

Poverty Alleviation Strategies In Nigeria: A Call For An Inclusive Growth Approach

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Abstract

Nigeria is now Africa's largest economy and one of the six fastest growing economies in the world. Ironically, the standard of living of the generality of the Nigerian people is far below the Poverty line. About 69% of the population are classified as poor with over 60% living in absolute poverty. How can Nigerians be so poor in the midst of plenty? Indeed this is a paradox! This paper seeks to assess the various initiatives of the Nigerian government over the years towards tackling the incidence of poverty with a view to proffering a way forward. Employing a descriptive methodology, the study concludes that fostering inclusive growth is necessary to fast-track the progress in poverty reduction efforts. Thus, with the full complement of good infrastructure and efficient social services at both the urban and rural areas, it is absolutely imperative that government at all levels should promote a broad-based growth that generates productive employment, redistributes income, enhances equity and involves the active participation of the poor if the incidence of poverty is to be reduced in Nigeria.

Keywords: Poverty, Poverty Alleviation, Inclusive Growth, Development.

1.0 Introduction

Nigeria is now Africa's largest economy given the result of its recent rebasing exercise from a position of ₦42.4 trillion naira (\$270 billion) to ₦80.2 trillion naira (\$510 billion). Nigeria has enormous economic potential being the 6th largest oil Exporter in the world as well as playing host to a vast array of human and material resources. The country has a total land area of about 923,773km², varied vegetation and soil types suitable for a variety of agricultural product, large reserves of solid minerals including bitumen, topaz, lignite, coal, tin, columbite, iron ore, gypsum, barite and talc. The proven reserves of crude petroleum and natural gas which are prevalent in the southern area of the country are well over 37 billion barrels and 187 trillion standard cubic feet respectively. With a population of over 160 million people of diverse cultural backgrounds, Nigeria has enough potential to build a vibrant economy that can guarantee sustainable growth and development.

Furthermore, Nigeria is acclaimed to be one of the six fastest growing economies in the world having reportedly posted an average Gross Domestic Product (GDP) growth rate of 6% in the last decade. Ironically, this enviable position of the Nigerian state is a far cry from the realities that abound: Persistent high unemployment rate, abject poverty persistence and massive infrastructural decay. The standard of living of the generality of the Nigerian people is far below the poverty line. Access to the basic things of life like food, shelter, education, health and portable water has remained quite elusive for the average Nigerian. According to the Nigerian poverty profile published by the Nigerian Bureau of statistics in 2010, over 60% of Nigerians live on less than US\$ 1 per day. Specifically, about 69% of the population are classified as poor with over 60% living in absolute poverty. Table 1 shows an increase in the incidence of poverty in Nigeria from 27.2% in 1980 to 69% in 2010.

Table 1: Relative Poverty Headcount from 1980 – 2010.

Year	Poverty Incidence (%)	Estimated Population (Million)	Population in Poverty (Million)
1980	27.2	65	17.1
1985	46.3	75	34.7
1992	42.7	91.5	39.2
1996	65.6	102.3	67.1
2004	54.4	126.3	68.7
2010	69.0	163	112.47

Source: National Bureau of Statistics (2010)

Nigeria Poverty Profile published by the Nigeria Bureau of Statistics in 2010, over 60% of Nigerians live on less than US\$ 1 per day. Specifically, about 69% of the population are classified as poor with over 60% living in absolute poverty. Table 1 shows an increase in the incidence of poverty in Nigeria from 27.2% in 1980 to 69% in 2010.

How can Nigerians be so poor in the midst of plenty? Indeed this is a paradox and it is indicative of the fact that economic growth in Nigeria is non-inclusive as the country may have only attained what is known as growth without development. Inclusive growth is about the pace and pattern of growth. It is the growth that leads

to job creation and significant increases in the incomes of poor people. It is the growth that generates employment opportunities and reduces the depth and severity of the incidence of poverty. Rapid growth is necessary but not sufficient for poverty reduction.

On the other hand, development is defined in terms of the reduction or elimination of poverty, inequality and unemployment within the context of a growing economy. Development must therefore be conceived of as a multidimensional process involving major changes in social structures, popular attitudes, national institutions as well as the acceleration of economic growth, the reduction of inequality, and the eradication of poverty. (Todaro and Smith 2009). According to the Human Development Report (HDR) published by the United Nations Development Programme in 1990, the basic objective of development is to create an enabling environment for people to enjoy long, healthy and creative lives.

In Nigeria over the years, successive governments have initiated and implemented diverse policies and programmes as part of their development strategies aimed at poverty reduction. However, despite these efforts, the incidence of poverty persists, unemployment rate has increased and the Human development index ranking of 0.504 in 2013 placed the nation at 152 (out of 187 countries surveyed worldwide) and 22 (out of 52 countries surveyed in Africa) (UNDP, 2014).

What are the root causes of poverty in Nigeria? What are the policies and strategies deployed over the years to tackle the incidence of poverty in Nigeria? What were their shortcomings and why haven't they succeeded in reducing poverty to a considerably low level in Nigeria? How can Nigeria's growth become inclusive? These are the questions which this paper seeks to answer. Thus, the broad objective is to assess the various initiatives of the Nigerian government over the years towards tackling the incidence of poverty with a view to proffering a way forward. This study is very significant to the government, policy makers, private sector, citizenry, researchers and students as it is poised to unravel the root causes of poverty in Nigeria as well as to chart an effective path out of the paradox of poverty in the country. The methodology will be purely descriptive and analytical.

2.0 Literature Review

2.1 Conceptual Issues

2.1.1 Poverty: McConnell and Brue (2005) define Poverty as a condition in which a person or a family does not have the means to satisfy basic needs for food, clothing, shelter and transportation. The means include, currently earned income, transfer payments, past savings and property owned. The basic needs have many determinants, including family size and the health and age of its members. Field (2000) also defined Poverty as the inability of an individual or a family to command sufficient resources to satisfy the basic needs such as food, clothing, shelter, healthcare and other necessities of life. Furthermore, Oyemomi (2003a) describes Poverty as a state of lack or pronounced deprivation which may keep the people from living the kind of life that everyone values.

Defining Poverty in the human development perspective, poverty means that opportunities and choices most basic to human development are denied to lead a long, healthy, creative life and to enjoy a decent standard of living, freedom, dignity, self respect and the respect of others. (UNDP, 1997). Similarly, according to the World Bank (2001), poor people often lack adequate food and shelter, education and health, deprivations that keep them from leading the kind of life that everyone values. They also face extreme vulnerability to ill health, economic dislocation, and natural disasters. And they are often exposed to ill treatment by institutions of the state and society and are powerless to influence key decisions affecting their lives.

Frequently, Poverty is defined in either relative or absolute terms. Absolute Poverty measures in relation to the amount of money necessary to meet basic needs such as food, clothing and shelter. Relative Poverty defines poverty in relation to the economic status of other members of the society: people are poor if they fall below prevailing standards of living in a given societal context.

2.1.2 Inequality: Often times, poverty is closely related to inequality. Inequality refers to the relative welfare of different groups (Perkins, Redelet, Snodgrass, Grills and Roemer, 2001). Specifically, income inequality refers to the existence of disproportional distribution of total national income among household whereby the share going to rich persons in a country is far greater than that going to poorer persons (a situation common to most LDCs). This is largely due to differences in the amount of income derived from ownership of property and to a lesser extent the result of differences in earned income (Todaro and Smith, 2009).

According to Todaro and Smith (2009), the magnitude and extent of poverty in any country depend on two factors; the average level of national income and the degree of inequality in its distribution. Clearly for any given level of national per capita income, the more unequal the distribution, the greater the incidence of poverty. Similarly, for any given distribution, the lower the average income level, the greater the incidence of poverty. In most developing countries, the income share of the rich people increases with every increase in National income compared to the income share of the poor. Thus, the rich get richer and the poor get poorer.

2.1.3 Poverty Reduction and Economic Growth: Economic growth (the increase in the Gross Domestic Product (GDP) of a country) is a necessary but not sufficient condition for improving the living standard of large numbers of people in countries with low levels of GNP per capita (Perkins, et al, 2001). However, poverty reduction or alleviation is closely associated with per capita GNP or GDP (Perkins *et al*, 2001). According to Todaro and Smith (2009), it is not just the rate but also the character of economic growth (how it is achieved, who participates, which sectors are given priority, what institutional arrangements are designed and emphasized, etc.) that determines the degree to which that growth is or not reflected in improved living standards for the very poor. It is not the mere fact of rapid growth per se that determines the nature of its distributional benefits. More so, Perkins *et al*, (2001) explains that on the average across many countries, the incomes of the poor rise at virtually the same rate as GDP. Logically, if the income share of the poor rises with growth, their absolute income also must rise, since they then receive an increasing share of an increasing total.

2.2 The Theoretical Basis of Poverty

There are diverse theoretical perspectives that explain the causes of poverty. These theories include: the vicious circle of poverty theory, the power theory, Marxist theory, Classical theory and the Modern theory, to mention but a few. The Classical theory of poverty is based on the law of diminishing returns and it posits that a person can only be pulled out of the poverty gap if and only if the population growth is checked and the limit of growth is eliminated. Marxist theory relates poverty to the ownership of the means of production and the pattern of income distribution in the society. The Power theory asserts that the structure of political power in a given society determines to a great extent the incidence of poverty in such a society.

The vicious circle of poverty theory posits that poverty breeds poverty. According to Iniodu (1997), a poor individual is trapped in a vicious circle. The poor lack the basic means of livelihood to break out of poverty, thus they remain poor, they have high risk of illness, limited access to education, training and information. This results in low productivity, limited job opportunities, poor diet and poor health which brings the poor back to poor income. The modern theoretical approach views poverty as resulting from inequality in income distribution. However, for the purpose of this study, the relevant theories of poverty are the Marxist, vicious circle and modern theories.

3.0 Causes of Poverty in Nigeria

The causes of poverty in Nigeria are multi-dimensional. There is a preponderance of studies addressing the issue of poverty in Nigeria. For instance, Olowa (2012) highlights the causes of poverty in Nigeria to include: low or negative economic growth, inappropriate macroeconomic policies, deficiencies in the labour market resulting in limited job growth, low productivity and low wages in the informal sector and a lag in human resource development. Other factors are; increase in crime and violence, environmental degradation and retrenchment of workers.

Ucha (2010) identifies unemployment, corruption, non-diversification of the economy, income inequality, laziness and a poor education system as some of the key factors contributing to poverty in Nigeria. On the contrary, Ford (2007) links poverty in Nigeria to high crime rates especially in the Niger Delta region where there is a sharp contrast between the rich and the poor. Thus, the masses cause social unrest because the wealth obtained from their territory does not get to them. Furthermore, Garcia, Kohl, Ruengsorn and Zislin (2006) identified the causes of poverty in Nigeria to include: non-diversification of the economy from the oil and gas sector to more labour – intensive sectors, Lack of improvements in the health and education sector, instability of government revenue and crowding-out of agriculture.

Aluko (2003) highlighted the main causes of poverty in Nigeria to include:

- 1) Inadequate access to employment opportunities for the poor;
- 2) Lack or inadequate access to assets such as land and capital by the poor. This is often attributed to the absence of land reform and minimal opportunities for small-scale credit;
- 3) Inadequate access to the means of fostering rural development in poor regions, the preference for high potential areas and the strong urban bias in the design of development programmes is often assumed to be its primary cause;
- 4) Inadequate access to market for the goods and services that the poor can sell. This is caused by their remote geographic location or after factors;
- 5) Inadequate access to education, health, sanitation and water services. This emanates from inequitable social service delivery which consequently results in the inability of the poor to live a healthy and active life and take full advantage of employment opportunities;
- 6) The destruction of the natural resource endowments, which has led to, reduced productivity of agriculture, forestry and fisheries. This often resulted from the desperate survival strategies of the poor as well as inadequate and ineffective public policy on natural resource management.
- 7) The inadequate access to assistance by those who are the victims of transitory poverty such as

draught, floods, pests and war. This is brought about by lack of well conceived strategies and resources; and

- 8) Inadequate involvement of the poor in the design of development programmes. This is often exacerbated by the non-involvement of the representatives of the poor communities or beneficiaries in the discussion, preparation design and implementation of programmes that will affect them.

Summarily, key factors that have accentuated the incidence of poverty in Nigeria in recent times, include: Employment, Terrorism and Insurgency, Income inequality, Locational bias of development efforts, Non-diversification of the economy, corruption and geographical location.

- i) **Unemployment:** Widespread poverty persists in Nigeria because of joblessness. Employment in Nigeria is usually based on how connected you are with people in power and not on merit. According to National Bureau of statistics (NBS), the unemployment rate in Nigeria increased from 5.3% in 2006 to 21.10% in 2010 and further increased to an all time high of 23.9% in 2011.
- ii) **Terrorism and Insurgency:** In recent times, acts of terrorism and insurgency mainly because of religious or political intolerance have intensified the incidence of poverty in Nigeria. Terrorist and insurgent activities over the years have left the vulnerable regions (Niger Delta and North) very impoverished.
- iii) **Income Inequality:** Disparity in income distribution in Nigeria also causes widespread poverty. Between 2004 and 2010, the Gini coefficient (a measure of income inequality) for Nigeria increased from 0.4296 to 0.447 indicating a National percentage change of 4.1%. Table 2 below shows income inequalities broken-down by area of residence and geopolitical zone. Furthermore, Table 3 shows the inequality in the distribution income in Nigeria from 1980 to 2010. It shows that the highest 20% of the population comprising of senior public servants and politicians received a greater share of income compared to others.

Table 2: Income Inequality by Area of Residence and Geopolitical Zone for 2004 and 2010.

		2004	2010	% change from 2004 to 2010
National		0.4296	0.447	4.1
Area of Residence	Rural	0.4239	0.4334	2.2
	Urban	0.4154	0.4196	4.2
	Geo-political zones			
	1. South South	0.3849	0.434	12.8
	2. South East	0.376	0.4442	18.1
	3. South West	0.4088	0.4097	0.2
	4. North Central	0.4459	0.422	- 5.4
	5. North East	0.4114	0.4468	8.6
	6. North West	0.4028	0.4056	0.7

Source: National Bureau of Statistics (2010)

Table 3: Distribution of income in Nigeria

Income Recipients in quantities %	1980	1986	1992	1998	2004	2010
Lowest 20%	7.01	6.02	4.00	5.00	5.13	4.41
Second 20%	12.02	11.41	8.8	8.8	9.67	8.27
Third 20%	15.77	15.52	14.51	13.55	14.68	12.98
Fourth 20%	24.0	23.04	23.26	20.22	21.91	20.33
Highest 20%	41.2	45.01	49.37	52.11	48.61	54.01
Total	100%	100%	100%	100%	100%	100%
Gini Index	34.18	38.68	50.0	53.0	42.93	48.83

Source: World Bank Database

- iv) **Locational Bias of Developmental Efforts:** Most developmental projects and programs are implementation in the urban areas while the rural areas are left undeveloped thus they are lacking in basic social amenities and infrastructure. This is why poverty persists in the rural areas.
- v) **Non – diversification of the Economy:** The oil sector has been the main stay of the Nigerian economy over the years. Other sectors such as agriculture and industry (which are capable of generating numerous employment opportunities) are yet to be fully developed. This has exacerbated the incidence of poverty over the years in Nigeria.
- vi) **Corruption:** Corruption has eaten deeply into the government at all levels. Corrupt government officials misappropriate and redirect public funds meant for developmental purposes to personal use and aggrandizement thus leaving the masses to wallow in poverty for

- vii) lack of basic necessities
- Geographical Location:** Poverty can also be traced to geographical location. In Nigeria there is disparity in the pace and pattern of development between the six geo-political zones. For instance, the northern regions has a lower level of development than southern region. Thus, northern Nigeria is a pre-dominantly poverty stricken region. This can be readily seen in table 4 where the Northern region is the area with the lowest human development index (HDI). This can be partly explained by the fact that the North's economy is predominantly agricultural and that particularly low returns from rural enterprises condemn the region to poverty. Low productivity from agricultural sector tends to contribute to the poverty level in this area. (Bello and Roslan, 2010; Adegoke, 2013)

Table 4: Nigeria Human Development Summary, 2008.

Zones	Human Development Index (HDI) Value
North central	0.490
North west	4.20
North east	0.332
South west	0.523
South east	0.471
South south	0.573

Source: UNDP (2011); Adegoke (2013)

4.0 Approaches To Poverty Alleviation

Ogwumike(2002) identifies the following as the approaches to Poverty Alleviation:

- a) Economic Growth Approach
- b) Basic Needs Approach
- c) Rural Development Approach
- d) Target Approach

The economic growth approach encourages broad-based growth which focuses on capital formation as it relates to capital stock and human capital. Human capital formation has to do with education, health, nutrition and housing needs of labour. Thus, investment in these areas improves the quality of labour and its productivity. Thus, human capital formation is necessary to ensure growth that takes care of poverty. The Basic Needs Approach focuses on the provision of basic needs such as food, shelter, water, sanitation, health care, basic education, transportation, etc.

The Rural Development approach focuses on an integrated approach to rural development which aims at the provision of basic necessities of life such as food, shelter, safe drinking water, education, health care, employment and income generating opportunities to the rural dwellers in general and the poor in particular. On the contrary, the Target Approach favours the directing of poverty alleviation programmes to specific groups within the country. This approach includes such programmes as social safety Nets, Micro Credits and School Meal Programme. (Ogwumike, 2002).

4.1 Poverty Alleviation Strategies Adopted By Government

Widespread poverty have serious implications for the Government and people at large; it impedes the race and pattern of economic growth and development. It is also physically and psychologically dehumanizing. In their bid to survive by all means, a majority of the impoverished populace tend to resort to various forms of crimes, crises and social vices. Often times they are at the forefront of public demonstrations, strikes and protests as a means of venting their anger and frustrations due to their apparent dissatisfaction in life. In view of the grave consequences of poverty on individuals and the society, governments in the global economy are continuously seeking ways of reducing the incidence of poverty.

In Nigeria, over the years, successive governments have formulated and implemented diverse policies, plans and programs aimed at reducing or alleviating poverty. Table 5 presents selected poverty alleviation programmes from 1972 to date.

Table 5: Selected Poverty Alleviation Programmes from 1972 to date.

Programmes	Year Established	Head of Government	Target Group	Nature of Intervention
National Accelerated Food Production Programme (NAFPP)	1972	General Yakubu Gowon	Peasant Farmers	To educate farmers; fund agriculture; increase food production
Nigeria Agricultural and Cooperative Bank (NACB)	1972	Yakubu Gowon	Peasant farmer	Agricultural Financing
Operation Feed the Nation (OFN)	1976	Gen. Olusegun Obasanjo	Rural dwellers	To educate farmers; increase food production
Green Revolution	1979	Shehu Shagari	The entire society	To curtail food importation; boost crop and fiber production; mechanized farming.
War Against Indiscipline (WAI)/Go Back to the land	1983	General Muhammed Buhari and Brigadier Babaunde Idiagbon	The entire society	War against indiscipline/increased food production
Directorate for Food, Roads and Rural Infrastructure (DFRRI)	1986	General Ibrahim Badamosi Babangida	Rural Dwellers	Feeder roads rehabilitation, rural water supply and rural electrification
National Directorate of Employment (NDE)	1986	General Ibrahim Badamosi Babangida	Unemployed Youths	Skill acquisition; Self employment; Labour intensive work scheme; Training, Financing and guidance
Better Life Programme (BLP)	1987	General Ibrahim Badamosi Babangida	Rural Women	Self help and rural development programme, skill acquisition
Peoples Bank of Nigeria (PBN)	1989	General Ibrahim Badamosi Babangida	Under privileged in rural and urban areas	Encourage saving; provision of loans and credit facilities
Community Banks (CB)	1990	General Ibrahim Badamosi Babangida	Rural residents and micro enterprise in urban areas	Securing loans and credit facilities
Family Support Programmes (FSP)	1994	General Sanni Abacha	Families in rural areas	Health care delivery; child welfare; youth development; Improved family nutrition
Family Economic Advancement Programme (FEAP)	1998	General Ibrahim Badamosi Babangida	Rural dwellers	Credit facilities to support the establishment of cottage industries; create employment opportunities
Poverty Alleviation Programme (PAP)	2000	Gen. Olusegun Obasanjo	Unemployed youths	Reduce unemployment and crime wave; creating a credit delivery system for farmers; increasing adult literacy rate and healthcare delivery; training and settlement of university graduate; developing small industries.
NAPEP	2001	Gen. Olusegun Obasanjo	The entire society	Youth Empowerment Scheme (YES); Rural Infrastructure Development Scheme (RIDS); Social Welfare Service Scheme (SOWESS); Natural Resources Development and Conservation Scheme (NRDCS).
National Health Insurance Scheme (NHIS)	2004	Chief Olusegun Obasanjo	The entire society	To provide easy access to health services
National economic empowerment strategy (NEEDS)	2004	Chief Olusegun Obasanjo	The poor in the society	Government reformation, growing private sector, access to health education, welfare, employment, empowerment, security and participatory governance

Source: Adapted from Oladeji and Abiola (1998); Arogundade, Adebisi and Ogunro (2011) and Author's Compilation.

The National Poverty Eradication Programme (NAPEP) is the current programme which focuses on the provision of strategies for the eradication of absolute poverty in Nigeria. Introduced in early 2001, NAPEP is complemented by the National Poverty Eradication Council (NAPEC) which coordinates the poverty – reduction related activities of all the relevant ministries, parastatals and agencies (Okoroafor, Onyedikachi and Chinweoke, 2013). NAPEP consists of four schemes namely:

- i) Youth Empowerment Scheme (YES)
- ii) Rural Infrastructure Development Scheme (RIDS).
- iii) Social Welfare Service Scheme (SOWESS)

iv) Natural Resources Development and Conservation Scheme (NRDCS).

YES focuses on capacity acquisition, mandatory attachment, productivity improvement, credit delivery, technology development and enterprise promotion. RIDS deals with the provision of portable and irrigation water, transport (rural and urban), rural energy and power support. SOWESS focuses on special education, primary healthcare services, establishment and maintenance of recreational centres, public awareness facilities, youth and student hostel development, environment protection facilities, food security provisions, micro and macro credit delivery, rural telecommunications facilities, provision of mass transit, and maintenance culture. NRDCS focuses on the harnessing of the agricultural, water, social mineral resources, conservation of land and space (beaches, reclaimed land, etc. particularly for the convenient and effective utilization by small scale operators and the immediate community (Okoroafor, et al, 2013).

Ironically, inspite of all the resources deployed to implement NAPEP since 2001, absolute poverty still persists in Nigeria. NAPEP was instituted with the primary objective of eradicating absolute poverty in Nigeria by 2010. Huge amounts of resources have been deployed through NAPEP since 2001 till date to reduce poverty in Nigeria. Unfortunately the depth and severity of the incidence of poverty seem to have increased. According to official sources, absolute poverty increased from 54.4% in 2004 to 60.9% in 2010. Today, the entire northern region languishes in abject poverty and some parts of the south are increasingly vulnerable to the problem of poverty. This indeed is a paradox given that Nigeria is reportedly one of the six fastest growing economies in the world! Why has poverty eluded cure in Nigeria? Why has the problem persisted inspite of all the laudable efforts to reduce or eradicate it.

4.2 Why Poverty Persists In Nigeria?

The incidence and scourge of poverty has persisted in Nigeria over the years because of some problem associated with the successive poverty reduction programmes. Ajakaiye (2003) identifies these problems to include:

- Policy inconsistency and poor governance.
- Ineffective targeting of the poor (leading to leakage of benefits to unintended beneficiaries);
- Unwieldy scope of the programmes resulting in resources being thinly spread among projects;
- Overlapping of functions which ultimately led to rivalry and conflicts;
- Lack of complimentaries from beneficiaries;
- Unco-ordinated sectoral policy initiatives;
- Lack of involvement of social partners and stakeholders in planning, implementations, and evaluation; and
- Poor human capital development and inadequate funding.

Other factors that have hindered the success of poverty alleviation strategies in Nigeria include: Corruption, gross mismanagement of funds and absence of lack of financial discipline, politicization of the strategies, lack of effective and co-ordinated implementation, poor monitoring, political instability, terrorism and insurgency. Generally, Oyemomi(2003b) identifies the basic factors that enable the prevalence of poverty to include: macroeconomic distortions, effects of globalization, governance, corruption, debt burden, low productivity, unemployment, high population growth rate and poor human resources development.

4.3 The Way Forward

To reduce the incidence of poverty in Nigeria, it is absolutely imperative that a holistic approach be adopted. Since poverty is a multi-dimensional phenomenon, it also requires a multi-dimensional approach to tackle it. However, to fast-track the progress of any poverty alleviation strategy and thus ensure a sustainable poverty reduction in Nigeria, there is an urgent need to give priority to the economic growth approach to poverty reduction. Specifically, there is dire need to promote the kind of growth that generates employment opportunities, thus making use of the poor's most abundant asset – labour, thereby increasing the income of the poor and reducing poverty to at least a minimum level. This kind of growth, called inclusive growth, is a panacea to confronting the paradox of poverty in Nigeria.

Rapid and inclusive growth is crucial for poverty reduction as it has far-reaching and long-lasting multiplier effects on individuals and the society as a whole. According to Obadan(2002), Economic growth is crucial in efforts aimed at conquering poverty as it would:

- Generate income earning opportunities for the poor, make job creation possible, and thereby make use of their most abundant asset-labour;
- Produce additional resources for the government to use for social programmes aimed at overcoming poverty;
- And increase the incomes poor people receive as remuneration for their labour.

However, economic growth alone is not sufficient for poverty reduction. Therefore growth must be accompanied by a deliberate policy of redistribution and equity promoted by participation (Obadan, 2002). There is an urgent need for government to promote a broad-based growth that generates employment opportunities,

redistributes income and involves the active participation of the poor thereby increasing the incomes of poor people. Furthermore, targeted efforts at inducing broad-based growth should be complemented by those aimed specifically at reducing poverty such as: the provision of good infrastructure and efficient social services at both the urban and rural areas. Also, the aforementioned reasons for the persistence of the scourge of poverty in Nigeria need to be addressed for any poverty reduction strategy to succeed in Nigeria.

5.0 Conclusion

As Africa's largest economy and one of the sixth fastest growing economies in the world, the paradox of poverty in the midst of plenty is a monumental embarrassment to Nigeria in the committee of nations. It is therefore needful for the government at all levels and all stakeholders to rise to the occasion with renewed vigor and commitment to tackle the scourge of poverty in Nigeria. Whereas, concerted efforts targeted at reducing poverty are required, fostering inclusive growth is necessary to fast-track the progress in poverty reduction. Therefore, with the full complement of good infrastructure and efficient social services at both the rural and urban areas, Government at all levels should promote a broad-based growth that generates productive employment opportunities, redistributes income, enhances equity and involves the active participation of the poor if the incidence of poverty is to be reduced in Nigeria.

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