

# Implication of Leadership Change on Poverty Trends in Nigeria

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## Abstract

Nigeria has a great potential for economic growth ranging from enormous rich natural resources to a large population size significant for both domestic and foreign investments. However, the poverty rate in the country has grown beyond the imaginable threshold since the 1980s, despite high revenues from exports of crude oil. This study takes a descriptive overview of the poverty rate in Nigeria with reference to leadership change between 1980 and 2011. The results show a continuously increasing poverty rate within the period with the highest poverty rate estimated at 71.5%. The slide drop in the poverty rate to an average of 56.1% between 1999 and 2007 could be attributed to the measures taken by the government against administrative corruption, increased domestic and foreign investments, as well as some implemented agricultural policies. From the results, it can be inferred that the increase in the poverty rate in Nigeria, among other factors, could be attributed to inadequate and poorly implemented agricultural policies, political crisis and deep rooted administrative corruption worsened by high population growth and insecurity in the country. This study, therefore, recommends that the government should design a more transparent framework to help eradicate corruption among leaders in different sectors of the economy and focus more on agricultural development which has been the foundation of economic development and major means of livelihood of the majority of people in the country before the discovery of crude oil. It is also recommended that stakeholders in politics and the entire people of Nigeria should assist the government to maintain a secure, politically stable and safe economic environment to attract robust investments that would help improve the income and wellbeing of the people.

**Keywords:** Leadership change, poverty, poverty trends, poverty rate, Nigeria

## 1. Introduction

Poverty describes a state where the people are deprived of the good things of life, and deprives the people of the ability to achieve the desired state of wellbeing and socially acceptable standard of living (Omobowale, 2014). In other words, poverty reflects a deprivation in wellbeing, a state where people lack enough income and consumption to put them above some adequate minimum threshold, and involves lack of or poor access to food, healthcare and other basic necessities of life including shelter, sanitation, education and political freedom (WorldBank, 2012). It also depicts the disparity within an economy based on inequality, and indicates a dehumanizing condition that erodes human rights of the affected individual or a group of people (Kumi, *et al.*, 2013; Kamau and Ayuo, 2013).

Nigeria has a complex social and political history that has, for the most part, impacted adversely on the population and has worsened the income distribution within the economy, rendering the country vulnerable to increases in poverty over time (World Bank, 2011). Obayelu and Ogunlade (2006) noted that, Nigeria over the years has been faced with increasing widespread poverty and failed attempts to create sustainable policies to address poverty issues. The growing poverty issues in the country have raised a global concern, mainly because the poverty level is in contrast with the country's immense wealth. The country has great potential for economic growth, ranging from rich natural resources to a robust human capital (Ogbeidi, 2012; Ekpebu and Ukpong, 2012). In other words, it is a puzzle that Nigeria, which ranks eighth as the largest exporter of crude oil in the world and endowed with many other resources is classified among the poorest nations in the world, with the majority (more than 70 percent) of its population living below the poverty line (Oshewolo, 2011). The country's economic potential has been shaken by the unfortunate increase in terrorism, political violence, militancy and deep rooted administrative corruption. These have all-together brought about economic loss of unquantifiable proportion (Nwonu, Ojo and Odigbo, 2013). Poverty in the country has been attributed to a range of complex variables including failure of the agricultural sector to satisfy the needs of the growing population (Aigbe & Isiorhovoja, 2013; Bakare, 2013). Rapid population growth in Nigeria is also noted to be one of the factors causing increased poverty in the country. This is so; as population growth also poses a problem on economic planning and often leads to poverty if not properly managed (Ukpong, Ekpebu and Ofem, 2012). Other studies have blamed the poverty situation in Nigeria on corruption, poor education system, high rate of unemployment, income inequality, business failure, sickness and environmental degradation (Ucha, 2010; Obayelu and Ogunlade, 2006). The failure of various leadership regimes at various levels in the country is heavily linked to the persistent increase in poverty among the people. The failure is often characterized by poor economic policies,

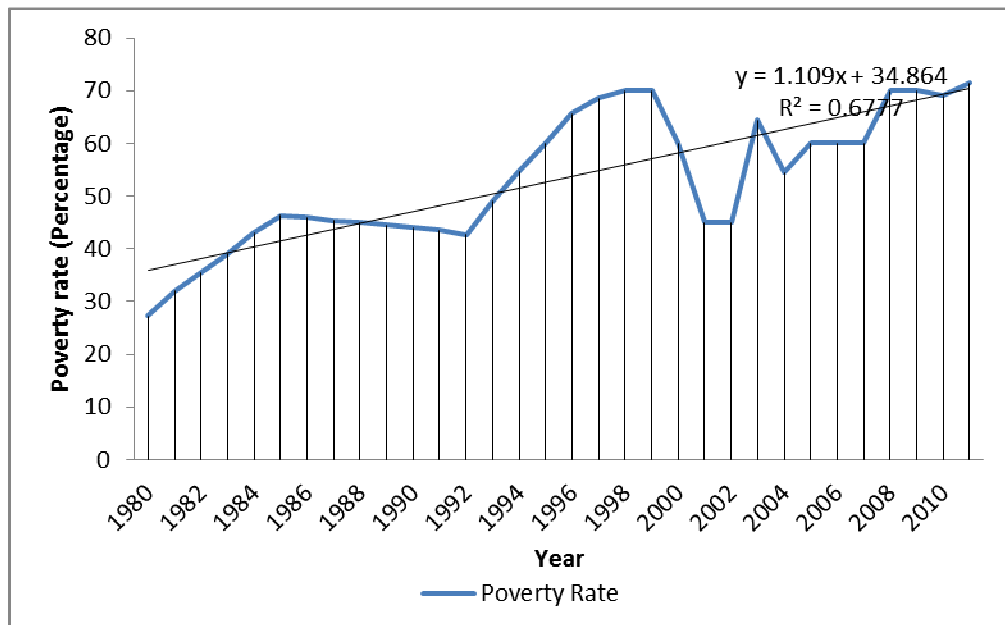
poor implementation of good policies and corruption. This is so because a good leadership is a product of good policies properly implemented to enhance improvement of the living standards of the people. Good and selfless political leadership has been an important factor that propel growth and development in a number of nations in the world. Over the years such good leadership has proven to be a scarce commodity in the case of Nigeria. It is therefore not surprising that Achebe (1984) argued that “the trouble with Nigeria is simply and squarely a failure of leadership. The failure of the political leadership class to efficiently manage the affairs and the wealth of the country had inevitably made life a nightmare for the majority of the ordinary Nigerians”. Such failure, which comprises of the post-independence political and military era had only succeeded in denying Nigerians access to quality living conditions. This is evident in the report by Ribadu (2007) where he claimed that the volume of development assistance running into \$400 billion that flowed into Nigeria for socio-economic development between independence and the collapse of military dictatorship in 1999 was squandered by the political leaders of the period. The mismanagement of such huge resources which is about six times the resources committed to the rebuilding of Western Europe after a devastating Second World War depicts the level of failure of the country’s leadership class towards achieving the objective of nation building. There is nothing basically wrong with the Nigerian character and its economic base such as, land, climate, water, air, and human capital. The problem with Nigeria seems to be the unwillingness and perhaps the inability of its leaders to rise to their responsibility and display accountability in their service to the people, which is the hallmark of true leadership (Ogbeidi, 2012). One could therefore boldly attribute the current socio-economic challenges facing the Nigerian state to the actions and inactions of the leadership class that has managed the affairs and wealths of the country since independence. This view is also shared by a number of previous studies (Bichi, 2002; Akanbi 2003; Fagbadebo 2007). Nigeria has had its fair share of both democratic governance and military rule spread over a period of about 51 years since 1963, with the democratic governance which has lasted for over 23 years with 6 years in the first republic (1960-1966), 4 years in the second republic (1979-1983) and the current fourth republic which is now over 14 years (1999 till date). On the other hand, the military rule has lasted for about 28 years beginning with 1966-1979 and then 1984-1999. During these periods, the country has been governed by 14 heads of state comprising 9 non-democratically elected and 5 democratically elected political leaders. Such high turnout of the country’s leadership implies varying programmes, policies and approach employed to bring about the needed development and more importantly improvement of the well being of the Nigerian populace. It is therefore expected that the different regimes would have approached such objective of nation building differently and hence achieved different results. Such claim is the motivation for this study, which tends to assess the poverty profiles of Nigeria under different leadership regimes. The implication of this descriptive assessment begs the question as to what leadership pattern is best suited for Nigeria. The study takes a look at possible causes of increasing poverty rate in Nigeria and assessed the policy framework and strategies adopted by the regimes to reduce poverty within the period 1980 and 2012. The growth of any economy depends on the success of necessary growth structures which must be guided by adequate government policies and proper implementation of programmes specifically focused on people’s wellbeing, sectorial development and overall economic growth. Whereas oil wealth should help leverage the poverty status of the people, there is a need to find out why Nigeria has done so badly in poverty reduction despite its rich natural resources. This study attempts to address these issues, and proffer recommendations based on its findings. The study, therefore, examines the poverty rate in Nigeria under various leadership regimes with the argument that the worsening poverty situation in the country is the product of various factors including poor leadership characterized by deep-rooted administrative corruption, abuse of power, as well as poor implementation of socio-economic policies by the government and failure of government to effectively address the livelihood problems in the country. It is expected that this study will also be useful to other African countries and countries in other parts of the world struggling with poverty issues despite great economic and natural potentials in the face of several leadership changes. The study also creates a basis for further reasoning as to what seems to be the best system of leadership for Nigeria and other countries that have had a mix of both military and democratic regimes, and have remained poor despite their rich natural and economic potentials. In addition, the study emphasizes the need for improvement in agriculture as a strategy for poverty reduction.

## 2. Materials and Methods

Data used for this study were mainly time series data on the poverty rate in Nigeria sourced from the Nigeria National Bureau of Statistics (NBS), spanning over the period 1980 and 2011. Information on the leadership regimes in Nigeria from 1980 to 2011 were sourced from the public domain of the Federal Government of Nigeria (FGN) website. The descriptive analyses such as means (averages), percentages, charts and graphs were used to present data on poverty rate and leadership regimes in Nigeria. The Excel model, 2011 was used to generate a trend relationship between years and the poverty rate in Nigeria.

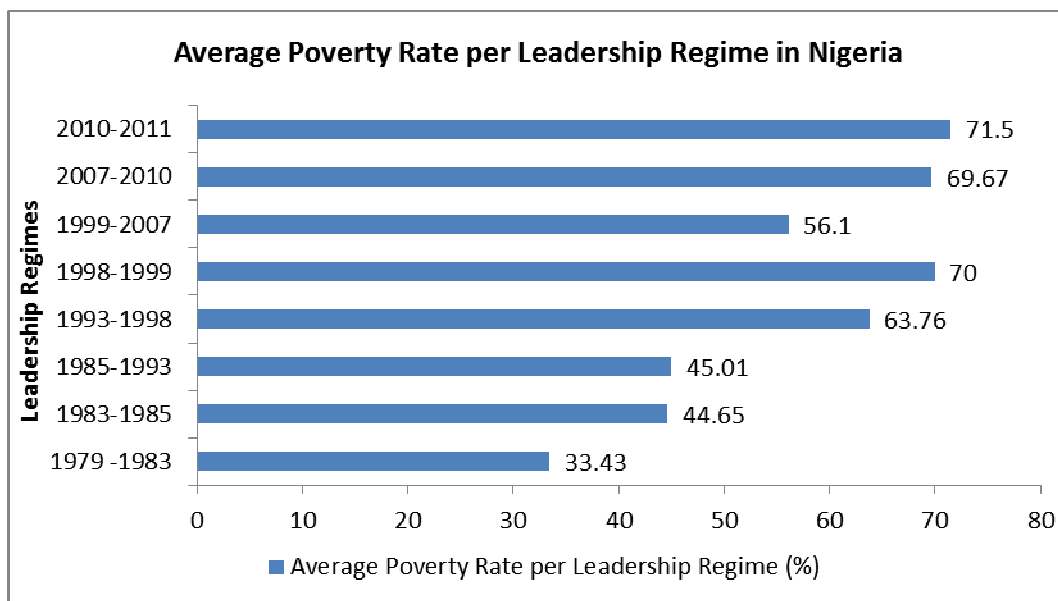
### 3. Results and Discussion

The poverty rate in Nigeria has increased since the 1980s, despite annual increase in revenues from crude oil exports and changes in leadership in the country. Figure 1; shows the graphical representation of the annual trend of poverty rate in Nigeria between 1980 and 2011.



Source: Nigeria National Bureau of Statistics (NBS).  
 Figure 1: Annual Trend of Poverty Rate in Nigeria (1980 - 2011)

The result shows a zig-zag and increasing trend in the poverty rate between 1980 and 2011. The poverty rate increased from about 27.2% in 1980 to an estimate of 71.5% in 2011. However, there were remarkable drop in the poverty rate in 1992 (42.7), 2001-2002 (45%) and 2004 (54.4%). From the result in figure 1, it can also be inferred that; in the 1980s (1980-1989), Nigeria had an average poverty rate of about 40.48%, and in the 1990s (1990-1999), the average poverty rate increased to about 56.68%. Between 2000 and 2009; the average poverty rate was estimated at 58.9%. In 2010 and 2011, the poverty rate was estimated at 69% and 71.5% respectively. Poverty in Nigeria is predominant in the rural areas, where the country’s largest population live (Omonona, 2010). These rural population depend almost solely on agriculture as their major source of livelihood (Nwachukwu and Ezech, 2007). However, the agriculture sector in the country has suffered a protracted neglect since the discovery and subsequent drilling of crude oil in the country, and has remained poorly developed with weak policies to promote profitable domestic farming (Ekpebu and Ukpong, 2012). It is therefore not capable of providing substantial income and cannot create a significant economic leverage and improvement in the wellbeing of the people. In other words, since agriculture is the main source of livelihoods of the rural population who constitutes the largest proportion of the country’s poor, increased poverty in Nigeria, is therefore, not unconnected with policy failures, especially policies to promote effective agricultural development which can enhance a better living standard of the people (Aigbokhan, 2000; Oshewolo, 2011). Nigeria, therefore, needs to maintain suitable policies to promote profitable agricultural production in the country; as investment in agriculture and technology would help provide more food, employment and income, hence, help to reduce poverty in the country. The study also assessed poverty rate in Nigeria based on the various leadership regimes, as shown in figure 2.



Source: Authors' computations from Figure 1.

Figure 2. Average Poverty Rate in Nigeria per Leadership Regimes

Figure 2, shows the trend of poverty based on the various leadership regimes in Nigeria within the study period (1980-2011). Nigeria has been experiencing an increasing trend in the poverty rate despite changes in leadership regimes over time; with an average poverty rate increased from about 33.43% during the Shagari's regime (1979-1983), to an average of 44.65% during the Buhari's regime (1983-1985). However, there was a remarkable increase in the poverty rate from an average of 45.01% during the Babangida's regime (1985-1993); to an average of 63.76% during the Sanni Abacha's military regime (1993-1998); which had a spill-over effect on the Abdulsalami Abubakar's administration (1998-1999); with a poverty rate of about 70%. The Abacha's regime heralded an era of tense socio-political disorder and autocratic governance preceded by notable cases of corruption and abuse of power; which affected Nigeria's foreign relations and investments; and resulted in the historic hike in poverty rate and poor national economic status during and after the regime (Rupert, 1998). The country, however, experienced a drop in the poverty rate to an average of 56.1% during the Obasanjo's democratic rule between 1999 and 2007; an improvement which could be attributed to the regime's aggressive fight against administrative corruption among leaders at different levels of government in the country, increased foreign investments and improvement in agriculture supported by government policies. There was, however, an abrupt increase in poverty to an average of 69.67% during the Yar' adua's regime between 2007 and 2010; during which the country witnessed another increase in political and socio-economic instability, characterized by youth restiveness and regional crisis worsened by the protracted poor health and subsequent death of the president; which affected certain critical policy decisions and implementation of his seemingly good economic reform agenda. The first one year of Goodluck Jonathan's regime (2010-2011) also recorded a hike in poverty rate estimated at 71.5%, as he battled with waves of political crisis, sectoral corruption and terrorism. On the whole, there seems to be no significant difference in the poverty trends in Nigeria when comparing the military and civilian regimes, which points to the fact that leadership change in Nigeria remains an experiment done with the same instruments. It is important that Leaders in the country also consider integrity, expertise and professionalism among very important factors in the selection of individuals to manage the affairs of the different sectors of the economy rather than mere political sentiments. Nevertheless, this study cannot specify the best leadership period in Nigeria using these limited analytical tools, but it is important to note that by observation, Nigeria has been worse-off since the 1980s, despite its bogus revenues from exports of crude oil, and several leadership regimes ranging from the military rule to the democratic dispensation. There is, therefore, a need for a continuous trend of leadership that would not only invest in identifying the problems of the people, but also ensure adequate measures and proactive strategies to tackle them.

#### 4. Conclusion

One major inference from this study is that poverty in Nigeria may have been from a myriad of complex factors, ranging from a continuously over bloated population growth and the neglect of the agricultural sector, to leadership failure characterized by mismanagement of national wealth, deep-rooted administrative corruption, socio-political crisis, terrorism and policy failures. Nigeria has a great potential for economic growth considering

its numerous natural resources, yet remains among the poorest countries on earth. The country therefore needs a sustainable growth framework guided with adequate policies and proper implementation of programmes that will bring about improvement in the economy with specific focus on people's livelihood and macro economic indices including employment, inflation, population and security, among others. The government also reserves the obligation to make suitable policies and provide an enabling economic platform for sustainable growth and investments that will help improve the wellbeing of the people. Nigeria with its enormous natural resources and economic wealth stands a better chance to take advantage of the enviable wealth and large population to attract numerous investments to develop its human capital, agriculture, and the industrial sector. These would not only improve the national income, but also provide employment and alleviate poverty among the people. Government policies and economic strategies should be designed with specific focus on the general population rather than make poorly monitored economic regulations to promote corruption and enrich specific political and business cronies, and accrue ill-gotten personal wealths at the expense of a better life for the majority of the people. Nigeria therefore needs leaders who are ready to sincerely target the livelihood problems of the people, mainly those in the rural areas, and invest in domestic agricultural production rather than food importation, develop and empower local content rather than promote the importation of goods which the country can produce, and make suitable policies using professional platforms with a dedicated fight against administrative corruption inherent in almost all sectors of government in the country. Above all, Nigeria can achieve a significant reduction in poverty if there is increased effort to promote technology, employment, agriculture and projects that will improve the wellbeing of the people, backed with significant reduction in corruption and proper management of public funds by leaders at all levels of the economy.

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