POLICIES AND PROGRAMMES FOR POVERTY REDUCTION IN RURAL NIGERIA

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1. Introduction

One of the main issues in development debates is how to tackle rural poverty. The constraints to developing the rural areas as well as the problems of this critical sector have come to loom very large. For over four decades in Nigeria, all attempts to put the rural areas on course of development have failed. Conditions have continued to worsen and poverty has become a major issue in the rural areas in spite of their potentials. Therefore, a major concern to governments, multilateral institutions and policy makers in different countries is to identify appropriate strategy for poverty alleviation especially in the rural areas.

The rural areas however present problems that are a contradictory paradox of its natural resource endowment. As noted by Chinsman (1998), rural communities are seriously marginalized in terms of most basic elements of development. In addition, the inhabitants tend to live at the margin of existence and opportunities. Most rural communities lack potable water, electricity, health care, educational and recreational facilities and motorable roads. They experience high population growth rates; high infant and maternal mortality, low life expectancy and a peasant population that lacks modern equipment that can guarantee sustainable exploitation of the natural resources on which they live.

In line with the recent finding that poverty is a rural phenomenon (World Bank, 1990; Fields, 2000; World Bank, 2001), available statistics on the incidence of poverty in Nigeria have shown that, while urban poverty rate increased progressively from 3 percent in 1980 to 25.2 percent in 1996, that of rural areas increased from 6.5 percent in 1980 to 31.6 percent in 1996 (see Table 1). Beyond the fact that rural poverty rate was higher than that of urban rate throughout the period of 1980 and 1996, the range of urban poverty rate between 1980 and 1996 was 22.2 percent as against 25.1 percent for the rural poverty rate during the same period. Again, this confirms that rural poor are the worst hit by poverty in Nigeria.

To date, poverty situation in Nigeria remains a paradox, at least from two perspectives. Firstly, poverty in Nigeria is a paradox because the poverty level appears as a contradiction considering the country's immense wealth. Secondly, poverty situation has worsened despite the huge human and material resources that have been devoted to poverty reduction by successive governments in Nigeria with no substantial success achieved from such efforts. Nevertheless, since poverty remains a development issue, it has continued to capture the attention of both national governments and international development agencies for several decades. Indeed, since the mid–1980s, reducing poverty has become a major policy concern for governments and donor agencies in all poverty–stricken countries, Nigeria inclusive.

Table 1: Population and Rate of Poverty in Nigeria (1980–1996)

Year	Estimated Total Population [a] (in million)	Population in Poverty [b] (in million)	Poverty Level [c] (%)	Urban Poverty [d] (%)–Core Poor	Rural Poverty [e] (%)–Core Poor
1980	64.6	18.1	28.1	3.0	6.5
1981	66.7	21.3	32.0	4.0	8.0
1982	68.4	24.2	35.5	4.0	9.8
1983	70.6	27.5	39.0	5.7	11.2
1984	73.0	31.4	43.0	6.8	13.0
1985	75.4	34.9	46.3	7.5	14.8
1986	77.9	35.8	46.0	8.0	14.9
1987	80.4	36.5	45.4	8.5	15.0
1988	83.1	37.4	45.0	9.0	15.2
1989	84.9	37.7	44.5	9.2	15.4
1990	86.6	38.0	44.0	9.5	15.8
1991	88.5	38.5	43.5	10.2	15.7
1992	91.3	39.0	42.7	10.7	15.8
1993	93.5	45.8	49.0	11.0	20.0
1994	96.2	52.6	54.7	14.0	24.0
1995	98.9	59.3	60.0	22.0	28.0
1996	102.3	67.1	65.6	25.2	31.6

Sources: (a) National Population Commission; Central Bank of Nigeria: Annual Report and Statement of Account (various issues); Federal Office of Statistics Annual Abstract of Statistics (various issues). (b) Computed by the authors from (a) and (c). (c), (d), and (e) Federal Office of Statistics (FOS) (1999): Poverty Profile for Nigeria 1980–1996 and Federal Office of Statistics National Consumer Survey (various issues).

Realizing that rural communities are always the worst hit by poverty, the focus of this study is on the various efforts in form of policies and programmes put in place by the government in order to reduce rural poverty in Nigeria. In specific terms, the study has two objectives; these are:

a) to undertake an inventory of rural poverty reduction policies and programmes;

b) to evaluate the rural poverty reduction policies and programmes with a view to establishing their impact on poverty phenomenon in the rural economy of Nigeria.

In order to achieve the objectives of the study, the World Bank's approach to appraising poverty reduction programmes and policies is adopted. The focus of the study is therefore limited to policies and programmes that have direct impacts on the rural economy of Nigeria. The study employs the use of content analysis coupled with existing empirical findings of various studies in its analysis.

The study is structured as follows: Section 2 is devoted to the review of related and relevant literature. In section 3, poverty reduction policies are reviewed. Section 4 contains the review of poverty reduction programmes and institutions. In section 5, the focus is on the international experiences in terms of poverty reduction efforts. An evaluation of the various porgrammes and policies designed to help reduce poverty in Nigeria is carried out in section 6. Section 7 presents the summary of findings, recommendations and conclusion.

2. Literature Review and Analytical Framework

Central to the quest for policies and programmes that will reduce poverty is the issue of the conceptualization of poverty. Conceptually, three dominant views are identified as the meaning of poverty in the literature. The first view sees poverty as a severe deprivation of some basic human needs at the individual or household level. Put differently, poverty is a material deprivation and this can be assessed in monetary terms. While this conceptualization of poverty makes the quantitative analysis of poverty straightforward and permits comparisons over time and between countries, it fails to recognize non-material forms of deprivation such as illiteracy and social discrimination among others.

The second view has a direct link with the work of Sen (1999) and it defines poverty as the failure to achieve basic capabilities[1] such as being adequately nourished, living a healthy life, possession of skills to participate in economic and social life, permission to take part in community activities to mention a few. This conceptualization forms the basis for the belief that 'poverty is multi–dimensional'. Although, the capabilities framework offers many advantages over the income/consumption conceptualization, yet it is argued that it requires a greater variety

[1] This conception of poverty has been used in the development of the United Nations Development Programme's Human Development Index (HDI) and Human Poverty Index (HPI).

of data and that no consensus exists on how capability deprivation at the household level is to be computed.

The third conceptualization of poverty came into limelight in the 1990s and has a fundamentally different approach to the understanding of poverty: subjective poverty assessments. The core of this view of poverty is that poverty must be defined by the poor themselves or by the communities that poor people live in. According to Chambers (1994), the view came out of the work on participatory appraisal of rural projects and has direct relationship with a publication known as *'Voices of the Poor series'* which has three volumes: *Can Anyone Hear Us?*, *Crying Out for Change*, and *From Many Lands*. The subjective view of poverty posits that, poverty has both physical and psychological dimensions. Poor people themselves strongly emphasize violence and crime, discrimination, insecurity and political repression, biased or brutal policing, and victimization by rude, neglectful or corrupt public agencies (Narayan *et al*, 1999). Karlsson (2001) presented five conclusions form the 'Voices of the Poor Series", these are:

- Poverty needs to be viewed in a multidimensional way. Hunger is part of everyone's understanding of poverty. Equally strong is the sense of powerlessness, voicelessness, and humiliation that comes with being poor.
- The state has been ineffective. People everywhere fear police, they hate corruption, and they trust only their own institutions.
- Non–governmental organizations play a limited role. People rely on informal networks.
- Households are under deep stress. Gender relations are crucial to understanding poverty, particularly the position of men.
- The social fabric is often poor people's saving grace, and it is under threat.

The World Development Report (2000/2001) recognizes many of the conclusions on the meaning of poverty and then develops three principles that directly augment what is known of poverty previously and how to attack poverty. These principles are:

- Empowerment–with a pro–poor state and voice for the community
- Security–against natural disaster, war, violence, and unforeseen changes in income and health

- Opportunity–promoting assets and enhancing the return on them through public and private policies.

Given the present understanding that poverty goes beyond material and capabilities deprivation, it is acknowledged in the literature that business as usual will not eliminate or reduce poverty (Karlsson, 2001). In other words, poverty reduction requires more than just delivering money and advice.

The World Development Report (World Bank, 2000) extends the concept of poverty beyond income and consumption plus education and health, to include risk and vulnerability, as well as voicelessness and powerlessness. It is not necessarily the case that shocks affect the poor disproportionately, but it is clearly the case that they are more vulnerable, since their economic margin is slim. The poor are often exposed to highly fluctuating incomes, and, particularly, in rural areas, it is common for households to move in and out of poverty (Dercon, 2000; and World Bank, 2000).

The conceptualization of poverty in terms of the risk and vulnerability of those that are poor has emerged at a time when poverty reduction has become an important aspect of the national economic and social policy mix in many developing countries. Indeed, poverty reduction programmes and policies when tied with growth enhancement policies are a high priority in national policy design in countries suffering from increasing population pressures and deteriorating living and economic conditions. Thus, there is an implied consensus in the literature that rapid and sustainable poverty reduction depends upon the interaction of a wide range of policy measures.

Tollens (2002) observes that poverty is not an intrinsic attribute of people, but a product of livelihood systems and the socio–political forces that shape them. Thus, poverty reduction is highly desirable. However, some reduction in rural poverty is sometimes accompanied by increased urban poverty as rural poor choose to move to cities, without finding employment and income there. In contrast, successful rural poverty reduction usually works by raising the productivity of the poor, while most urban poverty alleviation efforts are welfare–oriented. Moreover, rural poverty alleviation may reduce migration, thus helping to reduce urban poverty.

Poverty is multidimensional. This suggests that poverty reduction efforts must be multi–targeted and are expected to show wide and diverse dimensions. Solutions to rural poverty have to straddle different disciplines and must encompass economic, social, political and institutional factors.

Lifting the rural poor out of their poverty, breaking the poverty circle, through investments in their basic capital stock (physical, human, social) thus appears as sound economic strategy with the added advantage that such economic growth is high quality growth and by definition broad–based and equitable. But, rising out of poverty is no guarantee against falling back into poverty particularly when the centrality of assets for rural poverty reduction is not acknowledged.

IFAD[2] (2001) states that increasing access to assets is crucial for broad–based growth and poverty reduction. Assets take many forms–human and social (education, health, organizations), natural (land, water and forests), technological (farm production, processing and marketing methods), infrastructural (roads, communications, health and education facilities, housing) and financial (crop sales and off–farm revenue, investment and working capital, 'savings' in the form of livestock and stored commodities). There is strong therefore, complementarity among asset categories. For example, building social capital by strengthening farmers' groups and improving road and communications networks can enhance the financial asset base. Secure land use rights can allow farmers to invest in technology, leading to higher farm productivity and incomes. They may then invest in improved health and nutrition status and their children's education.

Viewed from the foregoing, assistance must focus on the assets of rural poor, enhance them and strengthen them. This includes in particular human assets: better rural health training, and education, but also physical assets: rural infrastructure development, access to markets, improved soil fertility, access to safe water, and increasingly recognized need to reduce heavy biases against rural people, the poor and women in acquiring all forms of assets.

In view of the multi-dimensional nature of the concept of rural poverty, there seems to be no unique framework for analysing poverty reduction programmes. Indeed, poverty reduction is a complex task, requiring sustained commitment to consistent, yet flexible, joint action. There are no quick fixes and no easy solutions. No single institution, national or multilateral, public or private, and no single strategy can hope to deal effectively with the different contexts and causes of poverty. Coherent anti-poverty strategy therefore requires stable partnerships, based on trust as well as self-interest.

[2] IFAD means International Fund for Agricultural Development.

The World Bank, (2000) noted that poverty is an outcome of more than economic process but also include social and political processes that interact with and reinforce each other. In this regard, poverty reduction strategies should be worked out based on each country's economic, sociopolitical, structural and cultural context. This rests on the argument that such strategies should link the underpinning visions of the economy to societal beliefs and values. In the 1950s, poverty alleviation was not a goal in itself but rather an automatic by-product of economic growth (World Bank, 2000/2001). However, the event of the late 1960s showed that growth alone was not sufficient to transform the living standard of the poor people in developing countries, as growth could not achieve the purported trickle down effect. This led to a change of focus with emphasis shifting to investment in rural infrastructure and human resources as a means of strengthening the effectiveness of poverty reduction (World Bank, 1990).

Gerster, (2000) classified the different poverty alleviation strategies into four, based on their mechanisms[3]. These are:

- market based pro-poor growth- a modified version of the orthodox model;
- sustainable livelihoods approach- putting people first;
- resource based approach focusing on redistribution of assets; and
- rights based approach relying on empowerment and redistribution of political power.

Rights and Empowerment considers issues like enhancement of political participation, ensuring sound governance, promoting accountability and the rule of law, skill enhancement, vocational training and enhancement of credit availability among others.

The Pro-poor growth model is based on the provision of sound macro-economic policy which ensures stability of the economy, conducive business climate, technological innovation which lead to growth of the economy, improved output leading to increased earnings for the people, including the poor.

The Redistribution of resources model and sustainable livelihoods approach promote social interaction among groups, provides security against social risks like ill health, economic shocks, natural disasters, provides social and physical infrastructures, such as roads, electricity, water and social capital. The strategy is often translated into action using such instruments as review of salaries and wages in way that does not cause price instability, removal of gender

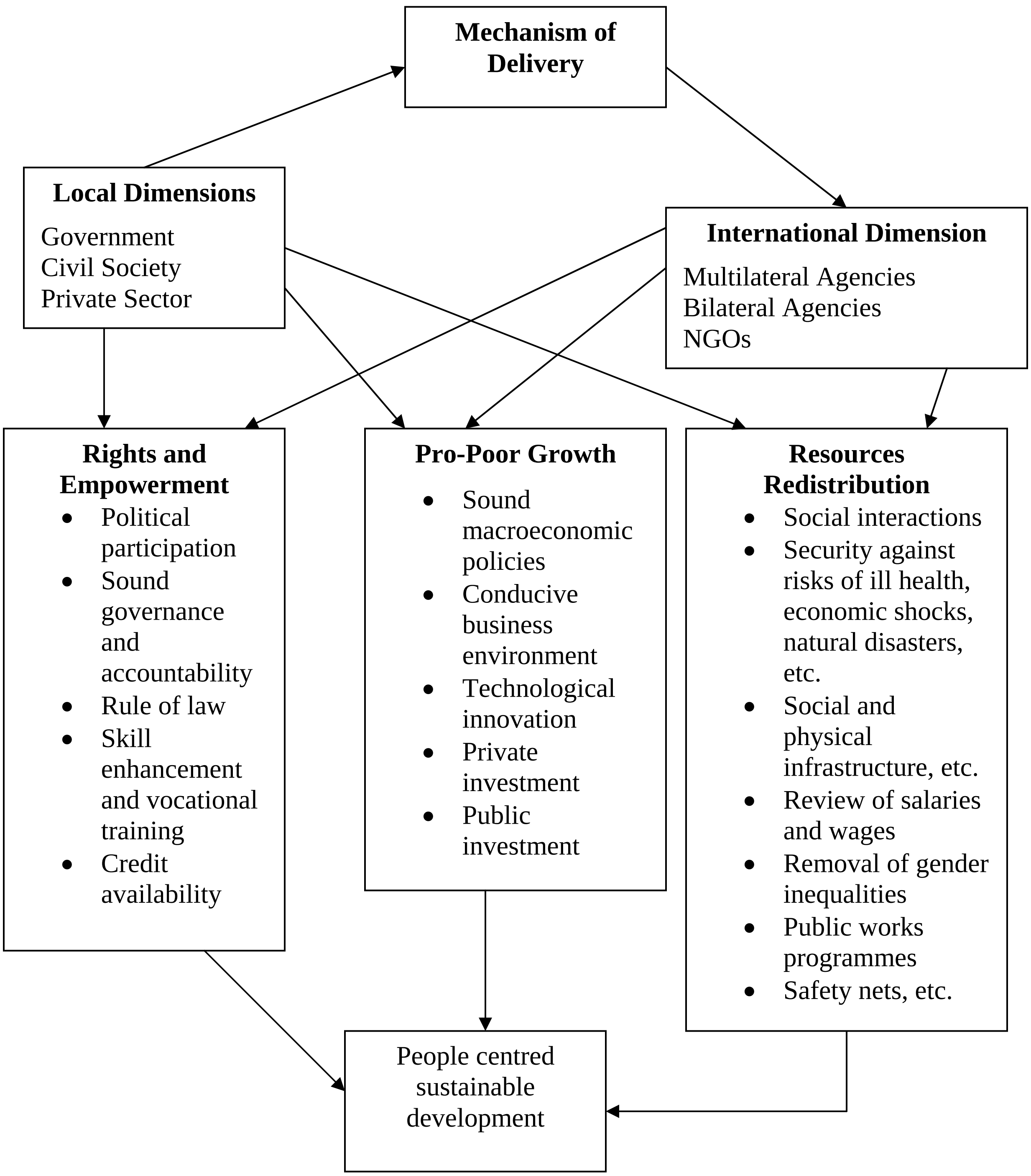
[3] The origin of any intervention mechanism has two dimensions: an international dimension involving institutions like multi lateral agencies, bilateral agencies and NGOs, and a local dimension involving the different levels of government, the civil society and the private sector.

inequalities and implementation of public works programme to create jobs and institution of safety nets, for those unavoidably caught in the web of deprivation.

The people-centred sustainable development approach, of course receives inputs from all these strategies discussed earlier. This is because the ultimate goal of poverty alleviation is ensuring people centred development. Figure 1 summarizes this schema for analyzing poverty-reduction strategies.

The concept of people-centred sustainable development means development that not only generates economic growth but also distributes its benefits equitably; that generates the environment rather than destroying it; that empowers people rather than marginalizing them. It is a strategy that gives priority to the poor, enlarging their choices and opportunities, and provides for their participation in decision affecting them. It is a development effort that is pro-poor, pro-nature, pro-jobs, pro-women and pro-children. This approach involves a combination of several efforts and strategies of initiating pro-poor growth policies, enhancing the rights and hence empowerment of the poor, reducing inequality or resources redistribution as well as sustainable development. The framework discussed above provides the analytical framework of this study.

Figure 1: A Schema for Analysing Poverty Alleviation Strategies



Source: Adapted from Gerster (2000)

3. Review of Policies for Poverty Reduction

Poverty reduction is in the main a task for economic policy and requires some antipoverty programmes directed at the rural poor. In Nigeria, development policy has had three fundamental objectives: economic growth and development; price stability, and social equity. These objectives were to be achieved through national development plans (NDPs) which were designed to alleviate poverty by achieving an improvement in real income of the average citizen, equitable distribution of income and a reduction in the level of unemployment and underemployment[4]. It is therefore, within different theoretical models for development that past policies aimed at bringing development to the rural areas of Nigeria are designed. Realizing that approximately 70 percent of the poor live in the rural areas, where they depend largely on agricultural pursuit, public policy on agriculture was therefore, expected to impact positively on the rural poor as well as other sectoral policies that have positive rural biases.

Nigeria like other third world countries saw industrialisation as the key to attaining the economic successes of the imperial powers. Rural development was thus narrowed down to sectoral policies particularly in the areas of agriculture, which today has led to the intractable problems of the rural areas. However, the confusion that accompanies such negative development philosophy manifests itself in the failure of the development strategy to recognize the linkages between rural and agricultural development on one hand, and between rural development and the development of the total economy on the other. Thus, in the early years of independence, the rural areas were largely neglected owing to the adoption of economic dualism strategy model. In addition, the nation also adopted an import substitution industrial strategy, which in the main involved the substitution of local technology with imported ones rather than the substitution of imported components with local raw materials. These theories in their adoption and implementation did not yield the desired results of achieving the greatest socio-economic benefit for the majority rural dwellers. Situations deteriorated and the gap between the urban and rural areas widened the more.

The view is widely held that the pattern of input substitution industrial development strategy adopted led to the present urban structure. In reality however, the rate and volume of the migration of people out of the rural areas to the cities is a measure of some of the negative impact of the industrialisation strategy on the rest of the country, making it imperative for the

[4] See the 3NDP: 1975-1980; 4NDP: 1981-1985.

people to move enmass from the rural areas. The infant-industry argument led to the adoption of high tariff barriers against cheaper and often better-finished imports. For the rural population, this meant paying higher prices for manufactured goods especially at a time when the prices they received for their export products were declining. To worsen matters, the growing concentration and organization of industrial labour in the cities exerted political pressure on the wage structure as to affect the cost of labour to farmers in the rural areas. For farmers, the competition for "over-priced" labour was disastrous and the growth of urban centres came to be marked by a sharp decline of rural productivity. Even for those farmers who stayed on in the rural area because they could not leave, government's desire to satisfy restive urban population via the importation of cheap agricultural products like rice, maize, vegetable oil, etc. affected the farmers and the rural economy adversely.

From the standpoint of time, the policy-development trends with serious implications on rural poverty in Nigeria can be examined from two main perspectives: before independence and post independence era. The colonial administration prepared and implemented the Ten-Year Plan of Development and Welfare for Nigeria: 1946-1956, essentially with the sole objective of improving cash crop production and urban infrastructure, particularly roads and communications. Little attention was paid to rural development as it had little relevance to the imperial interests. The period before 1954 witnessed the development of the regional export economies-cotton and groundnut in the North; cocoa and rubber in the West and oil palm and kernel in the East. The 1954 Federal constitution and the process of regionalisation placed rural development as a residual item and it was therefore treated as a regional responsibility, just like agriculture, education, etc. Nevertheless, the autonomy associated to regionalism gave each of the three regions a free hand to set its own pace for development. Since revenue came mostly from agricultural exports, the regional governments tried to provide basic infrastructures particularly roads to haul commodities from the rural areas. Since the population was largely rural, and the regions were largely supported by the wealth of the rural areas, educational facilities, potable water as well as health facilities were put in place in the rural areas.

Although these were inadequate, they marked a humble beginning and a conscious attempt to improve the lot of the rural people. During this period of internal self-government, which lasted until 1968, the various regional governments operated and based their development plans on the assumptions of perfect knowledge of the problems of the rural people. Some of the schemes undertaken during this period include the Farm settlement/school leavers farms by the three regional governments; the Tree Crop Plantation (developed through the Development Corporations) of the Eastern and Western governments and the Small Farmer Credit Scheme.

With the attainment of independence in 1960 however, the subject of rural areas assumed greater importance in the scheme of national development. Thus the First National Development Plan: 1962-1968 allocated 13% of the gross capital outlay to agriculture and primary production. However, whatever gains made were wiped off by the civil war. By 1965, the new federal ministry of agriculture was very cautious not to mention agriculture in its plan so as not to hurt the spirit of the 1963 constitution yet, the political powers of the old regions brought out the need to coordinate agriculture at the centre. Consequently, three areas were identified for federal assistance to agriculture in the second National Development Plan- 1970-74. These were:

1. grants for the development of agriculture, forestry, and livestock and fishery;
2. establishment of a National Credit Institution; and
3. special Agricultural Development Schemes where the federal government enters into both financial and management partnership with state governments in carrying out projects.

The Third National Development Plan: 1975-1980, which allocated 7.2% of the N43.36 billion budget estimates to agriculture and rural development sector was essentially a continuation of the development process and policies begun in the preceding plan. The post 1975 period witnessed series of rather panic measures embarked upon by the Federal Government, including the Operation Feed the Nation (OFN), Agricultural Development Programmes (ADPs), River Basin and Rural Development Authorities (RBRDAs), and the Green Revolution Programme. Of all these, the ADPs received better attention and a systematic approach to project planning while the other schemes mentioned above remained as political slogans.

By the second half of the 1970s and early 1980s, the trickle down development strategy has started to wane. Emphasis shifted towards addressing development and poverty issues at the grassroots in rural areas with the believe that the rapid growth in the rural economy is the most promising way to reduce poverty and check rural-urban drift. Nigeria was not left out of this new thinking as several programmes were initiated with varying degrees of successes. As argued by Onimode (2003), the economic policies that have semblance of positive policy initiatives on rural poverty reduction include the followings:

i. Universal Free Primary Education (UPE;)
ii. Subsidy programmes for various activities, especially agriculture, social services and credit;
iii. Primary health care including the "health-for-all by year 2000" programme[5];
iv. Rural water supply scheme;
v. Rural electrification by Rural Electrification Boards (REBs);
vi. Directorate for Food, Roads and Rural Infrastructure (DFRRI);
vii. Credit guidelines, rural and community banking schemes,
viii. National Directorate of Employment (NDE);
ix. Small-and Medium-Scale Enterprises (SME) Programme; and
x. Better Life for Rural Women and Family Support Programme.

These programmes can be classified into three categories:

a) Income-generating and income-augmenting programmes (i, ii, viii, ix, x);
b) Income and wealth redistribution programmes (ii, vii,x)
c) Access and empowerment programmes with respect to resources and facilities (i, ii,iii,iv, v, vi, vii, viii, ix, x)

Olaniyan *et al* (2003) observed that prior to 2001, Nigeria had no known National Policy on Integrated Rural Development that could help to reduce poverty even though such policy and agricultural development have many implications for poverty reduction in the rural economy of Nigeria. However, in 2001, the Federal Ministry of Agriculture and Rural Development in collaboration with all relevant national and international development partners operating in the rural sector developed a National Policy on Integrated Rural Development (NPIRD). This has remained the most comprehensive rural development policy document to date in Nigeria.

The overall policy objective of the National Policy on Integrated Rural Development is drawn from the national objectives of developing the rural areas, raising the quality of life of the rural people, alleviating rural poverty and using rural development as a basis for laying a solid foundation for national development. In order to achieve integrated and even development on a sustainable basis, the policies to be adopted are intended to empower rural dwellers through the development of productive employment, enhancing their income, ensuring protection of the

[5] Disappointingly, this promise was not fulfilled at the end of year 2000.

environment, promoting gender responsiveness, and ensuring adequate care for vulnerable group. This will involve:

(i) Community Driven Participatory Approach (CDPA) in project identification design, implementation, monitoring and evaluation.

(ii) Rationalization and realignment of public sector rural development institutions.

(iii) Heavy reliance on the private sector to lead investment in the rural sector to promote economic growth.

(iv) Collaborative efforts between government and other stakeholders for input delivery and marketing of agriculture and other rural products.

(v) Promotion of even–development as a cardinal objective of integrated rural development.

The policies to be implemented through the National Policy on Integrated Rural Development lay special emphasis on five priority areas. These are:

(1) ***Promotion of Rural Productive Activities***. In this regards, emphasis is placed on employment and income generating opportunity and activities. The policy areas under the promotion of rural productive activity are;

  i. Agriculture, Fisheries, Animal Husbandry And Forestry
  ii. Mineral Resources Development
  iii. Manufacturing and Industry
  iv. Marketing and Distribution, and
  v. Rural Financial Systems.

(2) ***Supportive Human Resources Development and Utilization:*** Under this activity, the emphasis is on recognition of the critical and dynamic role of the total man in rural and national development. The policy areas under this are:

  i. Health and Population
  ii. Culture and Social Development
  iii. Education, Technology and Skills Development
  iv. Research and Extension Services, and
  v. Information and Communication.

(3) ***Enhancement of Enabling Rural Infrastructure:*** This places emphasis on government taking adequate measures to promote the development and

improvement of rural infrastructure with a view to stimulating and promoting sustainable growth of rural productive activities. The policy areas under this include:

i. Transport infrastructure and facilities
ii. Communications infrastructure
iii. Housing
iv. Environment
v. Energy, and
vi. Water and sanitation

(4) ***Special Programmes for Target Groups:*** This is premised on the fact that the powerless, marginalized and deprived rural people deserve special attention. This policy targets the following groups:

i. Women
ii. Youth
iii. Children
iv. The Elderly and Retired
v. Beggars and destitute
vi. Emergencies and National Disasters
vii. Economically Disadvantage Areas; and
viii. Border areas.

(5) ***Rural Community Organisation and Mobilisation:*** This policy recognises the fact that the need for full participation of members of the rural communities in the development process is critical to the quality and sustainability of the development efforts of government. The strategy to be employed in achieving this priority policy area is through special and appropriate provision for the support of community initiatives and programmes through managerial, technical, financial and other appropriate assistance.

It is important to underscore the fact that some anti-rural and poverty policies are noticeable in Nigeria. They include:

a) Persistent and massive denial of physical and social infrastructure;

b) Poor transport linkages by road, rail, water or air;
c) Poor access to development resources like land, credit, and technology;
d) Concentration of industries in urban centres;
e) Bias of even agricultural expenditure towards powerful and rich urban dwellers;
f) Bias of domestic terms of trade against agriculture and other rural activites with relatively low producer prices for food, agricultural exports and other rural produce;
g) Poor incentives to the rural economy and to economic activites in rural areas;
h) Denial of political power to the rural majority (even with local government reforms) so that the rural population is underrepresented in decision-making organs at all levels of society; and
i) The relative neglect of the informal sector.

In the light of continuous government's concern for poverty reduction, in 1994, government set up a broad-based Poverty Alleviation Programme Development Committee (PAPDC) under the aegis of the National Planning Commission. The primary objective of PAPDC was to advise government on the design, coordination and implementation of poverty reduction policies and programmes. The work of PAPDC contributed immensely to the emergence of a new approach in 1996 known as the Community Action Programme for Poverty Alleviation (CAPPA). Current efforts at poverty reduction include the launching of the Universal Basic Programme (UBE) and the Poverty Alleviation Programme (PAP), the constitution of the Ahmed Joda Panel in 1999 and the Ango Abdullahi Committee in 2000 with the mandate to streamline and rationalize existing poverty alleviation institutions. These led to the emergence of the National Poverty Eradication Programme (NAPEP) and the National Poverty Eradication Council (NAPEC) in early 2001. Last but not the least is the launching of the Poverty Reduction Strategy Paper in 2003. In order to have a holistic approach to poverty reduction in the country, and because of the little success achieved in terms of selective approach to fighting poverty in the past, the paper attempts an inter-sectoral strategy to fighting poverty in Nigeria. In specific terms, the strategies include:

- Bottom-up and demand-driven identification and prioritization in order to allow for community ownership. Community participation would be enhanced in aspects of project circles, by decentralizing decision-making;
- Capacity Building and Empowerment: This involves grassroots decision making, provision of access to productive inputs and assets such as credit, land etc; relevant and effective training and education, exposure to and adoption of appropriate technology, access to adequate infrastructure and social services, integration of informal sector into the main stream of economic activities
- Service delivery comprising of: (1) targeted intervention and building on existing safety – nets of the poor; (2) building mechanisms into poverty reduction plan; (3) provision of a support mechanism to finance projects which are initiated by intended beneficiaries; and (4) emplacement of pro-poor national growth strategies.
- Coordination, Monitoring and Evaluation, which involves streamlining and networking of existing poverty reduction programmes into the support mechanism
- Use of appropriate monitoring and evaluation mechanism for poverty reduction and eventual elimination.

4. Review of Programme/Institutions for Poverty Alleviation

Efforts at improving the rural areas of Nigeria predated the independence of the country in 1960. The major efforts made in pre-independence and the early days of independent Nigeria according to Omale and Molem (2003) were in the area of farm settlement schemes. The aim of these farm settlements was to bring scattered small communities together so that they could take advantage of economies of scale in farm inputs, agro services, marketing, etc. These schemes recorded little or no achievement because those they were affected were not involved at the planning stages. Since then, a number of government programmes have been put in place to improve basic services, infrastructure and housing facilities for the rural population, extending access to credit farm inputs, and creating employment. Most of the programmes were however, not specifically targeted towards the rural poor, though they affect them. Such programmes included specific multi-sector programmes (water and sanitation, environment, etc) as well as sector-specific programmes in agriculture, health, education, transport, housing, finance, industry/manufacturing and nutrition. (See Box 1 for some government programmes related to rural poverty reduction).

Ilori (1999) categorized rural poverty related programmes into three: development programmes, palliative measures popularly known as the Social Dimension of Adjustment (SDA), and the sector-specific poverty related programmes. Examples of development programmes are: rural electrification schemes; rural banking scheme; and Operation Feed the Nation later named Green Revolution. Palliative measures include programmes such as the Directorate of Food, Roads and Rural Infrastructure (DFRRI), the National Directorate of Employment, and Family Support Programme. The major sector-specific poverty related programmes include the National Agricultural Land Development Programme (NALDA), micro credit schemes such as Peoples Bank, Community Bank etc. All the programme put together are meant to provide a catalytic impetus for the take-off and subsequent advancement of the rural areas towards:

a) Linking them to national and international economic systems;
b) Increasing rural household income;
c) Providing basic socio-economic and physical infrastructure;
d) Efficient resource allocation to shift attention and interest of the private sector towards investment in rural areas to enhance rural development; and,
e) Enhancing rural welfare.Some of the programmes that have direct bearing on rural poverty in Nigeria are examined as follows:

Box 1: SOME GOVERNMENT PROGRAMMES RELATED TO POVERTY

Multisectoral Programmes include: (i) the National Directorate of Employment, which consists of four main programmes: the Vocational Skills Development Programme, the Special Public Works Programme, the Small-Scale Enterprises Programme, and the Agriculture Employment Programme; (ii) the Directorate of Food, Roads and Rural Infrastructure, which supports mainly rural infrastructure project; and (iii) the Better Life Programme, which supports a multitude of programmes targeted at rural women, including agriculture and extension services, education and vocational training, cottage industries and food processing, primary health care delivery and enlightenment/awareness and cooperatives. It has now been replaced with the Family Support Programme.

Agricultural Sector Programmes include the Agricultural Development Programmes; the National Agricultural Land Development Authority; the Strategic Grains Reserves Programmes; the Programme for Accelerated Wheat Production; as well as the development of the development of artisanal fishery, small ruminant production, pasture and grazing reserves. These programmes promote utilization of land resources through subsidized land development, supply of farm inputs and services and credit extension to farmers, and institutional support for produce marketing cooperatives.

Health Sector Programmes include the Primary Health Care (PHC) Scheme, which aims at providing at least one health centre in every local government; and the Guinea-worm Eradication Programme, launched in 1988 with the assistance of donor agencies including UNICEF, which supports health interventions to control diarrhea diseases, eradicate guinea-worm, and promote changes in knowledge, attitudes and practices relating to water use, excreta disposal and general hygiene. The effectiveness of the PHC programme was hampered by inadequate funding from the LGAs, and lack of equipment, essential drugs, and trained manpower. The Guinea-worm Eradication Programme succeeded in reducing the number of reported guinea-worm cases from 650,000 in 1988 to 222,000 by the end of 1992.

In the Education Sector, the Nomadic Education Programme developed curricula for nomadic education, trained nomadic teachers, and provided infrastructure for the nomadic schools. Additional programmes were targeted towards girl’s education, women and children in exceptionally difficult circumstances, and adult literacy.

In the Transport Sector, the Federal Urban Mass Transit Programme was established in 1988 to rescue the public transport system from imminent collapse. New buses were put into public service and loan schemes helped cooperatives and private operators acquire transport vehicles. However, the demand for public transportation in many urban areas continues to outstrip supply.

Box 1: Cont'd

In the Housing Sector, a Sites and Services Scheme commenced in 1987 to increase the supply of land for residential development by all income groups. The programme consists of site clearance, construction of concrete drains and culverts, etc. However, shortage of funds resulted in non-payment of compensation to former owners of assets in the acquired areas, and non-development of essential infrastructure such as access roads, water, power supply, etc.

Financial Sector Programmes include a few initiatives begun in 1989/90 such as the National Economic Reconstruction Fund, which provides long-term loans at concessionary interest rates to promote small and medium-scale industrial projects; the People's Bank of Nigeria, which extends credit to the poor who do not have access to the credit facilities available in the commercial and merchant banks; and the commercial and merchant banks; and the Community Banking Scheme, which provides credit to small-scale producers on their own personal recognition.

Nutrition-Related Programmes consist of programmes aimed at improving food security, preventing micro-nutrient deficiencies in children and women, promoting exclusive breast-feeding, deworning school children and promoting food quality and safety.

Manufacturing Sector Programme includes a Small-Scale Enterprises Programme. This is designed to promote the growth of small-scale enterprises in Nigeria. The programme involves government promotion of small-scale industries through easier access to bank credit, artisan technology and the provision of appropriate infrastructure.

Source: Obadan, 2003, pp. 249-251

Some of the programmes are examined briefly below:

4:1 The Agricultural Development Programmes

This was introduced in 1975 in three enclaves but now cover the whole country. The main objective of the ADPs has been to increase production of food and fibre as well as producer incomes. The distinguishing characteristics of ADPs include:

a) an input and credit supply system through a network of farm service centres which ensure that no farmer travels more than 5-15km to purchase needed farm inputs;

b) a massive feeder road network that has opened up new areas for cultivation and has facilitated rapid evacuation of farm produce and prompt delivery of inputs;

c) a revitalized unified extension and training system backed up by timely input supply and adaptive research services;
d) joint state-federal collaboration for project implementation; and
e) solid project management together with built-in project monitoring and evaluation.

The ADPs represent a truly innovative approach to agricultural and rural development both in their integrated supply of farm inputs and infrastructural support and in their efforts to revamp and revitalize extension services. Along with the implementation of the ADPs, some states of the federation initiated a variety of new schemes to deal with new and old problems. For example:

a) The Lagos State Government embarked on the Agricultural Input Credit Scheme to promote mechanized farming, while its Graduate Farming Scheme was to tackle the twin problems of graduate unemployment and food shortages through the provision of land, equipment and all necessary inputs for cropping. In addition, its School Agriculture Programme was designed to popularize agriculture in schools.
b) The Niger State Back-to-Land and the Small Scale Farmers Programmes guaranteed loans to various categories of farmers;
c). The Bauchi State Graduate and School Leavers Farming Schemes were similar to those in Lagos State.
d). The River State School-to-Land Programme was designed to reduce unemployment among school leavers as well as act as a catalyst to revolutionize agriculture, while its Community Block Farms was to encourage farming cooperatives in the state.
e). The Oyo State Integrated- Self-Employment and the Graduate Self-Employment Schemes were designed to solve the unemployment problems of school leavers and graduates respectively in the state.
f). The Shell Company of Nigeria also has Community Land Development Programme in the oil producing states. This is designed to provide alternative means of livelihood to the original landowners of oil well sites.

4.2 Land Reform Measures (Land Use Decree)

In 1978, the government of Nigeria embarked on the first major land reform when it enacted the Land Use Decree of 1978. The Land Use Decree was meant to free land from the bottleneck of institutional constraints among other things, enable landless but enterprising farmers have access to productive land. The decree sought to take over ownership of land from individuals and vest power of control over such lands in the state governors. In practice however, especially in the countryside, the customary tenure is still widely adhered to. Except for rich land speculators, the accessibility of poor peasants to productive farmlands has remained as difficult as ever. The unintended fallout has been incessant warfare over land by adjoining communities.

4.3 The Directorate of Food, Roads and Rural Infrastructure (DFRRI)

The Directorate of Food, Roads and Rural Infrastructure (DFRRI) was created in January, 1986 as an integrated approach to rural development. DFRRI was designed to act as a policy catalyst for the development of the rural areas of the country and lay particular emphasis on the provision of water and the construction, rehabilitation and maintenance of an effective rural feeder road network. The directorate had the following objectives:

a). To promote a framework for grassroots social mobilisation.

b). To mount a virile programme of development, monitoring and performance evaluation.

c). To provide rural areas with access roads and potable water.

d). To improve rural sanitation, literacy and technology.

The main task of DFRRI can be categorized briefly into two. First, it was to make rural areas more attractive to live in (through the provision of improved, well-maintained rural infrastructure such as roads, water and electricity) in other to stem the migration to urban areas. Secondly, it was to change for better, the rural ways of life and modes of production in order to meet the challenges of increased agricultural and industrial production, and raise income thereby reducing urban-rural disparities. It was involved in the production and distribution of improved seeds and other planting materials; the promotion of rural and urban fish farming, storage and processing of grains as well as encouraging the production of small animals such as sheep and goats. The Directorate operated through its coordinating officers in the states and in each local government.

4.4 The National Agricultural Land Development Authority (NALDA)

To solve the problems of low utilization of farmlands, increase farm sizes and hence productivity to alleviate rural poverty, the Federal Government initiated a national agricultural land development programme under the National Agricultural Land Development Authority (NALDA) in 1991. NALDA as an executing agency was empowered to develop between 30,000 and 50,000 hectares of land in each state of the federation during the 1992-94 National Rolling Plan period. It was also to see to the placement of at least 7,500-12,500 farmers within the area developed such that each participating farmer member lives within 3km-5km radius of his farmland. The programme on the whole was to:

a). provide strategic public support for land development;
b). promote and support optimum utilization of the nation's land resources for the accelerated production of food and fibre;
c). encourage and support economic size farm holdings and promote the consolidation of fragmented farm holdings;
d). encourage the evolution of economic size villages;
e). provide gainful income and employment opportunities for rural people;
f). address the special problem of the nation's rural majority;
g). expand production capacity in agriculture;
h). contribute significantly to the attainment of national food and fibre self-reliance; and
i). facilitate the appropriate cost-effective mechanization of agriculture.

4.5 Better Life Programme (BLP)

In 1987, the Better Life Programme was first introduced as a programme mainly for rural women by the then First Lady, Mrs. Maryam Babangida. The programme was generally aimed at complementing the existing Federal Government policy to develop the rural areas. The programme's objectives were:

a) the desire to stimulate and motivate women in rural areas towards achieving a better and higher standards of life, as well as sensitize the general populace to the plight of rural women;

b) educate women on simple hygiene, family planning, importance of childcare and to increase literacy;

c) to mobilize women for concrete activities towards achieving specific objectives, including seeking leadership roles in all spheres of national life; and

d) to raise the social consciousness of women about their rights, as well as social, political and economic responsibilities.

As the implementation of the programme progressed, it was realized that the scope of the programme had to be widened to include urban women and cooperatives where men were members. Thus, the name was changed from Better Life Programme for Rural Women to Better Life Programme (BLP). The programme generally covered many areas that relate to enhancing labour productivity and entrepreneurship development. Areas covered include: health, agriculture, education, social welfare and cooperatives. The formation of cooperatives in the programme has direct bearing to entrepreneurial development. Numerous fishing, farming, marketing, weaving and sundry craft cooperatives were set-up. The cooperatives were supported in terms of access to credit facilities from People's Bank, which owes its existence partly to the Better Life Programme. Thus, a linkage was effectively created between the two agencies.

During the Abacha regime, the programme appeared to narrow down its activities and was re-named Family Support Programme (FSP) with greater emphasis on the health component. However, in an attempt to create a more embracing socio-economic poverty alleviation programme by the regime, a new agency called Family Economic Advancement Programme (FEAP) was established. The FEAP was established to stimulate economic activities by providing loans directly to Nigerians through cooperative societies and informal associations.

4.6 National Directorate of Employment (NDE)

This is a skill formation and credit-granting scheme with consequences on accelerating entrepreneurship development. The Directorate was set up in 1986 with the underlying philosophy of self -enterprise, which emphasizes self-employment in preference to wage employment. The Directorate implements four core programmes namely, Vocational Skills Development Programme (VSDP), Special Public Works (SPW), Small Scale Enterprises (SSE) and Rural Employment Promotion Programme (RPP). The Vocational Skills Development Programme is a skill acquisition programme, which consists of 80 trades spread through its four ancillary schemes of:

The National Open Apprenticeship Scheme (NOAS): This scheme emphasizes on-the-job training by which apprentices are attached to master craftsmen or women, companies, ministries and parastatals for periods varying between six months to three years.

The School on Wheel Scheme: This involves the use of mobile workshop to take vocational training to the rural areas.

The Wealth-to-Waste Scheme: Under this scheme, interested youths are trained to convert discarded materials to useful and valuable products such as jewelry, flower vase, key holders etc.

The Resettlement Scheme: The scheme was set up to assist selected NOAS graduates who lack the means to set up own businesses and cannot get wage employment. The scheme also provided management support services to young entrepreneurs who may be in need of professional advice.

4.7 People's Bank of Nigeria (PBN)

The PBN was set-up by Decree No. 22 of 1990 with the following mandate:

a) the provision of basic credit requirements to the under privileged Nigerians who are involved in legitimate economic activities in both rural and urban areas and who cannot normally benefit from the services of orthodox banking systems due to their inability to provide collateral securities; and

b) the acceptance of savings from the same group of customers and make repayment of such savings together with any interest thereon, after placing the money, in bulk sums, on short-term deposits with Commercial and Merchant Banks.

Arising from the mandate are the following specific objectives:

a) Extension of credit facilities to the less privileged members of the society who cannot normally benefit from the services of the conventional banks.

b) Provision of opportunities for self-employment for the vast unutilized and underutilized manpower resources in the country.

c) Complementing of government's efforts in improving the productive base of the economy.

d) Inculcating banking habits at the grassroots and reducing the rural-urban migration.

e) Eradication of poverty and provision of succor to the poor

g) Bringing relief to the financially marginalized groups in the society.

By implication, the People's Bank is to serve as an alternative banking institution providing easy credit access to the poor who otherwise would not have had access to credit and other banking services at affordable rates of interest and without the complicated requirement of collateral security. It became the most significant financial institution providing micro-credit as part of poverty alleviation programme with special focus on small-scale enterprise development. In order to further strengthen the delivery of credit to small-scale entrepreneurs and the poor as part of the current effort at poverty alleviation, the activities of FEAP and Nigeria Agricultural and Cooperative Bank have been rationalized to avoid duplication and overlapping of functions. Thus, a new institution called the Nigerian Agricultural, Co-operative and Rural Development Bank (NACRDB) was established mainly to do what these institutions were created to do with a more clearly defined focus.

4.8 The Agricultural Credit Guarantee Scheme

In 1977, the Agricultural Credit Guarantee Scheme Fund Decree, whose objective was to provide cover in respect of loans granted for agricultural purposes, was promulgated. It was believed that this would encourage commercial banks to loan investment funds to the agricultural sector including the small-scale rural dwellers. However, the main beneficiaries of this programme were the large scale and educated farmers.

4.9 The River Basin Development Authorities

In addition, in 1977, eleven River Basin Development Authorities were established to undertake food production and the provision of rural infrastructure. In 1986, they were re-organised and directed to focus on land and water resources development.

4.10 Community Bank

A community bank is a self-sustaining financial institution owned and managed by a community or a group of communities for the purpose of providing credit, banking and other financial services to its members largely on the basis of their self recognition and credit worthiness. The community bank was set up in 1991 in order to encourage communities to pull resources together for investment purposes. The belief was that this framework would provide avenue for small-scale enterprises that hitherto has limited access to finance from formal banking institutions to have access to credit. Community banks are located all over Nigeria with more than 60 per cent in rural areas. Community banks are jointly owned by community development associations, co-operative societies, clubs and private individuals in the locality. Most of the lending of community banks in Nigeria is directed at micro enterprises and SSEs.

4:11 Interventions from International Development Agencies

Beyond the domestic poverty reduction programmes, there are various interventions by the international development agencies. At the forefront of the international dimension to poverty alleviation strategies are the activities of the World Bank, United Nations Children Fund (UNICEF), United Nations Development Programme (UNDP), and the World Health Organization (WHO) etc. The World Bank has been supporting poverty alleviation in Nigeria through such strategies as promoting broad-based economic growth that could generate income-earning opportunities for the poor. It has also supported the strategy of improving access to basic social services, so that the poor can take advantage of these opportunities.

5. Review of International Experiences[6]

[6] This section draws substantially from the work of Soyibo, *et al* (2001).

The experiences of various countries in terms of poverty in the 1990s call for a re-thinking in the approach(es) for poverty alleviation. In line with schema earlier presented, the World Bank Reports (2000) proposed a general framework for action in areas like

a) facilitation of rights and empowerment ;

b) promotion of pro-poor growth and

c) enhancement of resources redistribution.

In addition, given the level of complementarities among them, an effective poverty reduction strategy will require action on all three fronts. The basic question is how various countries fared in embarking on the framework for action needed for poverty reduction in all its dimensions. Examples are presented as follows of how other countries have approached the poverty reduction problem.

I. Rights and Empowerment

Right and Empowerment entail enhancement of the capacity of the poor people to influence the state institutions that affect their lives, by strengthening their participation in political processes and local decision- making. To accomplish this, the following must be done

a) Removal of political, legal and social constraints that work against the poor and building the assets of poor people to enable them to engage effectively in markets;

b) Efforts are needed to make state and social institutions pro-poor;

c) Formal democratic process and sound governance. Improved governance requires building administrative and regulatory capacity and reducing poverty.

d) More detailed processes of accountability-mobilizing poor people in their own organization to hold state institutions accountable and ensuring the rule of law in their daily lives.

e) Social interactions between individuals and communities.

In doing this, the first step is to build the capacity of public administration in services delivery. For example, the *Ain-O-Salish Kindra* (ASK) was established in Bangladesh in 1986 primarily to provide legal aid for family matters. Legal aid Organizations in Cambodia like the Cambodia Defenders Project was established in 1994, and in collaboration with other NGOs provides services for and represent women in court, especially in domestic violence cases. The organization's lawyers run training programmes, comment on draft laws and work with civil society groups to explore legal tools for influencing government. The Legal Resources Centre in South Africa handled cases to restore water services terminated because residents were too poor to pay and to protect the land rights of an Aboriginal community in the privatization of a diamond mine (Manning, 1999).

Pro-poor coalitions that link the interest of the poor and the non-poor are also important for poverty reduction. Bardham (1997) was of opinion that to build potential support for public action against poverty, governments have to enhance the perception of common interests between the poor and the non-poor. The public health movement in Europe and the United States brought rapid improvements in the health conditions of poor and rich alike in the 19th and 20th centuries.

Another way to facilitate the growth of poor is through people's association. However, these organizations require many forms of support from the state and from civil society, but NGOs are in the best position to deliver technical assistance to poor people as *Mopawi* is doing in Honduras. *Mopawi* is an NGO that has been working alongside the indigenous communities of La Mosquila. It developed a large and complex development program and worked tirelessly to change government policy through continuous lobbying and advocacy, helping to form links between government, international NGOs, research organizations and indigenous organizations to raise awareness and inspire actions. It helped to improve livelihood of the poor by identifying alternative models of resource use and involving local communities in decision-making and management (Brehm, 2000).

Another important way is by fostering state-communities synergies in poverty reduction. Brazil brought grassroots electoral pressure to bear in local governments. Political interference has been kept at bay by the state government's insistence that municipal council for disbursing development funds have at least 80% representation from end-user communities. Moreover, if communities feel that the municipal council treats them unfairly, they can apply for funds directly from the state government. Civil Society organizations also promote the political empowerment of poor people, pressurizing the state to better serve their interests and increasing the effectiveness of anti-poverty programs. Case studies in the Indian State of Kerala and Mexico show that a highly engaged civil society contributes to better outcomes in health and education. Traditionally, Mexico had well-institutionalized systems for channeling and controlling political activities and using state resources to cement political support.

In an effort to remove social barriers and build social institutions, the 1994 Colombian Agrarian Law gave top priority to redistributing land to women - headed household and women who lack potential or had been displaced by war. The scheme called “a parcel of one’s own” was designed as a guarantee of secure livelihood for women and their children upon separation or divorce. In Bangladesh, the school stipend program , established in 1982 subsidizes various school expenses for girls who enroll in secondary schools. When girls tuition was eliminated nationwide in 1992 and the stipend program was expanded to rural areas, girls’ enrollment rate rose from 27% in 1982 to 48% in 1992.

The program “Quetta” in Pakistan also used a subsidy tied to girl’s enrollment to support the creation of schools in poor urban neighborhoods by local NGO′s. The schools admit boys as long as they make up less than half of enrolments. The second program expanded the supply of wall, single - sex primary schools for girls by encouraging parental involvement in establishing the schools and by subsidizing the recruitment of female teachers for the local community. The results are as follows: girl’s enrollments rose by 33% in Quetta and 22% in rural areas. Interestingly, it also increased boy’s enrollments (Kim *et al*, 1998). In addition, gender budgeting and publication of gender-disaggregated development indicators can also generate support for these efforts. The South African Women’s Budget Initiative helps in highlighting the gender dimensions of the government budget and also to ensure that gender equity is better served by the budget process and allocations. The initiative has undertaken four rounds of budget analysis on a range of sectors. While the early rounds focused largely on the national budget process, the fourth has begun to focus on local government and on dissemination of findings and messages to a broader constituency of South Africans to better equip ordinary citizens to engage in policy discussions (Budlender, 1999)

The creation of linking social capital is essential for poverty alleviation. *Myrada* an India NGO acts as a medium-term intermediary between poor people and commercial banks. Its initial task is to mobilize the bonding social capital within village communities to form regional federations made up of representatives from each Gecht group. At the outset, credit management groups hold accounts with commercial banks; progressively gaining the confidence and skills they need to participate independently in formal institutions (linking social capital). After five years of training and hard-work experience, group members are able to manage these accounts without the involvement of *Myrada* staff. In Bangladesh, Grameen Bank relies on groups of poor women to implement programs, and the Bangladesh Rural Advancement Committee on groups of village workers with little or no land. In Pakistan, the Aga Khan Rural Support Program gives assistance to village organizations to supplement their self-help projects (Esman and Uphoff, 1984).

ii Pro-Poor Growth Strategy

These are strategies, which generally aim to increase the share of the poor of its economic benefits. This was the World Bank strategy as contained in the World Development Report (1990) and it includes labour intensive growth strategy, social services and safety nets and had since been extended to include such other strategies as rural development and pro-poor overall tax structure. Also laying credence to the pro-poor growth strategy is the view of the Swiss Development Co-operation (1999) and UNDP (1997) that economic growth is a crucial, although not sufficient condition, for poverty reduction. These organizations posited further that such pro-poor-path policies must lead to employment generation, promotion of small businesses and improved access of the poor to the factors of production like land and capital.

Market reforms should focus on the elimination of the regulation affecting microentreprises and SMEs, strengthening registries to allow small producers to use land as collateral or developing the policy framework for small-scale insurance. Well-functioning markets are important in expanding opportunities for poor people. This is the basic reason for the need for market-friendly reforms as advocated by the international donors. Market reforms fail to reduce poverty in many countries because of many reasons. In the East Asian, for example, the financial reforms unaccompanied by adequate supervisory institution, mitigated against the success of the reform especially in Republic of Korea and Thailand (World Bank, 1998). In addition, market reforms cannot alleviate poverty where the institutional and incentive environment permits corruption to flourish. This is typical to SSA and countries of former Soviet Union (Hellman, et al, 2000). As introduced in many African countries, market reforms cannot also succeed where there are inadequate public investment and excessive bureaucracy.

Chile demonstrated how completed reforms could have large benefits on the poor. An aggressive devaluation and completion of reforms in 1984, led to improvement in the welfare of the poor. Agricultural labour force participation rose from 14% of the total labour force to more than 19%. Agricultural growth also increased from 0.2% a year in 1960-1974 to 4.9% in 1974 - 90. Chile reforms in 1979 was a big success story too; because of reforms, irrigation capacity increased more than double, while fertilizer production increased significantly. This was made possible because the state-imposed cropping patterns forced most cultivation into rice and other cereals, while the household responsibility system replaced communal farming. Agricultural produce prices were determined by the market price while commerce in rural areas and between farm and city begin to flourish. Also, instead of self-sufficient provinces, the state encouraged regional and national markets. Because of this, between 1978 and 1984, net agricultural output increased 7.7% annually and grain output 4.8%. With the vast majority of China poor people in rural areas, the incidence of poverty fell dramatically (Lin, 1995; World Bank, 1998).

Building up the assets of the poor by expanding economic opportunities in health and education, ownership or access to land, infrastructure and financial services and social assets including social networks are also important. Moreover, information technologies have been used to break down some of the barriers of physical remoteness that many poor people face. In fact, the potential of reforms in alleviating poverty through improved access to markets for poor people can be enhanced by improving access to information and financial markets for the poor. In the Middle East and North Africa, difficulties in gaining access to more lucrative national and international markets nearly led to disappearance of these rich craft. Since 1997, the *Virtual Souk* - an internet-based marketplace has been providing direct access to international markets for several hundred artisans for Egypt, Lebanon, Morocco and many of them are women. On-line sales soared ten-folds in 1999, while the participating artisans received 65-80% of the proceeds, a much larger margin than through traditional channels. Apart from this financial gain through the *Virtual Souk*, there was easy access to opportunities for empowerment, capacity building and income generation (World Bank, 2000)

In the case of expanding poor people's assets and tackling inequalities, emphasis have been laid on the interaction between human and physical capital, and link between environment and health and redistribution of public spending. The synergies between human capital assets are shown in Vietnam. As documented by van de Walle (2000), irrigation infrastructure in Vietnam uncovered important complementarities between education and the gains of irrigation. His analysis shows the more education raises the return to irrigation, and the effect tends to be strong for the poor, who tend to have best education. In Vietnam, lack of irrigation infrastructure is only one of the constraints to reducing poverty, but the full returns from irrigation investments can be realized without concomitant investments in education.

Among the best practice in the provision of social services for poverty reduction is *Mexico Progresa*. This programmne is an integrated poverty reduction one that was initiated in 1997. This program subsidizes education, health care and nutrition for poor rural household. The program covers2.6 million people, about 80% of the population in extreme poverty in rural areas of Mexico. It provides grants to poor families for each child less than 18 years, and the grant increased for higher grades and is slightly higher for girls than boys. For a child in year three of secondary school, grants are equal to 46% of the average earnings of agricultural workers. Families of children who miss more than 15% of the school days in a month do not receive the grant of that month. The program used these approaches to push up enrollments at all levels, with the 17% in the transition from grade 6 to the first year of secondary school.

Redistribution is best achieved through transfers and price subsidies. However, the success of this depends on the ability to identify the poor and administer subsidies. In this aspect, two successful programs are the *Maharashtra Employment Guarantee Scheme* (MEGS) in India and *Trabajar* in Argentina. The MEGS is one of the programme designed to reach the poor even, if the poor cannot be identified. It relies on providing work that only the poor people would find attractive. Both programmes concentrate on infrastructure projects (roads, irrigation schemes and embankments). Local authorities, in collaboration with communities and NGOs, propose projects, which must use labour-intensive technologies, benefit the local communities, and target poor areas. The MEGS expanded rapidly to reach some 500,000 workers monthly, and 100million person-days of employment. Trabajar set the wage rate at about 75% of average monthly earnings from the main job of the poorest 10% households. Both programs have been highly successful, as the 9 of 10 MEGS participants were living below` the local poverty line, while 4 of 5 Trabajar participants were poor by Argentine standards (Jalan and Ravallion 1999 and Lipton, 1998).

Pooling risk through insurance is another way of addressing constraints to demand for health care. Chile managed to reach the 15% of its population not covered by social insurance by creating a national health fund (FONASA) that collects both payroll deductions for social insurance and a general revenue subsidy for health care.

For effective delivery of health services, effective partnership drawn from the strength of public, private and non-profit organization is welcomed. In Brazil, the government harnessed the private sector energy in the battle against AIDS. By the end of 1994, NGOs financed under the system had distributed an estimated 2.6 million condoms and taken 11,000 calls to hotlines. Stringent government supervision become important to ensure that 4 out of the 191 NGO-run projects financed have gone forward without a hitch. The Expanded Immunization Programme started as WHO initiative, but multinational organization, volunteers, private entrepreneurs and government workers partake in the execution in various countries (van der Gaag 1995).

As indicated by Katakura and Bakalian (1998), Brazil's PROSANEAR applied six principles to provide sustainable water and sanitation services to poor households.

1. Start community participation at the very beginning of project preparation.
2. Ensure that cost-recovery and subsidy rules are clear and transparent.
3. Make formal, long-term arrangements for operating and maintaining systems as an integral part of its design.
4. Discuss all feasible technical options and their costs with communities
5. Coordinate projects with the local government's urban development plan from the outset of operation.
6. Confirm that the local government has a strong commitment to the project and to poverty reduction.

iii. Resources Redistribution

The need for redistribution of resources arises from large variations in poverty reduction for the same growth rate in per capita consumption. Studies, (e.g. Appleton *et al,* 1999; Wodon, 2000 etc.) have showed that the extent of poverty reduction for a given level of growth will depend on how the distribution of income changes with growth. It will also depend on the initial inequalities in income, assets, and access to opportunities that allow poor people to share in growth (World Bank 2000). The implication of the foregoing is that inequality tends to slow down the pace of poverty reduction. In this regard, Birdsall and Londono, (1997) noted that the new poverty reduction efforts should embrace policies that are aimed at reducing inequalities in the accumulation of assets and the acceleration of growth in Latin America especially at the start of the new century. Corroborating this assertion is the view of Tionneland, (1998) that the World Bank's approach to poverty reduction in Africa may have limited impact unless it can manage to address and promote a reduction in asset inequality. In summary, pro-poor growth policies can achieve desired effects if it is accompanied by other variables of which asset distribution is very important. This entails reduction of the poor's vulnerability to ill health, economic shocks and natural disasters bearing in mind the followings:

a) Reduction of volatility
b) Provide means of risk management by supporting human, natural, physical, financial, and social assets;
c) Supporting institutions meant for risk management like health insurance, old age assistance and pensions, social funds, micro finance programs and cash transfers and safety nets
d) Access to information and participation.

In the Indian State of Andhra Pradesh, pension coverage has been given to 425,000 home-based workers in the *beedi* industry, under the Employees' Provident Fund Act. A simple procedural mechanism: issuing identity card was crucial to the success of the Fund. In addition, a welfare fund for *beedi* workers was set up by the central government funded through an earmarked tax collected from employers and manufacturers. This separates the collection of contributions and the delivery of welfare services from individual employee-employers relationship, removing a major bottleneck to including informal sector workers in contributing scheme. In Igunga, Tanzania, a community health fund covering primary health care services achieved 50% participation. The key to the success of contributing insurance schemes for the informal sector are their organization around an association based on trust and mutual support and the administrative capacity to collect contributions and provide benefits. Administrative capacity can be fortified by an umbrella organization that joins local groups and provides them with technical support (Van Ginnekan, 1989)

Singapore adopted near universal coverage health insurance scheme. Between 1984 and 1993, Singapore set up a three-tiered system of health insurance: Medisave, Medishield and Medifund. The program insures against intermediate-level health risks through individual or household Medisave accounts. These mandatory savings accounts part of Singapore's compulsory social security system, are funded by a 40% payroll tax shared equally by employers and employees. Of this contribution, 6 - 8% is allocated to Medisave accounts, which can be used to pay hospitalization expenses of up to about $170 a day. Individuals are expected to cover minor health costs out of pocket or through private insurance. Equity back up is provided through subsidies from Medifund, to remedy the non-progressive nature of Medisave accounts and Medishield (Prescott and Pradhan, 1999).

The government of Uganda chose to create the Poverty Action Fund as a conduit for the savings from debt relief under the Indebted Poor Countries Initiative. The fund has been earmarked for priorities of the poverty eradication action plan adopted in 1997 to address poverty and social conditions. The Plan emphasizes maintaining macroeconomic stability while increasing the incomes and quality of life of poor people by developing rural infrastructure, promoting small business and micro enterprises, creating jobs and improving health services and education. The Poverty Action Fund focuses on schools, rural feeder, roads, agricultural extension, and district-level water and sanitation. Two crucial features of the Fund are its integration into the overall budget and the Ugandan government's effort to create a transparent and accountable structure of management.

6. Evaluation

In evaluating poverty reduction programmes in Nigeria, the standard World Bank's framework discussed earlier in the paper is adopted. Although Nigeria has not adopted a particular framework for the design and implementation of poverty reduction strategies, many of the poverty reduction programmes put in place could well fit into one or more aspects of this framework.

6.1 Rights and Empowerment

In this respect, various institutions were established to enhance income-generating capability of the rural dwellers. These institutions stem the effect of rural-urban migration, which is a bane of urban poverty in Nigeria. In this regard, DFRRI until its merger with the Federal Ministry of Water Resources in 1987, had constructed, rehabilitated and maintained over 90,800 kilometers of rural roads, provided 20,732 water points to serve 27,267 communities, completed

406 rural electrification schemes and trained 115 Technical Extension Workers on the use of local raw-materials such as burnt bricks, floor tiles, roofing-sheets etc. (Central Bank of Nigeria, 1998). The merger of DFFRI notwithstanding, DFFRI outfits and its former collaborators in the states have continued to maintain the infrastructure it established under the guidance and supervision of the Rural Development Department of the Federal Ministry of Water Resources. However, by the very nature of the activities of DFFRI, it could fit into the frameworks of building a sustainable livelihood for the poor and empowerment of the poor to exploit economic and other opportunities.

In spite of these achievements, the failure of DFFRI in solving poverty problems in the rural areas is very glaring from available poverty profile, which showed that incidences and contribution of rural areas to national poverty increased between 1992 and 1996 (see Okojie *et al*, 2000) before the merger of the Directorate. Part of the failure of DFFRI was ascribed to the lack of standard set for project harmonization. This was occasioned by the absence of any effective mechanisms for co-ordination among the three levels of government and between DFFRI and the three tiers of government.

The National Directorate of Employment (NDE) emphasizes self-employment in preference to wage employment. The activities of NDE was structured into four main programme areas which entails job creation as well as productivity and income generating enhancement for the youths and other beneficiaries. The four-programme areas are: the Vocational Skill Development Programme (VSDP), the Small Scale Enterprise Programme(SSE), the Special Public Works Programme(SPW) and the Agricultural Employment Programme(AEP). The VSDP programme is a skill acquisition programme which consists of 80 trades spread through its four ancillary themes of; (1)The National Open Apprenticeship Scheme: Between inception and 1995, the scheme has trained able-bodied and disabled bodies numbering 392,275.(2)T he School on Wheel Scheme: The scheme benefited a total of about15,000 youths in the old 21 states of the Federation and Abuja where the mobile training workshops are located. (3)The Wealth -to-Waste Scheme: The scheme has benefited about 6,394 participants since inception. (4)The Resettlement scheme: The scheme also provided management support services to those young professionals who may be in need of professional advice. Other notable achievement of the NDE can be traced to the activities of the Special

Public Works Programme that created about 154,910 jobs to unemployed youths between 1987 and 1996(CBN, 1992-1997).

However, given that FEAP transcends the other two institutions, we shall focus on the activities of the latter. The FEAP was instituted to stimulate economic activities by providing loans directly to Nigerians as the capital required to set and run cottage industries with emphasis on encouraging local design and manufacture of appropriate plants and machinery. The programme was specially designed for all Nigerians particularly, the low income families; co-operative societies; and families of the Armed Forces, the Nigerian police and para-military services who are directly engaged in productive agricultural activities and are registered with the programme. However, in assessing the activities of the FEAP and its impact on the poor, the approach as a poverty alleviation strategy suffer the same weakness with most other poverty alleviation strategies in Nigeria where assessment is based on the amount of loan disbursed by FEAP. However, given the design of the programme and the intended beneficiaries, the extent to which the programme could be seen as poverty alleviation strategy is an open debate. This rests on the fact that it is not specifically targeted at any particular poverty-ridden group in the society. Given these weaknesses of the FEAP, the government in 1998 inaugurated an inter-ministerial committee to review the roles and functions of FEAP along with some other poverty alleviation institutions. Despite the report of the committee, Ilori, (1999) noted that some fundamental issues relating to the operation of the programme such as the target beneficiaries, focus and cooperative orientation, which excludes a vast majority of the poor, among others, have remained unresolved.

The micro-credit institutions like the People's Bank and the Community Banks provide the poor with opportunity for self-realization through entrepreneurship, cushioning them against external shock, and providing them a means of social empowerment. The failure of orthodox banks in granting loans to the poor because of inadequate collateral also necessitated the establishment of these banks because they are expected to give loans at concessional rates. An assessment of the activities of these Banks by DPC (1999) is suggestive of their failure as poverty alleviation programme.

The People's Bank was structured to provide credit of between N50 and N2, 000 working capital to indigent Nigeria. This amount of loan is too small to cope with the realities of the business world. In terms of outreach, the People's Bank is well spread over the country and the number of branches increased tremendously from one in 1990 to 278 by 1997. In addition, the loan and advances profile of the bank is also encouraging with a loan-deposit ratio of close to 100 per cent in 1997. Other measures especially in terms of sustainability showed the Bank might not survive if the government withdraws its subventions to the Bank.

Community banks have made tremendous growth from one bank in 1990 to more than 1014 in 1999. The growth can be traced to the low capital requirements relative to the conventional banks and the less stringent operational requirements relative to the conventional banks. As a result, assets and deposits in the banks increased over the years. Incidentally, loans and advances have been increasing at a rate higher than the rate at which deposits are mobilized. Hence, the loan deposit ratio, which was 20.73 in 1991, increased over the years to 53.37 by the end of 1999. During the mid nineties, many community banks suffered from the financial sector distress, which adversely affected their operational performance. The problem was more pronounced because of the weak capital base which was initially put at ₦250,000.00. The capital base was subsequently increased to ₦3 million. This is based on the belief that it would sustain their sustainability and outreach

The Community Banks' activities showed similar dismal picture as a poverty alleviation programme. An instance of the failure of this Bank is revealed in the interest charged on loans and advances to customers. These rates are higher than what commercial banks collect from their customers. For instance, while Community Banks charged as high as 36% rate of interest on loans and advances in 1992, commercial Banks charged only 29%. In addition, between 1995 and 1997, Community Banks and Commercial Banks were almost charging the same rates of interest on loans and advances, thereby casting doubts on the Community Banks programme as a poverty alleviation strategy. An assessment of income distribution in Nigeria showed that inequality is on the increase (see Okojie et al, 2000) and poverty is rising unabated with majority of people suffering from acute malnutrition.

6.2 Pro-poor Growth Policies

However, when viewed from pro-poor growth process, available indicators show that economic growth policies may be anti-poor in Nigeria. For example, while GDP growth rate has fluctuated at very low levels overtime at between 1.3% and 4.7%, inflation rate was as high as 72.5% in 1995 as against the 13.0% recorded in 1991. The Nigerian macro-economic environment portends a picture that quite limits the ability of the poor to tap into any opportunity that can get them out of poverty. Government's share of domestic credit was very high and much higher than the private sector share. This implies limited scope for private sector initiatives. The balance of payment position is such precarious as the Nigerian economy persistently witnessed negative decline in the overall balance of payment throughout the review period. The implication of this is that resources for building infrastructure and other social capital become unavailable for this purpose with dire consequences on the poor who continues to languish in poverty. (See Appendices 2 and 3).

One of the avenues of government impacted positively on poverty alleviation is on its expenditure on social services. In Nigeria, the proportion of social expenditure averaged only 9.4% of total expenditure during the period of 1985 to 1996 the proportion of the amount spent on education averaged 4.6% while health and housing garnered only 1.5% of the total expenditure. Agriculture, transportation and communication expenditure, which can impact positively on poverty alleviation averaged 2.4% and 1.8% respectively over the period. In contrast, defense and security got nearly twice as much proportion as education over the period, averaging 8.8% of total expenditure. This is about six times the share of health and housing over the period. All these indicate that social expenditure and other expenditures, which can impact positively on poverty alleviation, are not accorded the priority they deserve. When compared to other countries, the Nigerian performance in terms of public expenditure on education and health lags miserably behind. Kenya, for example, spends more than twice as much as of its national output on education and health than Nigeria in 1990. What is more worrying is that the proportion of the GDP spent on health is much less than the 5% recommended by the WHO.

6.3 Resources Redistribution

Within this aspect of the framework, the Nigerian government has been found wanting. The government has not come up with specific policies of distributing or redistributing resources from the rich to the poor. However, different governments have initiated various income redistribution policies such as the periodic review of wages and salaries. Nevertheless, in spite of the various adjustments made to the salary level, the spiraling inflation that the economy has been witnessing has made the real value to be falling. Moreover, in terms of tax rates and allowances, government in the 1997 budget initiated various tax allowances and relief on personal allowance, children allowance and dependent relation allowance. This was with a view to lighten the tax burden on individuals and allow them to adjust conveniently to the impact of inflation and rising cost of living. In a similar vein government in the 1998 budget also increase the tax-free earned income for individuals who are on paid employment. In this regards, the tax-free workers earned income, which is exempted, from tax rose to N30, 000 in 1998 as against N10, 000 in 1997. However, the effect of these measures has been low pay and declining real value of salaries with serious consequences on the rising trend of poverty, and the creation of high income and asset inequality.

Also, one of the main distributive instruments available to the government for targeting old-age poor is the guarantee of a minimum pension to all members of the pension scheme. A full pension in Nigeria represents a maximum of 70% of previous earnings. When the real salary of senior civil servants was below the poverty line, it can therefore be asserted that all pensioners living only on pension are extremely poor. Majority of workers in the informal sector are not covered by any form of social security, nor have any devices for security. In addition, the rural population, the largely unemployed people, the disabled and the disadvantaged ones are left out in the pension schemes (Olayiwola, 1998).

7. CONCLUDING REMARKS

An examination of certain indicators of performance indicates that the domestic and international poverty reduction measures have had minimal impact in addressing the problems of poverty and also had insignificant impact on the living conditions of the poor. The general consideration of these measures indicates that the strategies were badly implemented and even had no particular focus on the poor in terms of design and implementation. The strategies try as much as possible to create the opportunity and empower the poor, but they are found wanting in the areas of pro-poor growth and resource redistribution. The effort of international agencies cannot be sustained due to lack of domestic supportive measures to guarantee its sustainability. This is understandable from the fact that states and local governments which have responsibilities for health care and education at the grassroots level and programmes which affect poverty alleviation, have much less share in the Federation Account. This points to the fact that efficient design of poverty reduction programmes in Nigeria requires that the poor must be identified and targeted and policies adopted should be consistent and sustainable. This calls for an articulated policy document for poverty alleviation in Nigeria.

Within the framework of this policy, priorities have to be set in individual cases based on resources and what is institutionally feasible. The three clusters of focus – opportunity, empowerment and security- are necessary and there must be complementarities among them. To create more opportunity, effective private investment needs to be encouraged, while international markets have to be expanded. There is the need to build the assets of poor people and address assets inequality across gender, ethnic racial and social divides. Infrastructures have to be provided to the rural area, so also access to information.

The effort of poverty alleviation strategies should also be geared to empowerment. There is the need to lay the political and legal basis for inclusive development, create public administration that fosters growth and equity and promotion of inclusive decentralization and community development. Also, promotion of gender equity, tackling of social barriers and support of poor people's social capital needs to be done to enhance empowerment of the poor. As a way of guaranteeing the security of the poor, there will be the need to formulate an approach to helping poor people to manage risk. This calls for designing national systems for social risk management and addressing civil conflicts. If all these three clusters can be addressed in the poverty alleviation strategy, the United Nations Decade of Eradication of Poverty will be feasible and realizable in Nigeria.

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Appendix 1: Selected Poverty Reduction Programmes in Nigeria

Category of Intervention	*Programme*	*Year of establish ment*	*Focus of the Programme/Policy*	*Key observable achievements*
Rights and Empowerment	Directorate for food Road and Rural Infrastructures (DFRRI)	1986	▪ grassroots social mobilization ▪ programme of development monitoring and performance evaluation ▪ provision of access roads and portable water to the rural areas ▪ improve rural sanitation, literacy and technology	❖ Construction, rehabilitation and maintenance of 90,800km of rural roads of 1987. ❖ Provision of 20732 water points. ❖ Servicing of 27,267 Communities. ❖ Completion of 406 rural Electrification schemes. ❖ Training of 115 Technical Extension workers.
Rights and Empowerment	The National Directorate of Employment (NDE)	1986	▪ skill formations ▪ credit granting scheme ▪ provision of Employment	❖ Training of 392,275 persons as at 1995 ❖ 15,000 youths are beneficiaries of mobile training workshop. ❖ 6,394 beneficiaries of wealth-to waste scheme ❖ creation of about 154,910 jobs to unemployed youths between 1987 and 1996.

Appendix 1 Cont'd

Category of Intervention	***Programme***	***Year of establish ment***	***Focus of the Programme/Policy***	***Key observable achievements***
Rights and Empowerment	Better Life Programme (BLP) The Family Economic Advancement Programme (FEAP) Family Support Programme (FSP)	1987 1994 1994	▪ stimulation and motivation of rural women ▪ education of women ▪ mobilization of women ▪ raising social awareness of women ▪ Training of rural women for increased income generation ▪ Improved nutrition of rural women	❖ N5.9 billion committed to the programme ❖ N4.50 billion given as loans to cooperatives societies ❖ Registration of 70,000 corporative with the organization.
Rights and Empowerment	People's Bank of Nigeria (PBN)	1990	▪ provisions of bank credit requirements to the less privileged ones. ▪ Acceptance of savings ▪ Extension of credit facilities ▪ Provision of opportunities for self-employment ▪ Inculcating banking habits in rural areas.	

Appendix 1 Cont'd

Category of Intervention	***Programme***	***Year of establish ment***	***Focus of the Programme/Policy***	***Key observable achievements***
	Community Bank	1991	▪ provision of credit, banking and other financial services to the community. ▪ encouraging the community in putting together resources for investment purposes	❖ Tremendous growth for one bank in 1990 to 1014 in 1999. ❖ Assets and deposits increased over the years ❖ Loans and advances also ❖ Increased over the year Increase in Loan-deposit ratio from 20:73 in 1991 to 53:37 in 1999
Pro-poor Growth Policies	Expenditure in Social Services	1985 - 2001	▪ Provision of social services to the citizens	❖ Proportion of social expenditure averaged 9.4% during the period. ❖ Expenditure on education averaged 4.6% ❖ Health and housing on 1.5%. ❖ Agriculture, transportation and communication expenditure averaged 2.4% and 1.8% respectively
Resources Redistribution	Review of Wages & Salaries		▪ Increase the income of Workers ▪ improve welfare by encouraging consumption	

Appendix 1 Cont'd

Category of Intervention	*Programme*	*Year of establishment*	*Focus of the Programme/Policy*	*Key observable achievements*
Resources Redistribution	Tax rates & allowances	1997	▪ Introductions of relief in personal allowance ▪ Children allowance ▪ Dependent relation allowance ▪ Introductions of tax –free earned income for individuals who are on paid employment	❖ Tax free equal income exempted rose from N10,000 in 1997 to N30,000 in 1998. ❖ Low pay and decling real values of salaries ❖ The rising trend of pr ❖ Creation of high income and asset inequality.
	Pension Provisions	1974-2003	▪ Guarantee of a minimum pension for all public workers. ▪ A full represents a maximum of 70% of previous earning	❖ All workers in the public service are covered. ❖ Majority of workers in the internal sections are not covered. ❖ Increase in the old-age due to mal administration of the scheme

Source: Compiled by the authors based on the literature.

Appendix 2: Basic Social and Economic Indicators In Nigeria

Variable/Year	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Population per physician	3,867	3,717	3,701	3,707	4,706	4,839	4977	4479	4529	4675	4722	4769
Life Expectancy (number of Years)	52	52	52	52	53	53	54	54	54	54	54	57
Infant mortality (per 1000 live births)	191	191	195	114	114	114	114	75	75	75	75	75

Source: CBN Annual Reports and Statement of Accounts (various years)

Appendix 3: Selected Macro-Economic Indicators of Growth (Percent)

Economic Variables	**1991**	**1992**	**1993**	**1994**	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**
Real GDP Growth Rate	4.7	3.0	2.3	1.3	2.2	3.3	3.8	204	2.8	3.8	3.9	3.5	10.2
Manufacturing capacity utilization	37.4	41.8	37.2	30.4	29.3	32.5	33.0	32.4	34.6	35.4	42.7	44.3	46.2
Inflation Rate	13.0	44.6	57.2	57.0	72.8	29.3	8.5	10	6.6	6.9	18.9	12.9	14.0
Credit to Private Sector	23.7	34.7	16.6	28.3	51.8	18.4	39.3	27.4	29.2	30.9	43.5	11.8	27.1
Credit to Government	82.5	109.6	120.7	27.7	27.6	-16.6	-32.5	144.9	32	-170.1	79.7	6320.6	47.9
Domestic Credit	46.3	73.0	75.9	29.2	36.0	12.0	16.9	46.8	30	-23.1	74.8	56.6	32.7
National Unemployment Rate	3.8	3.4	2.7	2.0	1.8	3.2	3.4	3.9	3.3	4.8	3.8	3.7	2.3
Overall Balance of Payment as a % of GDP	-4.9	-18.3	-5.1	-4.7	-3.1	-5.6	-0.8	-8.4	-9.8	6.3	0.4	-10.3	-2.2

Source: Same as Appendix 1.