Tackling the Wicked Problem of Poverty in Nigeria: Strategies for State Governments

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Abstract
Poverty incidence, a wicked problem in Nigeria, has been a source of worry to major stakeholders, especially the government and the masses. Having practically taken over the powers of local governments, the state governments are next in rank in terms of closeness to the grassroots. The objectives of the paper are to examine the measurement and profile of poverty in Nigeria, identify the causes and consequences of poverty, and suggest some pragmatic poverty alleviation strategies for state governments in Nigeria. The paper identifies the causes of poverty to include underdevelopment, inequality, increasing unemployment, teeming population, corruption, mono-cultural economy, laziness and poor education system. It also pinpoints the spate of armed robbery, kidnapping for ransom, internet fraud, terrorism and other forms of fraudulent activities as consequences of poverty in Nigeria. The paper suggests poverty alleviation strategies which include: inclusive growth, human capital development, provision of basic social services, result-oriented integrated rural development, public works and sustainable livelihood. However, to achieve optimal results, the paper emphasizes a combination of these strategies, and recommends that state governments must: demonstrate political will, be gender-sensitive and ensure professional management of poverty alleviation schemes as goal-oriented programmes in order to fast-track sustainable development in Nigeria.

Keywords: Poverty, Wicked Problem, Causes, Consequences, Strategies.

1.0 Introduction
Globally, an estimated 1.374 billion people live on less than $1.25 per day when measured at 2005 United States purchasing power parity, and some 2.6 billion — close to 40 percent of the world’s population live — live on less than $2 per day (Todaro and Smith, 2011). According to the National Bureau of Statistics, NBS (2012), poverty incidence, i.e. the proportion of the population living below the poverty line, increased from 27 percent (or 17.1 million people) in 1980 to 69% (i.e. 112.47 million people) in 2010. NBS (2012) also estimated that as at 2011 poverty incidence in Nigeria had increased to 71.5%! World Bank (2001) summarizes the various dimensions of poverty as a lack of opportunity, lack of empowerment and a lack of security. The window of opportunity remains closed to the poor masses, and this makes them practically inactive in the society. Their lack of empowerment limits their choices in almost everything and their lack of security makes them vulnerable to diseases, violence and so on.

Although successive administrations at the federal and state levels have designed various programmes or partnered with the private sector on poverty reduction in Nigeria; paradoxically, the proportion of poor people is not only high but also increasing. The growing incidence of poverty, therefore, indicates that the phenomenon is a wicked problem in Nigeria. A wicked problem can be described as a problem that is difficult or impossible to solve because of incomplete, contradictory and changing requirements that are often difficult to recognize. The use of the term “wicked” here has come to denote resistance to resolution rather than evil (Australian Public Service Commission, 2007). Rittel and Webber (1973) formally contrast wicked problems with “tame” or soluble problems.
Poverty has been described as a multidimensional phenomenon. Some of the past poverty alleviation programmes designed by the federal government at various times include the following [see Abayomi & Omoyeni (2015), Evbuomwan, Ikpi, Okoruwa & Akinyosoye (2013) NBS, (2012) and CBN Briefs, 1992 to 2006, for details]:

- Promotion of Rural Banking which commenced in June 1977 -31st July, 1989;
- The Agricultural Credit Guarantee Scheme Fund (ACGSF) which took off in April, 1978;
- The Bank of Agriculture (BOA) set up in October 2000 as an amalgam of the old Peoples Bank of Nigeria (PBN), Nigerian Agricultural and Cooperative Bank (NACB) and Family Economic Advancement Programme (FEAP);
- The Bank of Industry (BOI) set up in 2000 as a combination of the former Nigerian Industrial Development Bank (NIDB) established in 1964, the Nigerian Bank for Commerce and Industry (NBCI) and the National Economic Reconstruction Fund (NERFUND);
- The N5 billion Dangote Fund for MSME’s;
- The Youth Enterprise with Innovation in Nigeria (YouWin) Programme;

The remainder of this paper is organized as follows: section two covers the literature review, measurement and profile of poverty in Nigeria while section three reviews the causes and consequences of poverty. Section four examines the poverty alleviation strategies for state governments while section five concludes the paper. This paper attempts to add immense value to the extant literature on poverty analysis in Nigeria, and provide a blueprint for government and policy makers in their bids to enhance people’s welfare.

2.0 Review of Literature

2.1 Theories of Poverty

There are two popular theories that discuss poverty on the basis of its triggers viz:

2.1.1 Individual/Cultural Theory of Poverty

This theory was put together by Oscar Lewis in 1966 (Ogbeide & Agu, 2015). The theory holds that individuals are the causes of their poor state. Individuals are poor either because they inherited it or they are lazy, not educated, single parent, young parent, single female headed family and many more which make them unable to compete for economic opportunities or a combination of them. These attitudes of the individual that made them poor, becomes a way of life/ culture for them which they pass on to the next generation leading to a “vicious cycle of poverty” (Jordan, 2004). This theory is however still controversial among scholars of poverty and policy makers (Ogbeide & Agu, 2015).

2.1.2 Structural/Economic Theory of Poverty

The major proponent of this theory is Rainwater Lee (Ogbeide & Agu, 2015). This theory is premised on the fact that poverty is as a result of the structure of the economy. Among these factors are different employment level and the nature of the distribution of income. Thus, an individual is poor not because he is not hard working, but because he does not have the opportunity to work. He is made poor as a result of the economy’s asymmetric distribution of income (Jordan, 2004).
2.2 The Measurement and Profile of Poverty in Nigeria
This section is discussed under two sub-headings as follows:

2.2.1 Poverty Measurement
Poverty can be measured using the head count ratio which is based on the ratio or percentage of the number of individual or household whose income are not equal to the poverty line to the total number of individuals or households (Bardhan, 1973; Ahluwalia, 1976; Ginneken, 1980). Another method of measuring the intensity of poverty is the “income-gap” ratio. Here the deviation of the poor’s incomes from the poverty line is averaged and divided by the poverty line or expressed as its percentage (World Bank, 1980).

The body statutorily charged with the measurement of poverty in Nigeria, the National Bureau of Statistics (NBS), while it also adopts the approaches discussed above, emphasizes six additional approaches in the specification of the poverty line. Poverty Line is a measure that divides the poor from non-poor (NBS, 2012). Using the mean per capita household expenditure one-third of it gives (separate) the extreme or core poor from the rest of the population while two-third of the mean per capita expenditure separate the moderate poor from the rest of the population. The addition of the core poor and moderate poor gives the poor population while the non-poor are the proportion of the population having greater than two-third of the mean per capita expenditure.

In the course of computing the poverty profile for Nigeria using the Harmonized Nigeria Living Standard Survey 2009/2010, the NBS (2012) adopted the approaches discussed below. For clarity of this report, it is necessary to state the different measures and what they translate in monetary terms as at 2010 as compiled by the NBS (2012) since it adopts money-metric measure of poverty.

The poverty lines for each of the measures are as follows:

i. Food Poverty line is N39, 759.49. This Food Poverty is an aspect of Absolute Poverty Measure which considers only food expenditure for the affected Households.

ii. Absolute Poverty line is N54, 401.16. This is the second step in Absolute (Objective) Poverty measure. Here, this method considers both food expenditure and non-food expenditure using the per capita expenditure approach.

iii. The Relative Poverty line is N66, 802.20. This line separates the poor from the non-poor. All persons whose per capita expenditure is less than the above are considered to be poor while those above the stated amount are considered to be non-poor.

iv. The Dollar Per day Poverty line is N54, 750.00 This measures, consider all individuals whose expenditure per day is less than a dollar per day using the exchange rate of Naira to Dollar in 2009/2010.

v. The Subjective Poverty Measure is the perception of the citizenry. It is neither related to Per Capita Expenditure of household nor the Country adult-equivalent scale.

vi. Another critical measure of poverty is the Gini Coefficient (Inequality Measurement). This measure can explain the spread of income or expenditure yet cannot explain increase or decrease in the number of individuals or persons in poverty (NBS, 2012).

2.2.2 Poverty Profile in Nigeria
According to a survey carried out by NBS (2012) on the basis of geopolitical zone, using the relative poverty measure, the North West had the highest poverty incidence (77.7%) closely followed by North East (76.3%) while the south west had the lowest poverty incidence which stood at 59.1% in 2010 (Table 1).

Despite the fact that the Nigeria was one of the fastest growing economies in the world a few years back, the proportion of Nigerians living in poverty has been increasing yearly. For instance, the poverty incidence (i.e. the proportion of the population living below the poverty line) increased from 27% in 1980 to 69% in 2010 and this was estimated to have increased to 71.5 % in 2011 (NBS, 2012).
Table 1: Zonal Incidence of Poverty by Different Poverty Measure

<table>
<thead>
<tr>
<th>Zone</th>
<th>Food Poor</th>
<th>Absolute Poor</th>
<th>Relative Poor</th>
<th>Dollar Per Day</th>
</tr>
</thead>
<tbody>
<tr>
<td>North Central</td>
<td>38.6</td>
<td>50.5</td>
<td>67.5</td>
<td>59.7</td>
</tr>
<tr>
<td>North East</td>
<td>51.5</td>
<td>69.0</td>
<td>76.3</td>
<td>69.1</td>
</tr>
<tr>
<td>North West</td>
<td>51.8</td>
<td>70.0</td>
<td>77.7</td>
<td>70.4</td>
</tr>
<tr>
<td>South East</td>
<td>41.0</td>
<td>58.7</td>
<td>67.0</td>
<td>59.2</td>
</tr>
<tr>
<td>South-South</td>
<td>35.5</td>
<td>55.9</td>
<td>63.8</td>
<td>56.1</td>
</tr>
<tr>
<td>South west</td>
<td>25.4</td>
<td>49.8</td>
<td>59.1</td>
<td>50.1</td>
</tr>
</tbody>
</table>


The state by state poverty profile is equally worrisome. The state with the highest relative poverty as at 2010 was Sokoto with 86.4%. Other states with extremely high relative poverty include Bauchi (83.7%), Adamawa (80.7%), Ebonyi (80.4%). Anambra and Enugu States had relative poverty indices of 68.1% and 72.1% as at 2010 (NBS, 2012). Niger State had the lowest relative poverty of 43.6% as at 2010 (NBS, 2012), which is also considered high. Hence, a lot needs to be done by state the governments with a view to reducing poverty in Nigeria.

2.3 Brief Empirical Literature

A number of literatures have accumulated on poverty related issues, especially since the early 1980’s. Taiwo (2012) emphasized poverty-reduction roles of microfinance institutions. These include: its use by government as a tool for poverty alleviation. They also generate employment through development of entrepreneurial products for the poor; and in countries with formal financial markets. such as Nigeria, microfinance institutions can be used as a way to attract the large unbanked markets which mainly consists of the poor.

In a study on the role of cooperative societies in poverty alleviation in Kaduna South Local Government Area, Atahiru (2007) recognized the major problems encountered by them to include: lack of funds, managerial inefficiency, limited access to credit facilities, substandard infrastructural facilities, low share capital and funds’ diversion in some cooperative societies by corrupt officials, among others.

Acceleration of poverty alleviation in developing countries has been a major concern of policy makers in these economies. Ravallion, Squire and Bruno (1999) opined that there are abundant evidences that policies designed to foster economic growth significantly reduce poverty, and that policies aimed specifically at alleviating poverty are also important. Besley (1994) took a short run perspective on programme design for alleviating poverty, assuming that income-earning abilities are fixed.

The study carried out by Ravallion (1997) concluded that in the presence of high inequality, poverty may still rise irrespective of the high growth. Aigbokhan (2000) analyzed the profile of poverty in Nigeria based on the structural policy reforms introduced in 1986 and the reversal carried out in January 1994. The study found evidence that poverty was higher among male-headed households, in rural areas, and in the northern geographical zones. It was also found that the country experienced positive real growth in the period with rising poverty and inequality thus the “trickle down” hypothesis was not supported.
While there are various other studies on poverty in Nigeria, it is noteworthy that results from the studies have been less consensual. This might be partly due to differences in samples used, study focus, poverty measurements adopted, model specifications and each country’s uniqueness.

3.0 Causes and Consequences of Poverty in Nigeria

Abayomi and Omoyeni (2015) identified underdevelopment, inequality, increasing unemployment, teeming population, corruption, mono-cultural economy, laziness and poor education system as causes of poverty in Nigeria. Poverty forces people to live under indecent conditions such as shanty, shackle, crowded homes or over-congested environments with its attendant health hazards. An unemployed person is prone to crimes. The spate of armed robbery, kidnapping for ransom, internet fraud, terrorism and other forms of fraudulent activities have been on the increase in recent times. Poverty also tends to increase corruption (a cause and a consequence), ritual killings, drug pushing, and increasing number of social miscreants. Poverty also leads to environmental degradation as it encourages unsustainable exploitation of natural resources. For instance, the rate of felling of trees for various uses (including use as firewood) exceeds the rate of tree-planting, which triggers desert encroachment and climate change. Poor people can hardly be expected to care about their environment as they are persistently faced with the constant battle for survival. Hence, the waste which persists in the urban centres in Nigeria, despite the monthly environmental sanitation exercise, is simply ignored by the vast majority of the poor. As a matter of fact, the poor see the filth as part and parcel of their environment and would consider “waste disposal a mere waste of time and even income” (Abayomi & Omoyeni, 2015). The above and other consequences result in human and environmental degradation, and short life expectancy which is currently put at 52 years (UNICEF, 2013).

4.0 Poverty Alleviation Strategies for State Governments in Nigeria

A number of poverty alleviation strategies have been advocated in the literature, practiced and tested by various countries, especially the developing ones. Some of these strategies are discussed in this paper for state governments’ implementation:

i. Inclusive Growth Strategy

The inclusive growth strategy is an indirect approach to poverty alleviation. This strategy was popularized by Ianchovichina, Lundstrom and Garrido (2009), among other scholars. Among the distinguishing factors of inclusive growth include the fact that it is focused on the “many” rather than the “few” and it is pro-poor. It is aimed at increasing the incomes of the people in the society which will invariably lift the poor above the poverty line. This strategy is deeply rooted in economic efficiency criterion. In the short run, the inclusive growth strategy tends to make income to be positively skewed while it is expected to exhibit a trickle-down effect in the long run. The inclusive growth strategy blends its growth-promoting policies with poverty focused strategies, and is directed at bringing the poor into the mainstream of economic development. This strategy presumes that there is no trade off between poverty and growth, and that the growth process should be accompanied with employment generation.

The merits of this strategy include the following: it is a necessary (though not a sufficient) condition for development, it enhances investor confidence in the economy thereby triggering increased investment, and it is pro-poor which implies that the lives of many households are impacted. A major demerit of this strategy is that it requires special skills that are not ubiquitous.

ii. Human Capital Development Strategy

Human capital theory suggests that education or training raises the productivity of workers by impacting useful knowledge and skills, and hence raises workers’ future income by increasing their life time earnings (Becker, 1993). This strategy is concerned with investment in education, health, nutrition and any other thing that would enhance individual’s productivity. This approach was used by the Asian Tigers and accounts for their accelerated economic progress. The Human Capital Development Strategy is premised on the complementarities between growth, poverty reduction and human capital development. For instance, a highly educated, well nourished
individual tends to be more economically productive than an illiterate, malnourished and disease-inflicted individual. The educated people also tend to have small and well-managed family sizes thereby moderating the growth rate of the population. The merits of this strategy include the fact that it is people-centred as it meets the basic needs of the people which enhances their productivity, and increases job mobility. However, this strategy is capital intensive and lack of adequate resources may hamper its effectiveness.

iii. Basic Needs Strategy
This strategy is otherwise known as the basic social services strategy. First, they include certain minimum requirements of a family for private consumption: adequate food, shelter and clothing, as well as certain household equipment and furniture. Second, they include essential services provided by and for the community at large, such as safe drinking water, sanitation, public transport, and health, education, and cultural facilities. A basic-needs-oriented policy implies the participation of the people in making the decisions which affect them through organisations of their own choice (International Labour Organization, 1976).
This entails guaranteeing generalized coverage of basic social services for the poor. It is in contrast with indiscriminate market forces and is designed to ensure that through improving access to education health, food and nutrition, shelter, the poor can have the human capital to access the opportunities available to them. This is not a direct investment in human capital but provision of basic social services which eventually affects human capital. The basic social services approach creates a good foundation for poverty reduction and development but it requires huge capital, technical expertise, and good institutional framework for its effective implementation.

iv. Result-oriented Integrated Rural Development Strategy
This strategy involves a simultaneous, holistic and inter-sectoral manipulation of all co-operant variables which could alleviate rural poverty. It encompasses all the above strategies but the attention is focused on the rural areas where the majority of the poor lives. Although gradual success is now being recorded in agriculture, increased attention must be focused on this sector with a view to reducing incidence of rural poverty. Investment in agricultural technology is imperative but it must be labour-augmenting rather than being capital intensive in order to provide employment for the large number of unemployed/under-employed rural dwellers. Affordable tools must be fabricated locally while the more expensive tools can be assembled locally with a view to reducing costs. Storage facilities should also be produced to avoid the perennial losses of excess farm products. This would facilitate the stabilization of rural incomes as income fluctuations in itself triggers poverty. If rural poverty is to be reduced, there must be a paradigm shift from the traditional hoe and cutlass technology agriculture to mechanized agriculture which enhances productivity. Good investment climate should also be created by the state governments with a view to encouraging the development of the industries in the rural setting in order to spur further development in agriculture.
The merits of this approach include the following: It focuses attention on the rural areas whereas most development strategies focus attention on the urban areas, and it is holistic in nature. Demerits of this approach include the fact there is lack of infrastructural facilities in the rural setting that could attract other co-operant variables, and no good institutional framework for its sustainability.

v. Sustainable Social Safety Net Strategy
This is a policy measure put in place to meet the needs of the most vulnerable people in the society such as women, single mothers, children, sick people, disable, the aged and the unemployed. Other measures that the state governments can put in place to reduce poverty include: issuance of food stamps, subsidized housing, subsidized food distribution for pregnant women, and food for infants, old age stipend schemes, workfare schemes, unemployment allowance, and welfare schemes for the widows, orphans, the sick, the disabled people and other vulnerable groups. However, people should be enlightened on the need to maintain small family sizes. This strategy is also used during the period of economic shocks or natural disasters to mitigate the adverse impact on the vulnerable people. The merits of this approach include the following: it narrows the inequality gap and gives the vulnerable people a sense of belonging in the society. Apart from the fact that this strategy is capital intensive, it has to be skillfully managed in order to avoid encouraging laziness.
vi. Public Works Programme Strategy
Keynes (1935) highlighted the importance of this approach. This involves addressing poverty by creating mass employment for people that really need jobs in the society (e.g. the graduates). This approach is deeply rooted in the fact that an idle hand is the devil’s workshop as employment generation greatly reduces crime rates and minimizes other social vices in the society. The strategy is also capital intensive and requires skilful management in order to prevent already employed people to take undue advantage of this programme.

vii. Good Governance Strategy
Probably, the most powerful approach in a developing country like Nigeria is the Good Governance Strategy. This approach refers to the way governments exercise power, and their daily administrative responsibility in ensuring optimal management of the state’s resources. The major components of this approach are transparency, accountability, responsibility and participation. There are several issues involved with bad governance in Nigeria. Wrong policies will produce wrong results, thereby putting the states in dire straits. The strategy eliminates or at least minimizes corruption, enhances investor confidence, and encourages foreign direct investment. This approach, however, requires a strong political will to undertake.

viii. The School Curriculum and Practical-Oriented Entrepreneurship Strategy
State governments need to integrate practical-oriented entrepreneurship into the school curriculum so that students can develop new skills. Some basic values (including saving habit) need to be inculcated in every child right from primary school. The power of compounding interest would translate little savings into a substantial amount by the time s/he becomes an adult who is about going into business. A higher proportion of cash gifts from family and friends should be saved by children. Since it is better to start a business in a small way while thinking big, such monies could augment whatever the government also lends him/her in the business, especially after undergoing the learning curve.

 ix. Sustainable Livelihood Strategy
A livelihood comprises the capabilities, assets (including both material and social resources) and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stresses and shocks, maintain or enhance its capabilities and assets, while not undermining the natural resource base (Scoones, 1998). Adapting the British Department for International Development’s (DFID’s) approach, Sustainable livelihood (SL) can be made effective in Nigeria by: first mainstreaming a set of core principles which determine that poverty-focused development activity should be people-centred, responsive and participatory, multi-level, conducted in partnership, sustainable, and dynamic. The second is by applying a holistic perspective in the programming of support activities, to ensure that these correspond to issues or areas of direct relevance for improving poor people’s livelihoods. A central element of DFID’s approach is the SL Framework, an analytical structure to facilitate a broad and systematic understanding of the various factors that constrain or enhance livelihood opportunities, and to show how they relate to each other (Krantz, 2001).

5.0 Conclusion and Recommendations
This paper identified poverty as a wicked problem in Nigeria as there has been no significant effect of the various poverty alleviation programmes on the increasing incidence of poverty. The paper discussed the theoretical and empirical literatures as well as the measurement and profile of poverty in Nigeria. It also reviewed the causes and consequences of poverty, and examined some pragmatic poverty alleviation strategies for state governments in Nigeria. The identified strategies include: inclusive growth, human capital development, provision of basic social services, result-oriented integrated rural development, the school curriculum and entrepreneurship, public works and sustainable livelihood. Since there is no one-cap-fits-all strategy, the state governments, the private sector, and other stakeholders need to collaborate and adopt a combination of strategies in order to minimize poverty in Nigeria thereby accelerating the country’s march towards sustainable development. To achieve this, the state governments must:
i. Demonstrate political will in their poverty alleviation programmes.

ii. Be gender-sensitive in their poverty alleviation programmes so that women can be adequately catered for.

iii. Treat poverty alleviation schemes as programmes and they should be managed by professional project managers.

References


