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## Examination of the Impact of National Economic Empowerment and Development Strategy on Poverty Reduction in Nigeria

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**Abstract:** Poverty implicates a condition where people are unable to afford the minimal standards of food, clothing, healthcare, education, and also not capable to continue traditions that are important to them. Poverty reduction strategies now receive high attention across the world because of the negative impact on the individual and national prosperity. The average poverty rate of about 68.40 percent is a clear indication that a majority of Nigerian citizens sleep below the poverty line despite the presence of poverty reduction programmes. The exploratory research method was deployed for the study in an attempt to explore the impact of NEEDS as a poverty reduction strategy in Nigeria. Through statistical analysis, it was found that NEEDS has not made significant positive impact on poverty reduction in Nigeria.

**Keywords:** Traditions; Minimal standards; Hopelessness; Poor people; NEEDS.

### 1. Introduction

According to Eberlei (2002) Poverty Reduction discussion is currently very high on the international agenda and dozens of the poorest nations are at present working on the formulation of Poverty Reduction Strategy Papers (PRSPs). He posits that about three billion people, nearly half of the global population are living in poverty. And with less than two dollars a day, the poor has hardly any chance to live a life in human dignity. To this extent, he believes that the fight against poverty is a global political challenge; and a pivotal task for Global Governance. As poor countries push for their own PRSPs, Nigeria in 2003 introduced the National Economic Empowerment and Development Strategy (NEEDS) as a major framework for Poverty Reduction Management (Soludo, 2003). However, poverty persists in Nigeria partly because the government has not fully implemented pro-poor policies that benefit the majority of the people (Bello, 2016). At the most practical levels, ending poverty in Nigeria would be tantamount to ending corruption, increasing economic growth and investment as well as creating more jobs that hinges on transformational leadership and good governance principles. In broad terms, poverty refers to a situation in which an individual, community, or country lacks the capacity to independently secure a decent standard of living or decent quality of life. Poverty is reflected by deprivation and lack of access to basic amenities of life. United Nations Development Programme (UNDP) (1997) recognizes three types of poverty to include: absolute poverty, which connotes a situation of little or no income; relative poverty which refers to the varying degree to which different segments of society are able to satisfy their basic and other needs; and material poverty which is the lack of ownership and control of physical productive assets. Obasi (2001) opines that poverty is a worldwide phenomenon and that the extent of its prevalence in a country is an indication of the level of socio-economic development of the country. A practical approach to poverty reduction management would involve adopting flexible rules for institutionalizing and enforcing the execution of pro-poor projects, and the participation of the poor in the management process. This can be made better by a government with strong political will to reduce poverty as witnessed in Indonesia in the 1990s. Poverty reduction management requires a sound political economy and governance architecture characterized by investments in education, healthcare, economic empowerment, food security, and capacity of the poor to connect to rapid economic growth. According to Besley and Cord (2007) Suharto's commitment to the rural economy reflected by aggressive pro-poor growth strategy and security were the key ingredients in poverty reduction in Indonesia, and a mystery of modern political economy. With the advent of PRSPs as vehicles through which countries articulate their strategic choices on poverty reduction as the central goal of development, has highlighted the need for an improved understanding of how policies affect the poor. However, examining social reforms and poverty is challenging because of the complex nature of reforms and their consequences on poverty (Coudouel *et al.*, 2006). In the circumstance, it is important to focus attention on how to accelerate poverty reduction by providing insights on delivering pro-poor growth strategies. Besley and Cord (2007) believe that broad-based growth is critical to accelerating poverty reduction, and that pro-poor growth requires both more rapid growth and lower inequality. Klugman (2002a) reports that poverty is multidimensional, extending

beyond low levels of income, to include: lack of opportunity, low capabilities, low levels of security, and low empowerment. He asserts that effective management of public sector reforms may provide an important element of a long-term strategy for growth and poverty reduction. Achieving the vision of NEEDS and reducing poverty in Nigeria requires efficient public sector management. [Osagie \(2010\)](#) posits that public sector management is critical for recovery from economic recession in an economy. In the circumstance, he postulates that the qualities required from public sector management are foresight, creativity, commitment to realization of national goals and objectives without giving thought to what private finance benefits would accrue to policy makers and executors of policies, programmes and projects.

### 1.1. Conceptual Framework of the Study

NEEDS emphasizes fiscal, structural, and institutional reforms that encapsulate the key principles and thrusts of Nigeria's PRSPs. NEEDS envisages that to eradicate poverty efficiently would entail reviewing the nation's approach to the implementation of poverty reduction policies and programmes which, historically, have been a top-down approach-with government developing programmes for the people rather than programmes designed, implemented, monitored and evaluated by the people themselves. A strategic objective of NEEDS is to ensure the development and implementation of pro-poor programmes so that the intended beneficiaries enjoy them for Nigeria to reduce the number of people who suffer from poverty, hunger and malnutrition by 75 percent in 2020 (N20:2020). As a poverty reduction vehicle NEEDS seeks to minimize inequality, enhance public sector productivity, economic management, people empowerment, and compulsory basic education, among others. NEEDS agenda supports the United Nations (2000) Millennium Declaration to eradicate extreme poverty and hunger, achieve universal primary education, promote gender equality and empowerment of women, among others, as a means of sustainable development and to achieve significant improvement in the lives of at least 100 million slum dwellers by 2020. The majority of Nigerians are poor, based in the rural areas, and engaged mostly in agricultural production. Therefore enhancing activities in the agricultural subsector will provide the basic starting point for poverty reduction in Nigeria. According to [Besley and Cord \(2007\)](#) given the concentration of poor people in agriculture, most poverty reduction occurs mostly among households engaged primarily in agriculture. According to them, agriculture accounted for about 44 percent and 77 percent of poverty reduction in the 1990s in Ghana and Uganda, respectively, and up to three quarters of the poverty reduction from 1984 to 1996 in Indonesia. They opine that in Vietnam 71 percent of workers who moved out of poverty between 1993 and 1997 either remained employed in agriculture or moved into agricultural employment. The report states that in Indonesia, Green Revolution technology and massive investments in agriculture catalyzed high rates of propoor growth from the 1960s to the 1980s. Eradicating extreme poverty and hunger as NEEDS envisages requires more investment in agriculture to enhance its contribution to real GDP. For example, in 2015 the contribution of agriculture to the GDP was 23.11 percent. On the other hand, industry contributed 23.71 percent and service 53.18 percent to the GDP ([National Bureau of Statistics, 2016](#)). But in the 1990s in Ghana and Brazil, the agricultural sector contributed more to the GDP than industry and services sectors. [Klugman \(2002b\)](#) believes that economic growth is the single most important factor influencing poverty; and opines that there is a strong association between national per capita income and poverty. This plausible argument would practically suggest the need for good leadership and governance averse to corruption, to be able to accelerate economic growth and poverty reduction. Extreme poverty as measured by three indicators: the percentage of the population that lives on less than \$1.25 a day; the number of people who live beneath the minimum income level deemed necessary to meet basic needs; and the share of national food consumption by the poorest 20 percent of the population is a stark reality in most sub-Saharan African states. Consequently the United Nations Sustainable Development Goals (SDGs) which came into effect in 2016 include a target to end poverty everywhere, to end hunger; achieve food security, improve nutrition and promote sustainable agriculture. Despite the efforts of the UN, global governance appears to be failing the poor because the level of global poverty is clearly not compatible with the idea of co-operation in the Global Governance Theory ([Eberlei, 2002](#)). Therefore, poverty reduction management strategies continue to receive priority attention in many developing countries because of the impact on national prosperity. According to the [World Development Report \(2015\)](#) poverty is not simply a shortfall of money, it also involves the difficulties individuals have in terms of poor cognitive capacity and inability to make investments in education and health. It is linked to inability to explore opportunities for economic improvement, and confinement to unhealthy living environment, as well as the absence of certain physical and social infrastructure that can ease cognitive burdens ([World Bank, 1995;1996](#)). [Nwaorgu \(2014\)](#) opines that relative poverty is regarded as the easiest way to measure the level of poverty in an individual country. For effective poverty management therefore, many poor countries embark on reforms that they feel would help in propelling them out of poverty. According to [Okafor \(2014\)](#) the basic mission of national economic management is to attain and sustain high levels of economic growth and human development, because a country is classified as developed, developing or underdeveloped on the basis of its rating on economic and human development indices. As a bold measure toward economic and human development, the Obasanjo administration in 2003 launched the NEEDS as a comprehensive economic framework aimed at laying the foundations for economic growth, employment creation, poverty reduction and national value re-orientation. According to [Maduabum \(2006\)](#), the whole essence of NEEDS as Nigeria's home-grown PRSP focuses on building solid foundations for the attainment of Nigeria's long-term vision of becoming the largest and strongest African economy and a key player in the world economy. NEEDS as an economic blueprint is meant to serve as the beginning of a new Nigeria with a new set of

values and principles, to facilitate the achievement of national goals of: wealth creation, employment generation and poverty reduction. According to [Fajonyomi \(2006\)](#) the policy in itself is well designed and received the acclaim of International bodies like the UNDP, The World Bank, IMF, among other donor agencies. NEEDS is expected to provide the framework within which consistent decisions are made by government to promote growth and sustainable development. As a poverty reduction management framework, NEEDS is anchored on four major areas: Macro-economic stability, public service reforms, governance reforms, transparency, and accountability, and anti-corruption reforms. The phenomenon of poverty persists in Nigeria today partly due to poor governance. Although what constitutes governance is subject to different interpretations, there is a growing body of evidence in research on what constitutes poor governance and its negative impact on public policy implementation. For example, according to [African Development Bank \(1999\)](#) poor governance manifests itself through the failure to make a clear separation between public and private resources, failure to establish a predictable framework of law and government behavior conducive to development, and excessive rules and regulations which seek to impede proper functioning of government activities. On the other hand, [Klugman \(2002a\)](#) defines governance as the exercise of political power to manage a nation's affairs. Consequently, good governance is important for proper and timely implementation of public policies for the betterment of society ([Abdulsalami, 2007; Afiff, 2004; Olumide, 2016; Uniamikogbo, 2007](#)).

## **1.2. Statement of the Problem**

Despite improvements in Gross Domestic Product, poverty reigns in Nigeria partly due to poor management of national resources through poor governance architecture characterized by high level political corruption which has placed Nigeria among the league of the Least Developing Countries (LDCs) and Heavily Indebted Poor Countries (HIPC) in the world ([Onuoha, 1999](#)). Nigeria has never been in short supply of public policy reforms aimed at alleviating poverty among the people, but the problem has always been the inability of government to effectively implement the objectives of such reforms to a logical and beneficial conclusion. Before NEEDS, other reforms like: Privatization and Commercialization, the Petroleum Trust Fund, the Directorate of Food, Road and Rural Infrastructure (DFRRI), meant to create employment, reduce mass poverty and enhance the nation's human development index were in place. However, despite the introduction of NEEDS in 2003, Nigeria's absolute poverty levels rose from 54.4 percent in 2004, through 60.9 percent in 2010, to 61.9 percent in 2011 ([Okafor, 2014](#)). These suggest that NEEDS has not helped poverty reduction in Nigeria. It is even believed that almost all the poverty alleviation programmes did not yield the desired result; because of corruption. [Okorontah and Odionye \(2015\)](#) believe that poverty will remain in Nigeria unless the billions of Naira mapped out for its reduction are judiciously used. [Stapenhurst and Kpundeh \(1999\)](#) believe that for any country embarking on reforms, the most important challenge is corruption. Therefore, there must be political will to see corruption as aberrant and immoral, rather than a necessary means of survival and prosperity. They opine that no legislative or administrative reform can ever be effective unless there is political will and commitment at all levels of government. To this extent, according to [Campos and Pradhan \(2007\)](#) there must be capable and accountable political leaders to make policies, provide public services, set the rules governing markets, and oversee the use of public resource to reduce poverty, promote growth and contain corruption. According to [Ugorji \(2008\)](#) many factors such as ignorance, poverty and corruption have been militating against Nigeria for a long time. He posits that ignorance is one of the greatest enemies of democracy. It is responsible for many Nigerians keeping quiet in their oppression and suffering and waiting for an external liberator. He believes that ignorance of democratic governance has assisted unscrupulous political leaders to deceive the populace in carrying out their selfish designs. He contends that a poor person can hardly be seen as completely free in his choices. Related to this is the belief that poverty is almost responsible for situations where people sell their votes to corrupt politicians for paltry economic benefits. [Ugorji \(2008\)](#) hypothesizes that corruption debases democracy as it sacrifices merit, enthrones mediocrity and fosters injustice in various sectors of public affairs. Corruption has many faces in Nigeria, appearing in forms of bribery, embezzlement, inflation of bills, abuse of office, ghost worker syndrome, among other evils in society. He suggests that for democracy to survive in Nigeria all must join hands to eliminate corruption from public and private lives. [Orabuchi \(2017\)](#) contends that corruption has ominous consequences in Nigeria. For example, nowhere is its direct effect more present than in anemic or regressing economic growth. Its impacts on poverty and in equality could be visibly seen in both rural and urban centres where many citizens are living in depravity while those in power live in cupidity. Putting a halt to corruption is necessary for the economic social and political development of Nigeria. The issue of corruption in Nigeria has reached the level that the Nigerian Institution of Management (Chartered) believes that "Corruption is the most pervasive negative factor impeding Nigeria's socio-economic advancement and should be eradicated". [Fajonyomi \(2006\)](#) assessment of NEEDS did not address its impact on poverty rate. Therefore, a wide research gap was created that will continue to elicit further research such as the present study.

## **1.3. Objective of the Study**

The study was designed to explore the effect of NEEDS on Poverty in Nigeria, and offer recommendations for improvement.

## **1.4. Delimitation of the Study**

The study was delimited to NEEDS as a PRSP in Nigeria.

### **1.5. Significance of the Study**

The result of the study will enable students, researchers, and others interested in the problem of poverty reduction in Nigeria to have an insight over the import of NEEDS on Poverty Reduction Management in Nigeria since it was introduced in 2003.

### **1.6. Limitations of the study**

The study was constrained by lack of current literature on the activities of NEEDS; coupled with the reluctance of public servants to volunteer relevant information. However, these constraints did not dilute the academic potency of the study.

### **1.7. Hypothesis**

To achieve the objective of the study, the following hypothesis was formulated and tested at 0.01 level of significance.

Ho: NEEDS has no positive impact on poverty reduction in Nigeria.

Hi: NEEDS has positive impact on poverty reduction in Nigeria.

## **2. Literature Review**

In spite of concerted efforts by donor agencies in many years the level of poverty remains very high, especially in the developing world. This frustration and disappointment has become a critical point of examination to find out what policies would best promote economic development and reduce the incidence of poverty among the developing and low income countries. Important worries exist in many countries with regard to the level of financial resources to be dedicated to poverty reduction management against the background that governments of the low-income countries often budget and spend less on matters that would mitigate the problems of the poor (Devarajan and Reinikka, 2003). The success of reforms like NEEDS requires heavy investments to benefit the rural population and a political leadership devoid of corruption so as to mobilize national resources to create employment opportunities. President of the International Fund for Agricultural Development (IFAD) Nwanze (2017) reports that the world needs to take urgent action to mobilize an estimated \$265 billion a year needed to achieve the first two Sustainable Development Goals (SDGs) of ending poverty and hunger by 2030. He states that despite decades of commitments and considerable effort to end poverty and hunger, nearly 800 million children, women and men still go hungry everyday and an almost equal number live in extreme poverty. According to him, the majority of these poor and hungry people live in rural areas of developing countries. Therefore, investments need to be targeted at transforming rural areas into vibrant place that offer all people the opportunity to have decent jobs and lead dignified lives free of poverty and hunger. According to Sani (2007) the rate of urbanization in Nigeria – about 5.3 percent a year appears to be one of the fastest in the world and that urban unemployment is estimated at about 10.8 percent. He opines that if manufacturing and services sectors do not grow significantly to absorb the surge of labour to urban centres and if rural areas are not transformed to stem the growth in the migration to urban centres, the rate of urban unemployment could become unmanageable. He emphasizes that the implication for poverty and crime, conflict and the maintenance of democracy are grave. Accordingly, NEEDS recognizes the urgency of the unemployment situation, but it also understands that there will be a lag in the expected job-creation effects of the reform programme. NEEDS equally recognize the need for specific steps to facilitate individual empowerment, particularly among the youth and other vulnerable segments of society, through the creation of new opportunities for employment like the MSMEs. NEEDS as a major PRSP in Nigeria envisages that the private sector should generate most of the new jobs in Nigeria. It believes that the major role of the government will be to: create an enabling environment through the adoption of certain or specific sectoral arrangements that permit the private sector to prosper. The government is also expected to empower the people by providing for the acquisition of relevant skills to equip them for the world of employment, and at the same time promote integrated rural development, in collaboration with the states (Soludo, 2003).

### **2.1. Need for Comprehensive Development Framework**

It has been noted by experts in the area of poverty management that most programmes initiated by governments and methods of designing and implementing them for poverty reduction have been found to be ineffective and incomplete. According to Klugman (2002a) some development experts now believe that aid and policy effectiveness depend on the necessary inputs of a range of agents, including the Organized Private Sector (OPS), civil society organizations as well as the healthy functioning of the societal and institutional structures within which they must operate. He suggests that the level of poverty in society has different causes, and it is agreeable that action is required on both the domestic policy formulation and external donor facilities. This is necessary so as to identify and implement effective strategies to reduce poverty, and how to modify external partnerships for more efficient poverty reduction management. He posits that beginning in the late 1999 the World Bank and the IMF launched a new approach to lead the way in the provision of concessional assistance to low-income countries on poverty reduction. On this basis, governments in developing countries were required to formulate their own PRSPs by way of a participatory mechanism that would form the foundation for external donor facilities, including incentives for debt relief by the International Financial Institutions, especially, the World Bank and the IMF. In Nigeria, NEEDS was

formulated along this line of thought to serve the primary objective of poverty reduction and sustainable development. Klugman (2002a) believes that the key principles of a PRSP must match those of the Comprehensive Development Framework (CDF) and should be developed by the government through a country – driven process, including broad participation that would promote country ownership of the strategy and its overall implementation mechanisms. Klugman (2002b) emphasizes that poverty as a multidimensional problem goes beyond economics to include among other things: social, political and cultural issues. He also believes that solution to poverty cannot be based exclusively on economic policies but requires a comprehensive set of co-ordinated measures for its reduction around the world, stressing that economic growth remains the single most important factor influencing poverty. At a general level, he posits that macroeconomic stability is essential for high and sustainable rates of growth. Different scholars discuss poverty from different perspectives with relation to Nigeria. According to Nna *et al.* (2010) poverty affects many aspects of the human conditions including; physical, moral and psychological as well as income. Poverty is equally identified with poor education, ill health, low life expectancy, child mortality among other things. They suggest that poverty may be conceptualized in four ways: as lack of access to basic productive resources, outcome of inefficient use of common resources, and the result of external factors. They insist that impaired access to productive resources leads to absolute low income, unemployment, underemployment, among others. According to World Development Report (2015) poverty brings about a situation where people may feel incompetent and disrespected, and without hope that their lives can improve. According to this report, recent empirical evidence suggests an association between poverty and low aspirations. Data from the World Values Surveys for example, prove that lower income-both within and across countries is associated with a higher tendency to report that life is meaningless, full of uncertainty, and no need for taking risk or adventure. According to Johannes and Fehr (2014) data from low-income populations in France suggest that poor students have lower academic and employment aspirations than wealthier students who display the same degree of academic achievement. Poverty has negative implications for the psychological well-being of the individual in society, because many factors associated with poverty may be difficult to notice and might also extend beyond material deprivation. Stress of poverty often includes preoccupation with daily struggles and their related depletion of critical resources needed to make important decisions. Other psychological problems of poverty include low self-image and acute lack of social capital detrimental to private opportunities. Poverty as a serious social problem strongly militates against democracy and good governance. A poor person lives in deprivation and social insecurity and can hardly be perceived as completely free in his choices. It is suggested that poverty accounts partially for the reason why people sell their votes to corrupt politicians during elections for economic rewards. According to Ugorji (2008) poverty is also responsible for many violent crimes, including armed robbery, hooliganism and assassinations. He posits that to enable democracy take firm root in Nigeria, the war against poverty must be vigorously fought because, democratic governance and economic development cannot be easily separated without serious negative consequences. According to him, a related issue is corruption which debases merit, enthrones mediocrity and fosters injustice in various sectors of public affairs. He insists that corruption involves moral decay, ethical rottenness, and loss of integrity. Therefore, for reforms to succeed there must be change in public perceptions and values on corruption in society.

## 2.2. Eberlei and Poverty Reduction Strategy Theory (PRST)

According to Eberlei (2002) on the occasion of the World Economic Summit in 1999, the seven most powerful industrialized nations, otherwise known as G7 reached agreement to take appropriate measures aimed at comprehensive debt relief for the poorest countries. The G7 linked debt relief to a new set of conditions. They thought that poor countries should outline by the introduction of appropriate programmes, how they intend to use any extra funds for poverty reduction in their respective countries. According to the G7, the formulation and implementation of such PRSPs should be based on a broad participatory process in each poor country. In accordance with the G7 imperatives, the World Bank and the IMF made it clear that PRSPs are much more than preconditions for debt relief only. They posit that both institutions will only grant loans to the poorest countries only against the introduction and submission of a PRSP. Also, the same procedure is followed by several bilateral governmental creditors. In the circumstance, it means that PRSPs are a precondition not only for debt relief but also for the provision of all new development aids for the poorest nations of the world. Eberlei (2002) explains that according to the PRST, the most important principles of the new super weapon in the fight against poverty are hinged on same fundamental factors. PRSP is a paper which must describe the medium term development path of a poor nation, with particular reference to its strategy to fight poverty, and in this way, seek global support. PRSPs must be very comprehensive and not only for social sector programmes, but must involve economic and financial policies that focus at combating poverty. In developing PRSPs individual poor countries should involve major actors like the NGOs, churches, trade unions, political parties, the media, and the parliaments. PRSPs should not be seen as a once-and-for-all paper, but one subject to policy cycle, in terms of problems analyses, strategy implementation; monitoring, evaluation, and changes. It is expected that PRSPs should become the leading co-ordinating document for all poverty-oriented donor activities in a poor country.

### 3. Methodology

#### 3.1. Research Design

The exploratory research design was used for the study. The method is historical in nature, and does not usually require a large sample nor a structured questionnaire (Asika, 2004).

#### 3.2. Sources of Data

Data were generated through primary and secondary sources, such as interviews, observations, books, newspapers, magazines, journals, conference papers, among others.

#### 3.3. Treatment of Data

Data generated were organized, filtered and coded before they were classified, in readiness for analysis.

#### 3.4. Data Analysis

Data were analyzed through descriptive and Chi-square statistics and result presented in tables.

### 4. Presentation of Result

**Table-1.** Relative Poverty: Non-poor, Moderate Poor and the Extremely Poor (%) Between 1980 – 2010.

Year	Non-poor	Moderately poor	Extremely poor
1980	72.8	21.0	6.2
1985	53.7	34.2	12.1
1992	57.3	28.9	13.9
1996	34.4	36.3	29.3
2004	43.3	32.4	22.0
2010	31.0	30.3	38.7

Source: Author Field Work (2016) Adapted from Kale (2012)

From table 1, it was seen that only about 6.2 percent of Nigerians were extremely poor in 1980. The rate rose to about 12.1 percent in 1985, through 13.9 percent in 1992, 29.3 percent in 1996, and declined to about 22.0 percent in 2004. From this level, the rate of extreme poverty in the country escalated to about 39 percent in 2010, indicating obviously that the various poverty reduction programmes, including NEEDS have become impotent.

**Table-2.** Relative Poverty Headcount Between 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: Author Fieldwork (2016) Adapted from kale (2012)

Despite the rhetoric on poverty alleviation vehicles in Nigeria, it is curious that the number of citizens living in poverty rose steadily from 17.1m in 1980, through 34.7 million in 1985, 39.2million in 1992, 67.1 million, in 1996, 68.7million in 2004, to as high as 112.47 million in 2010, despite the introduction of NEEDS in 2003.

**Table-3.** Incidence of Poverty by Geopolitical Zone Based on Different Poverty Measures (%) 2010.

Zone	Food Poverty	Absolute Poverty	Relative Poverty	Dollar per Day Poverty
North-Central	38:6	59.5	67.5	59.7
North-East	51.5	69.0	76.3	69.1
North-West	51.8	70.0	77.7	70.4
South-East	41.0	58.7	67.0	59.2
South-South	35.5	55.9	63.8	56.1
South-West	25.4	49.8	59.1	50.1

Source: Author Fieldwork (2016) Adapted from Kale (2012)

As a measure towards SDGs (2030) the UN envisages to reduce extreme poverty and hunger by 2020. But the figures in table 3 represent bad news based on the reality that even in the Northern parts of Nigeria where food is produced in good quantity there is still high levels of food poverty. The implication of this result is that the government should do more to encourage food production across the country so that the nation can feed itself. Creating employment opportunities for over 60 million unemployed youths through the agricultural sector will help

in the eradication of hunger and food poverty in Nigeria. Most of the fertilizer plants in Nigeria are not functioning and it would be a miracle to enhance food productivity when such essential element for farming is relatively scarce and outside the reach of most farmers. Importing more than two million tons of customized fertilizer from the Kingdom of Morocco is not the best approach by government. Rather, the ideal thing would be to produce fertilizer and by so doing create employment (Okereocha, 2017). According to Oluwasegun (2017) due to continuous loss of jobs by Nigerians which is inflicting pains and suffering on the old, the young and even the rich, poor people are resorting to suicide and divorce. This is happening in a country where only 6 out of 38 fertilizer plants capable of providing 250,000 jobs are not operational due to mismanagement and corruption (Otabor, 2017).

**Table-4.** Annual Growth Rates in GDP and HDI

Year	GDP (value) (N trillion)	% Growth Rate	HDI value	% Growth Rate
2005	14.57	----	0.466	----
2010	33.98	133%	0.492	5.58%
2011	37.300	9.77%	0.496	0.81%
2012	40.54	8.63%	0.500	0.81%
2013	na	---	0.504	0.80%

Source: Author’s Fieldwork (2016) Adapted from Okafor (2014)

Table 4 showed that the improvement in GDP in recent years did not reflect on HDI values. There can be no doubt that corruption is among the most responsible factor for the situation.

**Table-5.** Corruption in ProPoor NDDC Projects As At 2016

S/N	State	Amount (N)	Description
1	Akwa Ibom	6 billion	Payment for propoor projects abandoned
2	Rivers	4 billion	
3	Delta	2 billion	
4	Imo	2.6 billion	
5	Abia	2 billion	
6	Cross River	1.1 billion	
7	Ondo	926 million	

Source: Authors Fieldwork (2017)

Table 5 showed a little piece of mismanagement and corruption in propoor arrangements in Nigeria, where many are extremely poor.

**Table-6.** Nigeria’s Poverty Levels (2004-2011)

Poverty Measure (in %)	2004	2010	2011
Relative poverty (in %)	54.4	69	71.5
Absolute poverty (in %)	54.7	60.9	61.9
Dollar per day (in %)	62.8	61.2	62.8

Source: Author’s Fieldwork (2016) Adapted from Okafor (2014)

Table 6 showed that absolute poverty rate rose from about 55 percent in 2004 to about 62 percent in 2011 despite the introduction of NEEDS in 2003.

NPar Tests  
[DataSetO]  
Chi-Square Test

**Table-7.** Frequencies VAR00003

	Observed N	Expected N	Residual
9.00	9	95.2	-86.2
15.00	15	95.2	-80.2
55.00	55	95.2	-40.2
187.00	187	95.2	91.8
210.00	210	95.2	114.8
Total	476		

**Table-8.** Test Statistics

	<b>VAR00003</b>
Chi-Square <sup>a</sup>	389.546
df	4
Asymp. Sig.	.000

From the test statistic in [table 8](#), it was observed that the Chi-Square calculated value of approximately 390 was significantly greater than the table value of approximately 13, at 0.01 level of significance, and with 4 degrees of freedom. Based on this result it technically means that NEEDS has no positive impact on poverty reduction in Nigeria. Therefore, Ho: was accepted while Hi: was rejected.

#### 4.1. Discussion

The NEEDS agenda seeks to address the high incidence of poverty and inequality in Nigeria. It is envisaged that the plan for prosperity must focus at the situation where about two-thirds of Nigerians are poor, despite living in a country with vast potential wealth. Following the recent rebasing of the economy, Nigeria has become the largest economy in Africa, and also one of the fastest growing economies worldwide. Against this background, the very low ranking of Nigeria on both the global and regional human development index is worrisome. Although revenues from crude oil have made significant impact on the GDP over the past decades, Nigerian people have been falling deeper into poverty. According to the NEEDS agenda, perhaps the greatest hindrance to economic progress in Nigeria has been poor economic management. Meeting the basic needs of the Nigerian people and the nation is among the primary aims of the plan for prosperity; NEEDS insists that every Nigerian has the right to adequate water and sanitation, nutrition, clothing, shelter, basic education, and health care, as well as physical security and the means of entrepreneurship. NEEDS recognizes that poverty has many strands and must therefore be tackled from different directions. It also recognizes that the government must work not only to improve income but to improve the lives of the Nigerian people. It has plans for creating jobs, creating affordable housing, among other things. but poor macroeconomic performance in Nigeria affects all economic actions, especially the poor with over 67 million youths unemployed ([Osehobo, 2012](#)). Empowering the people requires participation by the majority in formal political and administrative processes. In this way, the poor can potentially debate issues that concern them. Poor people can give valuable feedback to arrest governance failure. To be sustainable, participation needs to be embedded in and supported by public policy at the national and state levels. The formal governance arrangements that can promote and sustain participation processes include: regular competitive, free and fair elections, as well as equal protection under electoral rules ([Adebimpe, 2011](#); [Agwunobi, 2005](#); [Alohan, 2014](#); [Alu, 2014](#); [Amodu, 2015](#); [Folasade-Koyi, 2015](#); [Islam, 2002](#); [Maduabum, 2006](#); [Okonjo-Iweala, 2015](#); [Ugoani, 2014](#)). [Klugman \(2002a\)](#) believes that the inability of government to provide basic education for the people helps in expanding the levels of poverty in society. He posits that constrained access to education due to insufficient school sizes in a rapidly growing society, and inability to afford school expenses are found to be an entrenched multigenerational reality for poor households that find their social and economic advancement limited. According to [Nigeria Vision 20: 2020 \(2009\)](#) education is both a basic human right and a critical element in human development. Therefore, human capacity development in the view of [Nigeria Vision 20: 2020 \(2009\)](#) is to ensure that all boys and girls, irrespective of ethnicity; gender or disability, complete a full course of basic education – 12 years of formal education consisting of 3 years of Early Childhood Care Development and Education (ECCDE), 6 years of primary schooling and 3 years of junior secondary education. This would be followed by at least 3 years of vocational training or senior secondary education. Meeting this target will speed up progress towards the achievement of all the other targets of the vision, including the eradication of poverty and hunger, as well as accelerated economic development. Despite the [Nigeria Vision 20: 2020 \(2009\)](#) and NEEDS imperatives, it is now estimated that one out of every six out of school children worldwide is a Nigerian. This brings to more than 10 million the number of Nigerian children that are out of school. At present it is also estimated that up to 500,000 pupils in Nigeria sit on bare floors with about 80 percent of the teachers unqualified mostly at the basic education levels ([Sunday, 2015](#)). [Abuh \(2016\)](#) reports that to ameliorate the problems of out of school children, the House of Representatives, wants to establish an Education Bank to cater for indigent students across the federation. This is in realization of the fact that many students lose their admission because of inability to pay their school fees. Access to the proposed zero interest bank loans will help to keep the students in school. Also, due to the problems of access, the Federal Government of Nigeria intends to establish six new universities in the six geopolitical zones in Nigeria. According to [Adamu \(2016\)](#) last year, one million people sought for access into the universities but only 150,000 were admitted. Since Nigeria could not meet the MDGs target on education, working hard on these new proposals could be a good beginning towards attaining the SDGs (2030) targets. The importance of education and poverty reduction cannot be over emphasized because it is the main vehicle for accelerating individual, community and natural development. [Okorontah \(2014\)](#) posits that education is a mechanism through which the society generates the knowledge and skills required for its survival and sustainability. It is generally believed that the level of education an individual has is directly proportional to the level of income he or she earns. Despite the introduction of NEEDS over 14 years ago as a PRSP among other structural reform imperatives, majority of Nigerians still suffer under poverty. It is estimated that about 70 percent of the general population in Nigeria is poor. Significant others interested in the economic management of Nigeria think that leadership failure is responsible for Nigeria's poverty rate. Recounting the current harsh economic situation that the



nation finds itself, Awolowo – Dosumu (2016) believes that “we need to diversify the economy and develop every Nigerian so that we can find innovators among us, innovators not only in technical terms but in terms of ideas too. This is the best way out”. There is no doubt that good leadership and governance are critical ingredients that can help bring Nigeria out of poverty traps. Good governance is the panacea to eradicate corruption which is a good step towards the eradication of poverty in Nigeria. Today, a major challenge against poverty reduction is corruption. Corruption is responsible for the abandonment of many pro-poor projects, thereby making the country’s recovery from poverty difficult. The Nigerian Senate is at present probing into Niger Delta Development Commission’s (NDDCs) 16 year stewardship, as the Commission is perceived to be riddled with corruption. According to [Ebiri \(2016\)](#) the Senate notes that in Bayelsa State, the NDDC has 33 abandoned projects for which over N10billion had already been paid. In Akwa Ibom State the Commission paid N6billion for abandoned projects, in Rivers State about N4billion was paid over abandoned projects. In Delta State about N2billion, in Imo State N2.6billion, in Abia State about N1billion in Cross River State N1.1billion and in Ondo State N926million were paid on abandoned projects. NDDCs projects are typically designed to provide portable water, feeder roads, basic education and health care facilities among others; in the rural and other designated areas to help poor people have access to basic amenities and infrastructure that help to cushion the effects of poverty. In a situation of pervasive corruption, it would be a miracle for NEEDS to succeed in pushing back the frontiers of poverty in Nigeria.

## 4.2. Recommendations

- i. Government should diversify the economy so as to create more job as a way of helping the majority out of poverty.
- ii. Pro-poor projects like those of the NDDC should be reprioritized to ensure that those that need them most benefit.
- iii. The management of pro-poor projects should involve major stakeholders like the labour movements, and civil society organizations. This may make room for transparency instead of allowing only regular public servants to handle them.
- iv. Government should establish an independent agency to monitor, evaluate and approve the status of projects before payment. This may reduce the discretion of the public servants in paying for uncompleted projects.
- v. Government should include private tertiary institutions to benefit from the Tertiary Education Trust Fund. It is funded by private organizations, and it does not make any sense to exclude private universities and polytechnics from accessing the funds for the benefit of Nigerian students. Poverty may not be reduced in a situation of unequal opportunities. Making the facility available to both public and private institutions would afford students of such institutions equal opportunities to develop their full potentials.
- vi. The government should urgently think of rehabilitating the fertilizer plants for full production instead of importing the item from Morocco. Putting the plants to work will save foreign exchange and increase both GDP and employment levels.

## 4.3. Scope for Further Study

Further study should examine the relationship between public policy and poverty reduction management in Nigeria. This is necessary to find out the better or best way to reduce poverty in Nigeria.

## 5. Conclusion

Despite the introduction of NEEDS to help in the acceleration of poverty reduction majority of Nigerians today still live below the poverty line. The failure of this major reform programme could mean the failure of governance because of its inability to achieve a meaningful result. As a poverty reduction management framework NEEDS is anchored on macroeconomic stability, public service reorientation, governance reforms, accountability, anti-corruption reforms, among others. With about 77 percent poverty level in the North-West, 76 percent in the North-East, 67.5 percent in the North-Central, 67 percent in the South-East, 63.8 percent in the South-South, and 59.1 percent in the South-West, based on this figure, therefore, the average poverty rate of about 68.40 is a clear indication that NEEDS has not made any success in Poverty Reduction in Nigeria. This is true because a basic mission of national economic management is to attain and sustain high levels of economic growth and human development with an acceptable level of standard of living. The high poverty rates across Nigeria would suggest that majority of citizens are unable to afford minimal standards of food, clothing, health care, education, and shelter among others. Through statistical analysis, this study found that NEEDS has not made significant impact on Poverty Reduction in Nigeria. This result supports the finding of [Besley and Cord \(2007\)](#) that poverty reduction reform requires sound political economy. It lends credence to the conclusion of [Stapenhurst and Kpundeh \(1999\)](#) that no reform can be effective where corruption is seen as a necessity for survival and prosperity rather than aberrant and immoral. It also supports [Campos and Pradhan \(2007\)](#) that there is need for capable and accountable political leaders to reduce corruption and poverty in society. This is the crux of the study.

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