vii) Encouragement of privatization and rationalization of public sector enterprises.

3.1.7 The core elements in the adjustment were threefold. These were:

- (i) correcting the observed serious over-valuation of the Naira exchange rate through the setting up of a Second-Tier Foreign Exchange Market coupled with adjustment of the official rate in order to attain convergence of the two exchange rates within the shortest possible time;
- (ii) overcoming the observed public sector inefficiencies trough improved public expenditure control programme and the speedy rationalization of parastatals; and
- (iii) relieving the debt burden and attracting a net inflow of foreign capital, while keeping a lid on foreign loans.

3.1.8 The impact of SAP on the economy could only be said to be mixed. Aggregate output witnessed an upturn only from 1988 and reduction in poverty level within the period according to FOS figures, which put poverty level at 42.8 per cent at the period. By the end of 1986, the economy could only record a real GDP growth rate of 1.7 percent. This was however, only six months after the introduction of SAP. In 1987, GDP actually shrank by a real growth rate of 0.6 per cent. This was largely due to inability of OPEC members to adhere strictly to their allocated quotas and this led to crises in the price of crude oil.

The adverse weather condition and policy distortions among others, experienced in the agricultural sector were also attributable to the low output in the sector. From 1988, there was a dramatic rebound of the GDP growth rate, which reached 10 per cent for the year in real terms and continued to record fairly good performance up to 1991 when growth rate stood at 4.8 per cent. On the average between 1986 and 1991 the GDP recorded an average growth rate of 5.4 per cent. Between 1980 and 1986 the GDP was 2.8 per cent.

In as much as SAP had improved the macroeconomic indices of the country, the process of restructuring created more pains to Nigerians.

3.2.0 EFFECTS OF GLOBALIZATION

3.2.1 The process of globalization which started about a decade and a half ago, caught Nigeria in the throes of political instability. The main features of globalization process include liberalization of trade, free movement of capital and accelerated development in information technology. Globalization provides windows of opportunity if the indices of development (interest and exchange rates, terms of trade, tariffs etc.) are on the positive and favourable scale. In Nigeria however, by middle of the eighties, public infrastructure and utility had gone into serious dilapidation. The road networks were on bad shape. Schools and hospital deteriorated. Telecommunication and power supply became very erratic. As a result of petroleum-related activities, agriculture was relegated to the background, and those that remained in it were operating at subsistence level and characterized by the following:

- i. Collapsing and uncompetitive industrial sector activities (30% surviving in the last 10 years).
- ii. Rapid growth in unemployment, underemployment and poverty (about 60% among the youths aged 14 -25years) translating into 3 million jobless persons entering the labour market annually.
- iii. Social instability and intolerance (ethnic nationalities and religious friction).
- iv. Hyperinflation (averaging 5% between 1985-1995)
- v. Unstable interest and exchange rates (from \$1-N1.5 in 1985 to \$1 to N100 1990 interest rate of 35% per annum as at September, 2000),
- vi. Low productivity; and
- vii. Endemic corruption, greed and avarice.

Given the Nigeria's political and socio-economic disposition, globalization presents more challenges to the country as it lacks what it takes to be relevant or even adapt cope with it. Until the country can achieve certain level of good governance, a revamped industrial base, modest economic growth, fairly efficient public infrastructure utilities, Nigeria shall remain at the receiving end of globalization.

3.3.0 GOVERNANCE

3.3.1 Bad governance over the years had deprived Nigerians of the ideals and dividends of democracy. It is the objective of the government of Nigeria to tap through democratic process, the energy and creative talents of the people and harness the nation's resources to enhance the welfare of the citizenry. This is with a mission to create a dynamic economy and establish a free, democratic and just society through the pursuit of people-centered programmes. The process will facilitate and consistently cultivate a style of governance that places premium on openness, transparency and accountability, probity and effective leadership.

3.4.0 CORRUPTION

3.4.1 Corruption comes in different forms and differs from country to country. In Africa, illegal takeover of government through military coup, embezzlement, nepotism, looting, bribery, vote buying and abuse of office are very common. For instance, it is common practice for top government jobs to be filled with cronies who serve as conduit pipes to siphon public money to foreign accounts of some top government functionaries. Such monies are often kept in secret accounts in Switzerland, Nigeria is ranked among the most corrupt countries in the world. The corrupt practices in Nigeria range from extortion by public functionaries to advance fee fraud. At the national level, there is hardly any form of service that would be rendered without giving or receiving undue favours and/or gratification. Access to public infrastructure such as highways, admissions into schools and even hospitals was possible only through corrupt practices. Payments have to be made to the security operators for bails and police cells, 'guarantee fees' are also being demanded from consumers of power and telecommunication services. Promotion in some workplaces is based on payment by deserving officers. At the international scene, credit card racket, breach of business trust, false identities are the stock in trade of many Nigerians abroad. The sum total

effect is that corruption has wiped out the goodwill that usually sustains good business relationship and also weakens the basis of patriotism necessary for development.

3.4.2 The manifestation of corruption in Nigeria progressed marginally among individuals and thereafter assumed an institutional and later national dimension. Currently Corruption is freely practiced at corporate/institutional levels. In government, how much an institution/agency gets by way of allocation is determined not by its statutory functions but by patronage. Unfortunately, the agencies involved are central to the nations economic activities that the harm they inflict on the economy is ramifying. Foreigners find it difficult to invest in Nigeria because of the corrupt impediments put on their way. Cases of "white elephant projects" abound primarily because those executing them were motivated by corruption rather than economic development of the nation. Through corrupt practices the bulk of the nations wealth have been distributed in favour of the few privileged to the detriment of the majority of Nigerians who are now wallowing in abject poverty. A mechanism of entrusting public responsibility to Nigerians needs to be evolved.

3.5.0 DEBT BURDEN

Debt burden has been one of the drawbacks to Nigeria's developmental efforts. The debt portfolio which was slightly above US\$ 14.28 billion in 1980 rose to about US\$32 billion in the year 2000. The servicing of the debt has encroached on the volume of resources needed for socio-economic development as it is estimated that around 40 per cent of Nigeria's national incomes goes to debts payments. The high debt service ratio translate into resource constraint needed for such public infrastructure and utilities as:

- i. Hospitals;
- ii. Schools;
- iii. Roads (Urban and Rural);
- iv. Power supply and potable water,

Productive sectors of the economy like agriculture, industry, manufacturing etc are equally constrained leading to low productivity, low capacity utilization, under employment and low purchasing power thereby throwing majority of Nigerian into abject poverty.

3.6.0 LOW PRODUCTIVITY

3.6.1 Productivity which is the ratio of output to the corresponding input of factors of production (labour, land, capital and technology) has over the last one and half decades continued to be low in virtually all sectors of the Nigerian economy. It is also clear that low productivity is the genesis of economic stagnation in Nigeria. The long period of military rule with its centralized system of administration further aggravated the problem. The reasons for low productivity and its attendant negative effects on Nigerians are attributable to the following factors among others:

- (i) Economic policies that are not growth oriented
- (ii) Dwindling internal resource base and dearth of foreign capital;
- (iii) Political instability, which undermines continuity in development plans and strategies;
- (iv) Poor performance measurement and reward system in the public service;
- (v) Weak private sector;
- (vi) Breakdown of family values and societal norms,
- (vii) Failure to harness internal resources;

3.6.2 To redress the declining productivity in Nigeria, Government should strive to address the following:

- (i) general improvement of the state of infrastructure and utilities;
- (ii) streamline and improve professionalism in the Nigerian Civil Service;
- (iii) Introduce appropriate standard for performance measurement;
- (iv) Introduce appropriate reward systems;
- (v) cultivate/encourage professionalism;
- (vi) encourage private initiatives to invest in public infrastructure;
- (vii) enhance maintenance culture of public utilities development;
- (viii) enhancing productivity Awareness Campaign;
- (ix) allocation of resources to be backed by cost benefit analysis; and
- (x) deregulation of workers (Multiple jobs) and Wage System (ability to earn).

3.7.0 UNEMPLOYMENT

3.7.1 Unemployment in Nigeria assumed crisis level in the late 80s and early 90s especially among school leavers and graduates in tertiary institutions. A survey carried out by the Centre for Investment, Sustainable Development, Management and Environment in 1998 gave the features as follows:

- (i) secondary school leavers between age of 13-25 years;
- (ii) Graduate unemployment, which hitherto was unnoticed, started to emerge in mid 80s. The following influences the rising graduate unemployment:
 - (a) Nigeria had a total enrolment of about 600,000 students in 149 tertiary institutions in 1996/97 academic year;
 - (b) There were 123,000 graduates in the 1995/96 session and about 130,000 graduates in 1996/97;
 - (c) Cumulatively, Nigeria produced a total of 1,110,000 graduates from tertiary institutions.
 - (d) About 10% i.e. 100,000, got formal jobs-over one million might be openly unemployed or under-employed.

All this unemployment worsened the high level of poverty recorded by FOS in 1996.

3.8.0 HIGH POPULATION GROWTH RATE

38.1 Statistics show that in 1980, Nigeria population was about 65 million, it rose to 88 million in 1991 and further increased to 102.3 million in 1996. It is estimated that the Nigeria population is currently about 140 million. This increase in population has over-stretched the basic social and infrastructural facilities as well as public goods in the face of dwindling national resources. A situation in which population growth averages 2.83 against GDP growth rate of 2.7% meant that resources meant for investment are consumed with little left for development thereby reinforcing the vicious cycle of poverty.

3.9.0 POOR HUMAN RESOURCES DEVELOPMENT

3.9.1 Traditional/formal education ensures the full development of human personality and citizenship. Initial training develops a person's skills, and professional competence that enables him to perform in employment. This when complemented with life long experience would ensure continued appreciation and/or adaptation to changes in global environment. In developing countries, the challenge of human resources training and development should go beyond the need to secure relevance in a modern society to the application of acquired skills for self or paid employment. Thus through well targeted and integrated human resource training and development, Nigeria can empower the people with relevant skills and improve the pace of economic development. The human resource development shall centre on the following:

- (i) Providing vocational skills for any of unemployed school leavers and graduates of tertiary institutions;
- (ii) Providing public sector officials with knowledge and techniques to build a strong partnership with stakeholders;
- (iii) Building capacity for enhanced monitoring and extension services;
- (iv) Institutionalizing sustainable credit delivery system;
- (v) Building capacity of national institutions to keep and maintain data on the activities of the economy;
- (vi) Providing counseling and extension services on “Start your Business”, “Know About Business”; “Improve Your Business” etc for Informal, Micro and Small Enterprises operators.

Chapter Four

RESPONSE TO POVERTY IN NIGERIA

4.1.0 PAST EFFORTS ON POVERTY ERADICATION

4.1.1 The crusade against poverty has been a feature of government development planning since independence. The achievement of this objective has been through the activities of specialized ministries and agencies. The Ministries include.

- (i) Federal Ministry of Education;
- (ii) Federal Ministry of Industry;
- (iii) Federal Ministry of Health;
- (iv) Federal Ministry of Petroleum Resources;
- (v) Federal Ministry of Works and Housing;
- (vi) Federal Ministry of Environment;
- (vii) Federal Ministry of Employment, Labour and Productivity;
- (viii) Federal Ministry of Agriculture and Rural Development;
- (ix) Federal Ministry of Women of Affairs and Youth Development;
- (x) Federal Ministry of Power and Steel;
- (xi) Federal Ministries of Finance;
- (xii) National Planning Commission;
- (xiii) Federal Ministry of Science and Technology;
- (xiv) Federal Ministry of Information;
- (xv) Federal Ministry of Transport;

4.1.2 In addition to the above, government over the years established several Agencies to tackle poverty. These agencies are listed in Table 4:

Table 4: Poverty Eradication Agencies Established by Government

AGENCY	ESTABLISHED YEAR	REMARKS
(i) Agriculture Development Project (ADPs)	1975	On-going
(ii) National Directorate of Employment (NDE)	1986	On-going

(iii) National Board for Community Banks (NBCB)	1991	On-going
(iv) Population Activities Fund Agency (PAFA)	1990	On-going
(v) National Primary Health Care Development Agency (NPHCDA)	1990	On-going
(vi) Federal Environmental Protection Agency (FEPA)	1986	became Fed. Min Environ. (1999)
(vii) National Agricultural Insurance Scheme (NAIC)	1981	Merged with NICON (2000)
(viii) Federal Urban Mass Transit (FUMT)	1989	Absorbed by the FMT
(ix) National Agricultural Land Development Agency (NALDA)	1989	Phase out and function performed By FMARD
(x) Universal Basic Education Programme (UBEP)	2000	On-going
(xi) Nigeria Agricultural Cooperative and Rural Development Bank (NACRDB)	2000	On-going
(xii) River Basin Development Authorities (RBDA)	1986	On-going
(xiii) National Commission for Nomadic Education (NCNE)	1986	Absorbed by UBE

4.1.3 In support of the efforts of the Ministries and Agencies, International Donor Agencies and NGOs provided technical assistance and resources. These Agencies include:

- (i) United Nations Development Programme (UNDP)
- (ii) International Labour Organisation (ILO)
- (iii) Food and Agriculture Organisation (FAO)
- (iv) United Nations Industrial Development Organisation (UNIDO)
- (v) United Nations Children Educational Fund (UNICEF)
- (vi) World Bank
- (vii) World Health Organisation (WHO)
- (viii) Sasakawa- Global 2000 (SG-2000)
- (ix) National Association of Small Scale Industrialists (NASSI)
- (x) National Association of Chambers of Commerce, Industries, Mines and Agriculture (NACCIMA)
- (xi) National Association of Small Scale Entrepreneurs (NASME)
- (xii) Ford Foundation, West Africa
- (xiii) European Union (EU)
- (xiv) German Technical Cooperation (GTZ)
- (xv) Japanese International Cooperation (JICA)
- (xvi) OECD
- (xvii) United State Agency for Intemational Development (USAID)
- (xviii) Department for International Developrnent(DFID)

4.2.0 LESSONS FROM PAST EFFORTS

4.2.1 Despite the enormous human and material resources made by government to reduce poverty through the aforementioned institutions, the programmes, expected to impact positively on the poor, did not achieve this goal because of absence of a comprehensive policy framework and undue political interference. Other factors include (among others):

- i. Poor governance;
- ii. ineffective targeting of the poor (leading to high level leakage of benefits to unintended beneficiaries:
- iii. unwieldy scope of programmes resulting in resources being thinly spread among too many projects:
- iv. overlapping functions, which ultimately led to institutional rivalry and conflicts:
- v. absence of sustainability mechanisms in programmes/projects;
- vi. lack of complementary support from the beneficiaries;
- vii. uncoordinated sectoral policy initiatives:

- viii. lack of involvement of social partners (NGOs, IGOs, CROs, Labour Unions; and Civil Society among others) in planning and evaluation;
- ix. lack of growth with equity;
- x. poor human capital development;
- xi. low productivity; and
- xii. Inadequate funding.

4.3.0 CHALLENGES: PRESENT AND FUTURE

- 4.3.1 The challenges of poverty eradication would revolve around redressing the causative factors. The challenge will therefore be in the areas of; macro/micro economic reforms, good governance, transparency and accountability, debt retrieval and cancellation, increased productivity, reduced unemployment rate, effective population management, appropriate human resources development and global competitiveness.
- 4.3.2 The way forward in prosecuting poverty eradication in the light of the causative factor would require a well-articulated and appropriate policy direction and action plan. Such policy shall be well targeted, demand driven and cost effective within the overall macroeconomic reforms/management and human capital development of the economy.

Chapter Five

POLICY DIRECTION

5.1.0 INTRODUCTION

- 5.1.0 In Nigeria, poverty eradication strategies have always been seen as part of the general government efforts for economic growth/development, and pursued mainly through policies and programmes for achieving more equitable distribution of income. In this wise, various policies and programmes have been designed for the poor or at least to reach them. In the post-1986 period, many programmes notably National Directorate of Employment (NDE), Primary Health Care (PHC), DFERRI, ADPs Micro/Macro credit delivery and so on which cut across various sectors of the economy were put in place.
- 5.1.1 With the adoption of the Structural Adjustment Programme (SAP) as a result of the worsening economic conditions in the country, palliative measures were adopted. New policies and programmes were initiated while old ones already in the throes of collapsing were reactivated. There were sector specific programmes and also programmes that were broad-based cutting across many sectors of the economy. The levels of achievement recorded by the programmes, which are well documented, varied significantly.
- 5.1.2 The programmes, expected to impact positively on the poor did not achieve much because of the absence of a policy framework, a well targeted poverty eradication action plan, and undue political interference.
- 5.1.3 Arising from the above there is the need for an overall Poverty Eradication policy to guide poverty eradication efforts in Nigeria. The success of poverty eradication efforts requires a well-articulated national policy, which ensures that the poor are not only well targeted but also sensitized and fully mobilized to participate. The National Poverty eradication policy will also serve to sensitize and mobilize public policy makers, the international community, Non-Governmental Organizations (NGOs) and the private sector for full participation. The National Poverty Eradication Policy shall provide the framework for the actions of the various stakeholders and more specifically:
- (i) Inspire, direct and coordinate the actions of institutions, individuals, groups and act as a driving force that propels the actions of

stakeholders towards poverty eradication:

- (ii) Sensitize and increase awareness on the poverty situation and the dangers of wide spread poverty on society;
- (iii) Mobilize all citizens to actively participate in the fight against poverty; and
- (iv) Inform the nation of Government's position and actions on poverty eradication.

5.2.0 POLICY STATEMENT

5.2.1 The government of Nigeria is fully aware of the dangers of widespread poverty and realises the implications of the worsening poverty situation in the country on the effective utilization of resources, and rapid growth and the development of the economy. Government is fully aware of the symbiotic relationship between worsening poverty situation and slow overall development. Within the context of a well-articulated poverty eradication policy framework, focused institutional arrangement and a well-coordinated programmes implementation, monitoring and evaluation, Government intends to achieve the following:

- i) Good quality life;
- ii) Redressed situation of high incidence of poverty;
- iii) Eradication of absolute poverty;
- iv) Implementation of programmes that can lead to pro-poor economic growth patterns; and
- v) Efficient and sustainable harnessing of the enormous human and natural resources of the country.

5.2.2 Therefore, the thrust of the poverty eradication policy is to improve the living condition of the most vulnerable groups.

5.3.0 POLICY OBJECTIVES

5.3.1 The overriding objective of the poverty eradication policy derived from the government policy statement, is to broaden the opportunities available to the poor and ensure that every Nigerian has access to basic needs of life: food, potable water, clothing, shelter, basic health services and nutrition, basic education and transmission and communication facilities as well as guaranteed respect for fundamental human rights. The overall goal is improved living conditions for the poor in Nigeria.

5.3.2 In line with the above, the following sector-specific objectives would be pursued:

- (i) Good Governance and stable macroeconomic policy;
- (ii) Attainment of basic education for all, irrespective of location, sex, religion or tribe;
- (iii) Facilitation of access to credit, and promotion of entrepreneurship through income generating activities, productive resources and employment opportunities for every Nigerian irrespective of sex, creed, location or tribe;
- (iv) Improving the living conditions of the poor through targeted, cost-effective, demand-driven and promptly delivered programmes;
- (v) Increase the productivity of the poor both in the rural and urban settlements by providing opportunities for access to assets especially land;
- (vi) Promote the development of better and more appropriate technologies for farmers and other productive sectors for adoption and commercialization
- (vii) Improve the participation of the poor in decision-making especially on issue affecting their lives;
- (viii) Mobilize and enhance the talents of the poor for development projects in nation building;
- (ix) Assist and enhance the capacity of the poor through self-help programme on sustainable basis. Strengthening local institutions to provide social-safety nets, which will rescue transient poverty emergencies at local level;
- (x) Improve the nutritional value of the poor through sustainable agricultural production for food security and better health care practices;
- (xi) Provide a more participatory governance through a national institutional arrangement whereby each stakeholder, including government agencies and donors become proactive partners in the process of poverty reduction;
- (xii) Evolve appropriate price mechanism for agricultural and industrial commodities and services.

5.4.0 OVERALL POLICY TARGETS

5.4.1 It is imperative to prioritize the appropriate area of reforms and interventions in quantifiable terms in a given time frame, so as to give meaning to the government policy statement and objective, on poverty eradication. The specific targets of the poverty eradication policy in the short-term (less than

2 years), medium-term (between two to five years) and long term (above five years) i.e. by the year 2010 and beyond will be as presented in Table 5.

TABLE 5: Poverty Eradication Policy Targets

Basic Indicator	From Estimate at present	Target	Time Frame
(i) GDP Growth Rate	2.4percent	7percent	Short-Term
(ii) Inflation Rate	13 percent	Single Digit	Short-Term
(iii) Gainful, employed labour force(both formal and informal)	50percent	70percent	Short-Term
(iv) Maternal Mortality	800 per 100,000 births	400 per 100 .000 Births	Short-Term
(v) Infant Mortality	78 per 1000 births 1000 births	50per	Short-Term
(vi) Reduction in Child Malnutrition	46 percent of total population	20 percent of total Population	Short-Term
(vii) Population access to portable water	40 percent	60 percent	Short-Term
(viii) Household access to electricity (rural)	34 Percent	60 percent	Short-Term
(xi) Functional telephone lines per 1000 persons	4	200	Short-Term
(x) Population of school-age Children in School	50 percent	90 percent	Short-Term
(xi) Population literacy levy	57percent	80 percent Short-Term	
(xii) Nutrition Level (daily Calorie, Protein intake)	212010g/day	250036/day	Short-Term

(xiii) Other Basic Human Low Needs (Level of Satisfaction)	Low	Medium/high	Short-Term
(xiv) Promotion of women's participation in informal sector and food processing and substance agriculture	inclusion and integration in the economy	Unsatisfactory	Recognition Short-Term
(xv) Infant Fertility Rate	6	4	Short-Term
(xvi) Life Expectancy Rate	50	60	Short-Term
(xvii) Increase capacity utilization	30 percent	50 percent	Short-Term
(xviii) Budgetary allocation to Agriculture	2.5 percent	25 percent	Short-Term
(xix) Environmental Concern	Negligible	High priority	Short-Term
(xxi) Reduction of the incidence of poverty in Nigeria 1996 Estimate	65.6 percent	20 percent	Short-Term
(xxii) Reduction of the incidence of poverty in both the rural and urban areas 1996 estimate;	67.8 percent in Rural areas and 57.7 percent in urban areas.	30 percent in the rural area percent in urban area.	medium-term
(xxiii) Reduction of population growth rate from 1998;	2.83 percent	2 percent	Long - Term
(xxiv) Achievement of national coverage by Primary health Care (PHC) and accessibility of functional primary health care services	55 percent	90 percent	

(xxv) Coverage of rural areas by roads; coverage of urban slums by access road	45 percent	90 percent	Long-Term
(xxvi) Corruption	Epidemic	Medium/Nil	Medium Long Term
(xxvii) Reduction in gender disparity in school enrolment	60 percent	20 percent	Medium Term
(xxviii) Agricultural production growth rate (%) Epidemic	60 percent	20 percent	Medium Term

5.5.0 POLICY STRATEGIES

5.5.1 The achievement of the desired objective and targets above require macro economic policy reform and direct intervention measures. The macroeconomic reform will address the long-term targets while direct intervention strategy shall serve as safety nets in the short term. In broad terms, a people-centered approach to growth and development is desired for significant reduction of poverty in Nigeria. In this wise, people should be seen as the means and end to growth and development. Poverty eradication concerns shall be main-streamed into all programmes and policies of both the public and private sectors of the economy. In other words, all actions shall be judged by how well they improve peoples well-being.

5.5.2 The community shall be the center piece for poverty eradication efforts. Poverty eradication would draw on the potential of the community based organizations(CBOs) so that they participate in the design, prioritization, implementation; monitoring and evaluation of projects that directly affect them. A demand driven, bottom-up, as opposed to a top-down approach shall ensure enhanced community participation in the implementation of a poverty eradication action plan, direct intervention mechanisms will be put in place based on the following principles and strategies:

- (i) Advocacy involving the sensitization of the society to the dangers situation and the need to eradicate it.

- (ii) **Capacity Building/Empowerment** which consists of:
- * grassroots participatory decision making;
 - * access to productive inputs and assets such as credit, land etc
 - * relevant and effective training, education and skill acquisition;
 - * exposure to and adoption of appropriate technology;
 - * access to adequate infrastructure and social services;
 - * integration of the informal sector into the mainstream of economic activities.
- (iii) **Service Delivery comprising:**
- * targeted intervention and building of existing safety nets for the poor;
 - * building sustainability mechanisms into poverty eradication policies, programmes, and projects;
 - * provision of a support mechanism to finance projects which are initiated by the beneficiaries;
 - * emplacement of pro-poor national growth strategies;
 - * enabling infrastructure for agricultural development;
 - * mainstreaming gender poverty eradication programmes and projects;
 - * mainstreaming environment and HIV/AIDS into poverty eradication programmes and project
 - * provision of enabling environment for investment led economic growth;
 - * provision of enabling environment to improve food production
 - * provision of enabling environment for integrated fisheries and livestock production;
 - * improved rain fed and small scale irrigation services
 - * employment generation through labour intensive activities that has multiplier effect on the economy
- (iv) Coordination, Monitoring and Evaluation through Streamlining and networking of existing poverty reduction programmes;
- (v) Use of appropriate and effective monitoring and evaluation mechanisms for poverty eradication and eventual eradication; and
- (vi) A well articulated management information system.

5.5.3 Sectoral agencies shall derive their specific strategies from the broad ones outlined above and translate such into specific action plans or programmes and projects in line with their statutory mandates. For a balanced and effective poverty eradication programme therefore, all sectors considered vital to the upliftment of the poor must be addressed and simultaneously targeted. Eight internationally recognized cluster areas of interventions would be addressed/exploited. These include:

Agriculture, Employment, Micro/Macro-finance, Environment, Macroeconomic environment, information Small and Medium Enterprises ISME, Health Population Gender, Public Infrastructure and Utilities

(i) **Agriculture:** Is vital in poverty eradication programmes because of the following:

- Multiple job creation
- Food security
- Wealth generation
- Stemming of rural-urban migration
- Raw materials for industry.

(ii) **Employment:** There is a direct linkage between unemployment and poverty. Rising unemployment is one of the major contributory factors to poverty in Nigeria. It is therefore evident that any sustainable effort at poverty eradication must address sustainable employment creation in the following areas:

- Massive skills acquisition and skills improvement
- Entrepreneurship Development Programme for graduates
- Vocational Training for Disabled and Destitutes
- Direct employment for graduates and professionals

(iii) **Micro-finance:** Is the provision of credit, savings and other financial services to micro entrepreneurs and low-income borrowers. It is considered distinct from the formal financial sector because it specifically targets the informal sector and seeks to expand its outreach to large number of low-income earners. It combines unconventional and indigenous methods of credit administration with modified commercial tools to provide a socially needed service. The underlying objective for employing micro-finance as a

poverty eradication strategy is to assist the poor who cannot otherwise make savings, accumulate assets or invest in any meaningful income generating activity that would help to break the vicious cycle of poverty. This approach is often favoured because of its ability to reach out to a large number of people and have positive impact on their lives.

- (iv) **Macro-economic:** Creating a macro-economic environment that favours stable exchange and interest rates, improved capacity utilization, among other measures, could open up opportunities for employment and push back the frontiers of poverty. However, such expectation could only be realized in the long run. In the short term, direct *intervention* programmes should be designed to serve as a labour sponge. Three direct intervention strategies are being envisaged to serve as labour sponge as currently being executed by the NDF and other relevant agencies.
- (v) **Environment:** In view of the need to arrest further environmental degradation, it is recommended that timely management of the environment be instituted in such areas as erosion and desertification control, improved agricultural practices, environmental sanitation, afforestation and pollution control by a network of stakeholders.
- (vi) **Informal, Small and Medium Enterprises (ISME)** As a consequence of macroeconomic problems and political instability the performance of the Nigerian economy has remained abysmally low. The agricultural, manufacturing, construction and mining sectors suffered major neglect resulting in massive joblessness and poverty. In effect, but for the role of the informal and small scale sectors in providing jobs, income and services, the country's economy would have collapsed between the mid eighties and late nineties with dire consequences on the nation's corporate existence. Developing the ISME sector would therefore go a long way in redressing the poverty situation in Nigeria.
- (vii) **Health, Population and Gender:** Poor public health, rapid population growth and gender disparity has aggravated the poverty incidence, depth, and severity in Nigeria. Preventable diseases have raised both mortality

rate to an unacceptable level. HIV/AIDS have reached an endemic state. The rate of population growth which is currently 3.2 percent outstrips the GDP of 2.83 percent, has put enormous pressure on national resources and infrastructure. Women who constitute the large preponderance of the population in general and the productive sector of the economy especially agriculture, have been marginalized in the areas of empowerment and decision making and these affect their productive health and fundamental human right. The net effect is that the country has been constantly deprived of the benefit of the preferences and the energy of the larger portion of the society. A well thought-out mechanism of enhancing public health, population management and gender main-streaming will go a long way in turning around the economy of the country.

(viii) **Public Infrastructure & Utilities**

Poor and inefficient public infrastructure and utilities such as power, potable water, telecommunication and roads (urban and rural) have impacted negatively on the well being of Nigerians. Promoters of Micro, Small and Medium Enterprises, find it difficult to operate optimally. Lack of access roads in rural areas have made the movement of goods and services very difficult and in some cases impossible thereby giving rise to economic waste to producers who have no incentive to operate above subsistence level. Poor educational and health facilities have led to poorly educated youth and less healthy citizenry respectively. Erratic power and water supply have contributed enormously to the low capacity utilization currently experienced in the economy. Improvement in public infrastructure and utilities are therefore a sure way of reducing poverty in Nigeria.

5.5.4 The core action plan of the Federal Government to eradicate poverty in Nigeria under the main sectors listed above shall be integrated and harmonized into four multisectoral schemes, namely:

(i) **Women and Youth Empowerment Scheme**

This shall bear core relevance to training, skills acquisition, technology acquisition, productivity improvement, credit delivery, technology development and enterprise promotion.

ii. **Rural Infrastructure Development Scheme**

This shall address the provision of portable and irrigated water supply, transport, roads, water points, farm land development, grazing reserves and agricultural/forest plantations.

iii. **Social Welfare Services Scheme**

This shall have its main emphasis on the provision of acceptable levels of education, health, public and recreational centers, clean environment, secured food availability, agricultural inputs, micro and macro credits and telecommunication facilities, mass transit modes, and maintenance culture.

iv. **Natural Resources Development and Conservation Scheme**

This shall intervene mainly creating an enabling and acceptable environment to harness agricultural resources, water and solid mineral resources and conservation of land and space particularly for the convenient and effective utilization by small-scale operators and local residents.

5.5.5 The entire poverty eradication initiative of the Federal Government shall therefore be centered on empowering Nigerians particularly the unemployed, women and youth; developing the infrastructure particularly in rural areas; providing adequate social and welfare services; and a sustainable development and conservation of both agricultural and mineral resources.

Chapter Six

POLICY FRAME WORK AND INSTITUTIONAL ARRANGEMENT

6.1.0 INTRODUCTION

The renewed strategy for poverty eradication, which recognizes the gaps created by the absence of a focal point for monitoring and evaluation, effective coordination and impact assessment in previous efforts, requires institutional reorientation and reform not only to empower the communities to play a major role but to avoid mistakes of the past. In this wise, relevant principles to guide the actions of institutions and a focal point for coordinating the poverty eradication activities targeted at the disadvantage group, is desired.

6.1.1 Arising from the new orientation, the policy framework for poverty eradication shall be built around ten guiding principles. These are:

- a) Mandates and targets for poverty eradication are clustered under measurable strategies;
 - i. Empowering Nigerians particularly the unemployed, women and Youth
 - ii. Developing the Infrastructure particularly in rural areas
 - iii. Providing adequate Social and Welfare Services; and
 - iv. Sustainable Development and Conservation of Natural Resources;
- b) Programmes shall be demand-driven: Communities shall have responsibility for identifying and prioritizing their own programmes;
- c) Community Participation: Communities shall participate in all aspects of the project cycle;
- d) Decentralization of Decision making: The decision making process shall be as participatory as possible;
- e) In order to impact profoundly and positively on lives of Nigerians, the poverty eradication activities of Government shall be grassroots-focused Agencies with clearly defined mandates and targets;
- f) Emphasis shall be placed on complementation collaboration and coordination between the various tiers of Government on the hand and between Government, Donor Agencies, NGOs and local communities on the other;

- g) A multi-sectoral implementation structure, with an effective coordination, monitoring and evaluating organ, shall be essential in order to ensure cost effective delivery of targets with optimal social benefits;
- h) Empowerment of local Communities: Local Communities shall be given the opportunity to acquire skills and resources to develop themselves;
- i) Minimum bureaucracy: There shall be minimum bureaucracy in the operation of poverty eradication projects; and
- j) The role of government shall be to facilitate, coordinate, sensitize and mobilize people and resources for poverty eradication.

6.2.0 ORGANISATIONAL STRUCTURE

6.2.1 Based on the new orientation, an effective institutional arrangement shall be put in place for the poverty eradication programmes. These include:

- a) The National Poverty Eradication Council (NAPEC) with relevant representation from sectoral Ministries and Agencies;
- b) The Poverty Eradication Coordination Committees at Federal and State Government levels;
- c) The National Assessment and Evaluation Committee (NAEC);
- d) The Poverty Eradication Programme Secretariats at the Federal and State Government levels;
- e) The Monitoring Committees at the Local Government level, and
- f) The core implementing Ministries and Agencies.

6.3.0 NAPEC: STRUCTURES AND FUNCTIONS

The National Poverty Eradication Council (NAPEC), shall formulate policies and coordinate activities of all national poverty eradication programmes and initiatives.

6.3.1 Composition of NAPEC

The composition of NAPEC shall be as follows:

Chairman:	The President, Commander-in-Chief
Vice Chairman:	The Vice President
Secretary:	Secretary to Government of the Federation, SGF
Other Members:	Ministers of the following ministries with direct mandates on poverty eradication:
	i. Agriculture and Rural Development

- ii. Education
- iii. Health
- iv. Water Resources
- v. Works and Housing
- vi. Employment, Labour and Productivity
- vii. Women Affairs and Youth Development
- viii. Environment
- ix. Finance
- x. Power and Steel
- xi. Science and Technology
- xii. Industry
- xiii. Solid Minerals
- xiv. National Planning Commission; and
- xv. The Federal Coordinator of Programmes

6.3.2 Functions

NAPEC shall:

- a. Formulate policy and review all policies and strategies of Government designed to alleviate and eradicate poverty;
- b. Set annual targets for institutions and agencies of Government mandated to undertake such programmes, as well as monitor the attainment of such targets;
- c. Mobilise and allocate resources for approved programmes;
- d. Establish the legislative and constitutional framework for the successful implementation of these programmes;
- e. Approve and establish the proper administrative instruments necessary to ensure the implementation and success of poverty eradication and eradication programmes; and
- f. Monitor the functions of the Coordination Committees.

6.4.0 NATIONAL COORDINATION COMMITTEE

A National Coordination Committee shall be established under the Presidency to implement and execute the directives and policy initiatives of the National Poverty Eradication Council (NAPEC).

6.4.1 Composition of National Coordination Committee-

Chairman: - A Federal Coordinator of Programmes to be approved by The President, Commander-in-Chief

- Secretary: Designated Permanent Secretary from the Office at the SGF
- Other Members: - Representatives from the relevant Federal Ministries not below the rank of a Director
- President of the Nigerian Guild of Editors
 - President of the Nigerian Labour Congress.

6.4.2 Functions

The Coordination Committee shall, among other things:

- a. Ensure the implementation of the policies and decisions of the NAPEC;
- b. Collate and vet the programmes submitted by various implementing agencies, make preliminary approvals and submit same to NAPEC for necessary changes and final ratification;
- c. Document poverty eradication and eradication activities at all levels of Government;
- d. Relate with Community Based Organizations (CBO) and NGOs in order to facilitate the development of their capabilities as well as foster partnership with them;
- e. Coordinate and document the contributions of international donor agencies as well as the private sector in poverty eradication and eradication programmes;
- f. Undertake a periodic assessment of programme implementation and prepare reports accordingly for submission to NAPEC;
- g. Set up such other sub-committees as may be required; and
- h. Do such other things and carry out such other directives as may be given from time to time by NAPEC.

6.5.0 THE NATIONAL ASSESSMENT AND EVALUATION COMMITTEE (NAEC)

To ensure the proper positioning of the Poverty Evaluation Programmes within the national economy and social policies of Government, an Assessment and Evaluation Committee shall be established.

6.5.1 Composition

The Committee shall be composed as follows:

- Chairman - The Vice President:
- Secretary: - The National Planning Commission

- Other Members:
- Representatives from the following
 - The Economic Policy Coordination Committee (EPCC)
 - The National Economic Intelligence Committee (NEIC)
 - The Federal Coordinator of Programmes
 - Federal Office of Statistics (FOS)
 - NAPEC
 - World Bank (Nigeria)
 - UNDP (Nigeria)
 - European Union (Nigeria) and
 - NGOs

6.5.1 Functions

- a. Monitor the achievement of set targets and assess the impact of programmes on target groups;
- b. Prepare evaluation reports for NAPEC.

6.6.0 SECRETARIAT OF THE NAPEC

There shall be established a National Secretariat for The National Poverty Eradication Council (NAPEC), which shall be administered by the Federal Coordinator of Programmes.

6.6.1 Functions of the Secretariat:

- a. Providing administrative services;
- b. Ensuring the implementation of the policies and other decisions of NAPEC;
- c. Monitoring and evaluation of programmes; and
- d. Documentation of the various poverty eradication programmes

6.6.2 Structure of National Secretariat

The Secretariat shall comprise a limited crop of professionals and support staff and shall be divided into three main Directorates:

1. Programmes and Budget
2. Monitoring
3. Public and Government Relations or Outreach Services.

A Director shall head each Directorate.

6.7.0 STATE COORDINATOR COMMITTEE

The National Coordination Committee shall establish State Coordination Committees in all the State and FCT in order to coordinate and supervise the execution of programme under the National Poverty Eradicator Council (NAPEC)

6.7.1 COMPOSITION

The composition of the committee is as follows:

- Chairman: - A State Coordinator of Programmes to be appointed by Mr. President
- Other Members: - Head of Unit from the relevant Federal Ministries in the States
- State Director of the NDE
 - State Director of NYSC
 - State Director of UBE
 - State Director of SMIDA, NACRDB
 - State Director of NBI
 - State Director of NPHCDA
 - State Director of FMBN
 - State Director of NEPA, State Chairman of the Nigerian Labour Congress; Three representatives from the State Governments (one from each Senatorial District) - State Chairman of Nigerian Union of Journalists, Representatives of donor agencies and private sector organizations who are funding any programme in the State, and
 - Representative of the State Council of Traditional Rulers.

6.7.2 Functions

The State Coordination Committee shall:

- a. Coordinate, supervise and monitor the implementation of Federal Government programmes in the State;

- b. Provide the mechanism for collaboration between the Federal, State and Local Governments, as well as with international donor agencies, NGOs and private sector organizations;
- c. Consider and advise on all matters relevant to the successful implementation of the programmes;
- d. Consider and make recommendations on new programme initiatives;
- e. Prepare and submit Monthly Reports to the Federal Coordinator.

6.8.0 LOCAL GOVERNMENT MONITORING COMMITTEE

The Local Government Monitoring Committee shall be established in all the Local Government Areas within each State.

6.8.1 Composition

Chairman:

The Local Government Chairman

Other Members:

- i. The Local Government Vice Chairman,
- ii. Representatives of the Traditional Rulers in the Local Government Area,
- iii. All Supervisory Councilors, and
- iv. Representatives of donor agencies, NGOs and private organizations operating in the LGA.

6.8.2 Functions

The sole responsibility of this Committee shall be to:

- a. Monitor the implementation of the poverty eradication programmes within their localities and prepare briefs for the State Coordinating Committee;
- b. Propose new programmes; and
- c. Ensure that the scope, implementation strategies and objectives identified by NAPEC are strictly adhered to within these localities.

6.9.0 ROLES OF NGOS/CBOS

- I. To participate in various facets and at various levels of coordinating and implementing poverty eradication programmes and projects either on their own or in collaboration with other public sector agencies.

6.10.0 ROLES OF THE PRIVATE SECTOR

- i. private sector should invest in the poverty eradication activities in collaboration with NGOs and public sector agencies
- ii. Organizing of small scale artisans by NASSI to ensure good quality goods to attract appropriate pricing.
- iii. Should position itself to assist the small scale entrepreneurs to mobilize themselves into productive ventures
- iv. Enhance the adoption of relevant appropriate technologies with a view to enhancing standard industry practices, products, and enforcement of professional ethics.

6.11.0 ROLES OF THE INTERNATIONAL AGENCIES

- i. Capacity building and technical support for National Poverty Eradication initiative
- ii. Providing resources for viable projects
- iii. Providing access for relevant international practices and experiences
- iv. Advocacy role among the international community
- v. Capacity building at all levels
- vi. Provide management information systems

Chapter Seven

FUNDING

7.1.0 INTRODUCTION

Funding for poverty eradication activities shall be derived from diverse sources; both internal and external. From the outset, emphasis shall however be focused on internal sources of fund.

7.2.0 SOURCES OF FUNDS

The Schemes shall be funded from two main sources - internal and external.

7.2.1 INTERNAL SOURCES

Internally, funds shall be sourced from the following:

- i. Withholding Tax On Contracts (WHTC),
- ii. Petroleum Technology Development Fund (PTDF),
- iii. Funds Recovered from Treasury Looters (FRTL),
- iv. Education Tax Fund (ETF), and
- v. Budget allocation.

It shall be noted that relevant Acts and Decrees on some of these sources shall be amended to allow the allocation and utilization of the funds for poverty eradication purposes.

7.2.2 EXTERNAL SOURCES

The Schemes must be empowered to solicit independent sources of funds from International Donor Agencies (IDM); Community Banks (CBs); Corporate Bodies; and Non-Governmental Organizations (NGOs).

7.3.0 FUND ADMINISTRATION

For the effective administration of the contribution from the diverse sources including the 3 tiers of Government, a Poverty Eradication Fund (PAF) shall be established and domiciled in the NAPEC.

Chapter Eight

CONCLUSION

Given the government professed determination to revive the economy, the achievements of macroeconomic targets and effective direct intervention activities would be made possible through the implementation of the Poverty Eradication Policy. The policy-aside from addressing mass poverty, would also serve as a veritable tonic for the overall government developmental efforts in both short and long terms.



S/N	ACCRONYM	MEANING
1.	ADP	Agricultural Development Project
2.	APAC	African Population Agenda Council
3.	ADPSs	Agricultural Development Programme
4.	ACGSP	Agricultural Credit Guarantee Scheme Fund
5.	BHSSs	Basic Health Services Scheme
6.	B.L.R	Buyer of Last Resort
7.	CBPRP	Community Based Poverty Reduction Project
8.	CCA	Common Country Assessment
9.	CBRDOs	Community Based Rural Development Organisation
10.	CHIEW	Community Health Extension Workers
11.	DFPRI	Directorate of Food, Roads and Rural Infrastructure
12.	DFID	Department for International Development
13.	DCDPA	Department of Community Development and Population Activities
14.	DC	Disease Control
15.	EDP	Enterprenuership Development Programme
16.	FACU	Federal Agricultural Coordinating Unit
17.	FEPA	Federal Environmental Protection Agency
18.	FUMTS	Federal Urban Mass Transit Agency
19.	FEAP	Federal Economic Advancement Programme
20.	FAO	Food and Agriculture Organisation
21.	FSP	Family Support Programme
22.	FGN	Federal Government of Nigeria
23.	FMWH	Federal Ministry of Works and Housing
24.	FDRD	Federal Department of Rural Development
25.	FMARD	Federal Ministry of Agricultural and Rural Development
26.	FOS	Federal Offices of Statistics
27.	HDI	Human Development Index
28.	IDC	Industrial Development Centres

29.	IGO	Inter-Government Organisation
30.	IFAD	International Fund for Agricultural Development
31.	ILO	International Labour Organisation
32.	IDA	International Development Association
33.	MAN	Manufacturers Association of Nigeria
34.	MIS	Management Information System
35.	MIFIs	Micro-Finance Intermediaries
36.	NACB	Nigeria Agricultural Cooperative Banks
37.	NDE	National Directorate of Employment
38.	NCNE	National Commission for Nomadic Education
39.	NCML	National Commission for Mass Literacy
40.	NBCB	National Board for Community Banks
41.	NPHCA	National Primary Health Care Agency
42.	NALDA	National Agriculture Land Development Authority
43.	NASSI	National Association of Small Scale Industrialists
44.	NACC	National Association of Chambers of Commerce
45.	IMA	Industries Mines and Agriculture
46.	NAWE	National Association for Women Entrepreneur
47.	NAFPP	National Accelerated Food Production Programme
48.	NIDB	Nigeria Industrial Development Bank
49.	NBCI	Nigeria Bank for Commerce and Industry
50.	NERF	Nigeria Economic Reconstruction Fund
51.	NAIC	National Agricultural Insurance Corporation
52.	NCMLAE	National Commission for Mass Literacy Adult and Non- Formal Education
53.	NPHCDA	National Primary Health Care Development Agency

54.	NCWD	National Centre for Women Development
55.	NBRRI	Nigeria Building and Road Research Institute
56.	NPAC	National Poverty Alleviation Council
57.	NGOs	Non-Governmental Organisations
58.	NACRDB	Nigeria Agriculture Cooperative and Rural Development Bank
59.	NPC	National Planning Commission
60.	OFN	Operation Feed the Nation
61.	ODA	Overseas Development Agency
62.	PAF	Poverty Alleviation Fund
63.	PAP	Poverty Alleviation Programme
64.	PBN	People Bank of Nigeria
65.	PAFA	Population Activities Funds Agency
66.	PHC	Primary Health Care
67.	PAPDC	Poverty Alleviation Programme Development Committee
68.	PCU	Project Coordinating Unit
69.	PAC	Poverty Alleviation Council
70.	RRA	Rapid Rural Appraisal
71.	RFA	Rapid Field Appraisal
72.	RMC	Rural Model Community
73.	RBDA	River Basin Development Authorities
74.	SON	Standard Organisation of Nigeria
75.	SMIDA	Small and Medium Industries Development Agency
76.	SMEs	Small and Medium Enterprises
77.	SGR	Strategic Grains Reserve Programme to Conserve
78.	TOT	Training Of Trainers
79.	TICs	Technical Inter-Ministerial Committee
80.	TBA	Traditional Births Attendants
81.	UPE	Universal Primary Education
82.	UNDP	United Nation Development Programme
83.	UNFPA	United Nations Fund for Population Activities
84.	UNFW	United Nation Fund for Women

85.	UNID	United Nations Industrial Development
86.	UNICEF	United Nations Children Fund
87.	UNESCO	United Nations Education Scientific and Cultural Organisation
88.	UNAIDS	United Nation Aids Programme
89.	UTF	Unilateral Trust Fund
90.	USIS	United States Information Services
91.	USAID	United States Agency for International Development
92.	UNDS	United Nation Development System
93.	UBE	Universal Basic Education
94.	VAT	Value Added Tax
95.	VEA	Village Extension Agent
96.	WHO	World Health Organisation

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