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POVERTY AND ECONOMIC GROWTH IN NIGERIA 1990 – 2011

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Abstract

This study on poverty and economic growth in Nigeria seeks to investigate and determine the impact of poverty on the level of economic growth in Nigeria for the period, 1990 – 2011. Data were sourced from secondary sources and the Ordinary Least Squares (OLS) technique was adopted in this study using a multiple regression model to determine the effect of poverty and discomfort index on the economic growth of Nigeria. Empirical results from the single – equation regression model, though contrary to economic expectations, show a zero–correlation between poverty, discomfort index and economic growth in Nigeria. None of the parameter estimates of Human Development Index (HDI) and Discomfort Index is statically significant in explaining economic growth in Nigeria. This result is attributable to poor attitude of the government towards human capital development and hence, Nigeria is a nation in paradox – wealthy nation, poor people. Thus, this paper recommend among others, that government should direct attention towards making human capital development a priority by investing in quality education as well as encouraging entrepreneurship development among Nigerians through small scale business.

Keywords: Poverty, Discomfort Index, Economic Growth

1.   INTRODUCTION

Poverty in Nigeria is rising with almost a 100m of its population living on less than $1 per day despite a strong growth in Africa's second largest economy (Daniel, 2011). The percentage of Nigerians living in absolute poverty – those who cannot afford the bare essentials of food, shelter and clothing – rose to 60.9% in 2010 compared with 54.7% in 2004 (National Bureau of Statistics, 2011). Although Nigeria's economy is projected to continue growing, poverty is likely to get worse as the gap between the rich and the poor has continued to widen. Little wonder Kale (2012) posited that poverty in Nigeria is a paradox – that despite the fact that Nigeria's economy has continued to grow, yet the proportion of Nigerians living in poverty has continued to increase every year.

According to the National Bureau of Statistics recent report, 112.519 million out of an estimated 163 million of Nigeria's population live in relative poverty. Relative poverty is the comparison of the living standard of people living in a given society within a specified period of time.

Comparing this figure with an estimated 28 million population of Uganda, then the poor in Nigeria is about four times. Apart from the relative poverty index, Nigeria failed all poverty tests using all poverty measurement standards: absolute poverty measure puts the country's poverty profile at 60.9%; the dollar per day measure puts the poverty profile at 61.2% and the subjective measure puts the poverty profile at 93.9%. Perhaps, a factual indicator is the recent Harmonized National Living Standard Survey (HNLSS) which puts the country's poverty profile at 69.0%.

What then happened to the much celebrated GDP growth rate averaging 7.4% in the last decade? There is certainly a sharp disconnect between growth and poverty in which majority through exclusion are getting poorer.

What is needed is a holistic battle against the worsening scourge of poverty which is only possible through all-inclusive macroeconomic policies that will banish poverty nationwide.

An attempt to investigate and determine the effect of poverty and its discomfort on economic growth and the best possible ways to alleviate poverty in Nigeria is the focus of this study.

1.1   Statement of the problem

The average Nigerian is a poor man. Nigeria is a nation of riches and poverty – splendid wealth in the hands of few and extreme/abject poverty at the doorsteps of many. The divergence between Nigeria's economic indicators, macroeconomic variables and the reality is a source of concern. The reality is that people die because they cannot afford three square meals a day as well as access basic public healthcare. As strange as this may sound, this goes on side-by-side with ostentatious display of wealth by the privileged few.

Poverty in Nigeria has many causes. This includes, but not limited to, rising disparity in the distribution of resources as well as lack of enabling environment. However, the hallmark of poverty in Nigeria is the high level of unemployment. It is an over-stated fact that unemployment economically translates to low purchasing power. This leads to lesser consumption of goods and services. These, in turn impacts businesses who then lower production output or seek new markets. These cyclical trend ultimately impacts on economic growth in the long run. It is this basic understanding that makes the celebration of a continued growth in GDP in Nigeria very curious.

1.2   Objective of the study

Generally this study examines poverty and economic growth in Nigeria. Specifically, the study seeks to:
  1.   Investigate the impact of poverty on economic growth in Nigeria.
  2.   Examine the discomfort index and its effect on economic growth in Nigeria.

1.3   Research Questions

To achieve the above objectives of the study, the following questions were raised:
  1.   What is the impact of poverty on economic growth in Nigeria?
  2.   How has discomfort index affected economic growth in Nigeria?

1.4   Research Hypothesis

  1. Ho: Poverty has no significant impact on economic growth in Nigeria.

2. Ho: The discomfort index has no significant effect on economic growth in Nigeria.

2.   LITERATURE REVIEW

A concise and universally accepted definition of poverty is elusive largely because it affects many aspects of the human conditions including physical, moral and psychological. Different criteria have, therefore, been used to conceptualize poverty. Most analysis followed the conventional view of poverty as a result of insufficient income for securing basic goods and services. Others view poverty, in part as a function of education, health, life expectancy, child mortality etc. Blackwood and Lynch (1994) identified the poor using the criteria of the levels of consumption and expenditure. Furthermore, Sen (1983), relates poverty to entitlements which are taken to be the various bundles of goods and services over which one has command, taking into cognizance the means by which such goods are acquired (for example, money and coupon etc), and the availability of the needed goods. Yet, other experts see poverty in very broad terms such as being unable to meet 'basic needs requirements" – (physical: food, healthcare, education, shelter etc and non-physical: participation, identity etc) for a meaningful life (World Bank, 1996). Social science literature is replete with attempts by economists and social scientists to conceptualize the phenomenon of poverty. Broadly, poverty can be conceptualized in four ways: lack of access to basic needs/goods; lack of or impaired access to productive resources; inefficient use of common resources and as well as a result of exclusion mechanism (Olayemi, 2012). Poverty as lack of access to basic needs/goods is essentially economic or consumption oriented. It explains poverty in material terms and specifically employs consumption-based categories to explain the extent and depth of poverty, and establish who is and who is not poor. Thus, the poor are conceived as those individuals in a particular society, incapable of purchasing a specified basket of basic goods and services.

Impaired access to productive resources explains poverty as the inability to have access to agricultural land, physical capital and financial assets. This leads to absolute low income, unemployment, undernourishment etc. Generally, impaired access to resources shifts the focus on poverty and curtails the capability of an individual to convert available productive resources to a higher quality of life (Sen, 1997). Poverty can also be the outcome of inefficient use of common resources. This may result from weak policy environment, inadequate infrastructure, weak access to technology, credit etc. all these lead to low productive, poverty and a decline in economic growth.

Finally, poverty can be due to certain groups using certain mechanisms in the system to exclude "problem groups" from participating in economic development including the democratic process.

The discomfort index, on the other hand, is an informal index that adds unemployment and inflation rates. The discomfort index, also known as the misery index, is said to be of limited economic importance but often used by politicians to show the success of their programmes (or the failure of their opponents' policies), (Financial Dictionary).

In looking at the discomfort index, efforts will be made to look at its two basic components (i.e. unemployment rate and inflation rate). The actual unemployment figure in Nigeria has been filled with controversy. In 1992, the figure was put at 40% while in 2010 those within the government circles have pegged the figure at 19.70%, this contradicts the figures been put forward by other independent sources. Thus, without any contradictions, one can say that unemployment in Nigeria has been on the increase. The millions of Nigerians without jobs represent a serious contradiction to the much touted economic growth in Nigeria.

At the third quarter of 2011 the inflation rate was pegged at 11.9% with an impressive growth rate of 7.2%. This represents an impression of a great achievement. But a look at the country's discomfort (misery) indicators deeply – unemployment and poverty – these fantastic numbers makes no impact to the suffering masses in Nigeria still struggling to make a living with less than $1 per day.

2.1   Various Initiatives of Government towards Tackling Poverty and Factors that Hindered Them

In the light of the government's concern for poverty alleviation, numerous policies and programmes have been designed at one time or another to meet the special needs of the poor. Thus, as a result of the continuous deterioration of living conditions in the 1980s, several poverty alleviation programmes came on board, they include:

(1) 1986:   Directorate of Food, Roads and Rural Infrastructure (DFRRI).
(2) 1993:   Family Support Programme and the Family Economic Advancement Programme
(3) 2000:   Poverty alleviation Programme (PAP)
(4) 2001:   National Poverty Eradication Programme (NPAP)

In this study emphasis was made only on the current efforts of the government which hinges on the duo of PAP and NAPEP.

Poverty Alleviation Programme (PAP)
Ayaba (2009) stated that PAP was an interim measure initiated early in 2000 to address the problems of rising unemployment and crime wave, particularly among youths. It was ultimately aimed at increasing the welfare of Nigerians. Essentially, the primary objectives of PAP are three folds:

(a)   Reduce the problem of unemployment and hence raise effective demand in the economy.
(b)   Increase the productivities of the economy: and
(c)   Drastically reduce the embarrassing crime wave in the society.
 In consonance with the above objectives, the targets of PAP include, among others, the following:
(a)   providing jobs for 200,000 unemployed.
(b)   creating a credit delivery system from which farmers would have access to credit facilities.
(c)   increasing the adult literacy rate from 51 percent to 70% by year 2003.
(d)   increasing healthcare delivery system from its percent 40 percent to 70% by year 2003.
(e)   embarking on training and settlement of at least 60% of tertiary institutions graduates.
(f)   developing small and medium scale industries.

National Poverty Eradication Programme (NAPEP)
Introduced early in 2001, NAPEP is the current programme which focuses on the provision of "strategies for the eradication of absolute poverty in Nigeria".

NAPEP is complemented by the National Poverty Eradication Council (NAPEC) which is to coordinate the poverty – reduction related activities of all the relevant ministries, parastatals and agencies. It has the mandate to ensure that the wider range of activities are centrally planned, coordinated and complement one another so that the objectives of policy continuity and sustainability are achieved.

The poverty-reduction related activities of the relevant institutions under NAPEP have been classified into four namely:

(i)   Youth Empowerment Scheme (YES):

This deals with capacity acquisition, mandatory attachment, productivity improvement, credit delivery, technology development and enterprise promotion.

(ii)   Rural Infrastructure Development Scheme (RIDS):

This deals with the provision of potable and irrigation water, transport (rural and urban), rural energy and power support.

(iii)   Social Welfare Service Scheme (SOWESS):

This deals with special education, primary healthcare services, establishment and maintenance of recreational centers, public awareness facilities, youth and student hostel development, environment protection facilities, food security provisions, micro and macro credit delivery, rural telecommunications facilities, provision of mass transit, and maintenance culture: and

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

This deals with the harnessing of the agricultural, water, social mineral resources, conservation of land and space (beaches, reclaimed land etc) particularly for the convenient and effective utilization by small scale operators and immediate community. In effect, the NAPEP is centered on youth empowerment, rural infrastructure development, provision of social welfare services and natural resources development and conservation.

As noble as the intentions of government were towards tackling the issue of poverty, certain factors militate against them. Collier (2003) mentioned a number of factors which he established have contributed to the failure of past poverty reduction programmes. Some of them are: lack of targeting mechanism for the poor and the fact that most of the programmes do not focus directly on the poor; political and policy instability which result in frequent policy changes and inconsistent implementation which in turn have prevented continuous progress; inadequate coordination of the various programmes which have resulted in each institution carrying out its own activities with resultant duplication of efforts and inefficient use of the limited resources. Overlapping functions ultimately lead to institutional rivalry and conflicts.

Antai (2007) added that severe budgetary, management and governance problems have afflicted most of the programmes, resulting in facilities not being completed, broken down and abandoned and ill-equipped. Also, lack of accountability and transparency made the programme serve as conduit pipes for draining national resources. In addition, over-extended scope of activities of most institutions resulted in resources being spread too thinly on too many projects. Examples are Directorate for Road, Food and Rural Infrastructure(DFRRI) and Better Life Programmes which covered almost every sector and overlapped with many existing programmes.

Rural illiteracy is another major constrain to the development of the Nigerian economy especially in the rural areas. Edame (2007) observed that education is a powerful instrument for the

development of man and the society; it is the key to increasing economic efficiency and promoting social consistency. By increasing the value and efficiency of labour, it helps to raise the poor from poverty. It increases the overall productivity and intellectual flexibility of the labour force; endures that a country is competitive in world markets now characterized by changing technologies and production methods. This implies that when the level of educational attainment of a people is low, it invariably affects development initiatives.

3.   RESEARCH METHODOLOGY

3.1   Research Design
According to Amaechi and Amara (2005), research design is a blueprint which guides the researcher in his scientific inquiry, investigation and analysis. In this study, ex-post facto design is adopted in obtaining, analyzing and interpreting data relating to the objectives of the study.
The choice of this type of design allowed the researcher the privilege of observing variables over a long period of time (1990-2011).

3.2   Sources and Method of Data Collection
Data were collected from secondary sources. These include relevant textbooks, journals, internet, National Bureau of Statistics (NBS) bulletin, Nigeria Economic society (NES) publications, Central Bank of Nigeria (CBN) publications and World Bank publications.

3.3   Model specification
This study specifies a functional relationship between poverty, discomfort index and economic growth. However, for this study, the Human development Index (HDI) as incorporated by the UNDP report (1990) was used to capture poverty. The discomfort index was calculated as unemployment plus inflation rates. Thus, the dependent variable is Real Gross Domestic Product (RGDP) while the three variables of HDI – life expectancy at birth, adult literacy (education) and standard of living (per capita GDP); and discomfort index (Unemployment plus Inflation rates) were the explanatory variables.

Our regression model was anchored on the theory of   "pro – poor growth" (Mahbub UL Haq 1997) which showed that growth and increased income did not automatically result in well-being among the population.
Thus, the model is specified as:
$RGDP = f(HDI, DCI)$ — (1)
Disaggregating the HDI into its functional variables the model becomes
$RGDP = a_o + a_1 LEX + a_2 ADLIT + a_3 GDP_{pc} + a_4 DCI + e_1$ – (2)
Where: $a_0 > 0$, $a_1 > 0$, $a_2 > 0$, $a_3 > 0$ and $a_4 < 0$ (based on a priori expectations).

Where:
f = functional relationship;
a_0, a_1, a_2, a_3, and a_4 = coefficient parameters
LEX = life expectancy at birth
ADLT = adult literacy rate
GDP_{pc} = Gross domestic product per capita at purchasing power parity.
DCI = Discomfort index;
e_1 = error term.

Thus, transforming the RGDP and GDP per capita into their logarithmic form in order to reflect the diminishing importance of income to increasing GDP.

Thus, the log-linear specification model is as follows:

$LnRGDP = a_0 + a_1 LEX + a_2 ADLIT + a_3 Ln GDP_{pc} + a_4 DCI + e_2$ — (3)

4. DATA ANALYSIS AND RESULT

For the effectiveness of this study, both descriptive and analytical techniques were employed. For the analysis of the time series data, certain statistical techniques were employed. This includes multiple regression analysis of a single – equation model based on method of Ordinary Least Squares (OLS).

Table 1: Macroeconomic Data on Real GDP, Life Expectancy, Adult Literacy, GDP Per Capita and Discomfort Index

YEAR	RGDP	LEX	ADLIT	GDPPc	DCI	LnRGDP	LnGDPPc
1990	328606.1	45.6	45	1005.05	13.0	12.70262	6.9128
1991	328644.5	45.5	49.8	1005.33	18.7	12.70273	6.9131
1992	337288.0	45.4	50.1	1005.95	52.0	12.72869	6.9137
1993	342540.5	45.3	52.2	1021.54	64.4	12.74415	6.9291
1994	34228.5	45.2	54.0	1024.36	63.8	10.44081	6.9318
1995	353646.2	45.1	54.0	1014.56	79.0	12.77605	6.9222
1996	367218.1	45.3	55.0	1056.43	35.7	12.81371	6.9627
1997	377830.8	45.5	55.0	1075.59	17.0	12.8422	6.9806
1998	388468.1	45.8	57.0	1087.35	17.6	12.86997	6.9915
1999	393107.2	46.3	57.0	1078.88	15.1	12.88184	6.9837
2000	412332.0	46.8	57.0	1129.75	18.4	12.92958	7.0298
2001	431738.2	47.4	56.9	1216.12	28.5	12.97557	7.1034
2002	451788.7	47.9	56.9	1457.4	21.7	13.02097	7.2844
2003	495007.2	48.5	56.9	1597.86	24.8	13.11233	7.3764
2004	527576.0	49.0	57.0	1773.31	25.2	13.17605	7.4806
2005	861930.0	49.5	55.0	1795.5	27.8	13.66693	7.4930
2006	593570.1	50.0	57.1	1915.9	24.9	13.29391	7.5579
2007	631558.6	50.48	56.9	2052.49	10.3	13.35395	7.6268
2008	665031.2	50.98	57.0	2164.04	23.6	13.40759	7.6797
2009	702272.9	50.95	57.0	2276.48	32.2	13.46208	7.7304
2010	761263.8	51.40	57.0	2436.55	36.7	13.54274	7.7983
2011	816074.8	51.90	57.0	2533.05	34.7	13.61226	7.8372

Source: CBN Statistical Bulletin (Various)

The empirical result of the study is presented below:

Table 1.1 linear regression model

Variables	coefficient	Std. error	t-statistics	Prob-value
CONSTANT	5.758847	2.672375	2.154953	0.0458
LEX	0.094016	0.426919	0.220220	0.8283
ADLIT	-0.003717	0.047504	-0.078242	0.9385
$LnGDP_{PC=}$	0.449729	3.053475	0.147284	0.8846
DCI	-0.010197	0.066354	-1.604941	0.1269
$R^2 = 0.486217$ $\overline{R}^2 = 0.365327$ Durbin Watson (DW) = 2.774616 F – statistic = 4.021981				

Source: Author's computation using E-views.

As shown above, the coefficient of determination R^2 is 0.49. This result implies that on the average about 49% of variations in economic growth in Nigeria within the period under review is systematically explained by changes in these explanatory variables. Thus, about 51% variations in economic growth in Nigeria remain unexplained by these explanatory variables. The unexplained variations are attributed to other external factors not included in the model.

The coefficients of the constant intercept (autonomous growth), Life expectancy at birth and per capita income showed a positive coefficient which is consistent without a priori expectations; and the negative coefficient of discomfort index was consistent with our a priori expectation, while the negative coefficient of adult literacy contradicts the a priori expectations. This could be attributed to the downward trend being experienced in the Nigerian education sector where the government had not been able to comply with the 26 percent budgetary allocation as recommended by the United Nations Education Scientific and Cultural Organisation (UNESCO) in the years under review. Thus, rendering the sector under-funded with its attendant consequences of incessant strike action often embarked upon by Academic Staff Union of Tertiary Institution and other teachers.

However, the t – statistics value when compared with the tabulated t – value at 5% level which is 2.042, shows that none of the coefficients of life expectancy at birth, adult literacy, per capita income and discomfort index was significant in explaining upward variations in the economy. This is because since the computed t – value is less than tabulated t – values in all the variables, we conclude that the variables are statistically insignificant, thus, reaffirming the belief that there is a sharp disconnect between economic growth and poverty in Nigeria.

The Durbin – Watson (DW) value of 2.78 suggests that there is no presence of autocorrelation.

The null hypothesis of this study is stated that the model is not significant. The decision rule follows that if the computed F-value is greater than the tabulated F – value, we reject the null hypothesis, otherwise accept. Since our computed F-statistics (4.02) is greater than the F-tabulated value (2.96) at 5% levels, therefore, we reject the null hypothesis. Thus, we conclude that the model is statistically significant and reliable.

Granger – Causality Test
Furthermore, Granger – Causality test was performed to determine the direction of influence.

The idea behind the Granger-causality test lies in finding the direction of influence. Thus, the Granger-causality test aims to determine which variable influences the others, (Iyeli, 2010).
In this study, efforts were made to determine whether it is economic growth that determines or influences the level of poverty or vice versa. To achieve this, the Granger-causality equations are:-

$$\text{Ln RGDP}_t = \Sigma\beta_i\text{LEX}_{t-1} + \Sigma\theta_i\text{LnRGDP}_{t-1} + u_{1t} - (4)$$
$$\text{LEX}_t = \Sigma\alpha_i\text{LEX}_{t-1} + \Sigma\lambda_i\text{Ln RGDP}_{t-1} + U_{2t} - (5)$$
$$\text{LnRGDP}_t = \Sigma C_i\text{ADLIT}_{t-1} + \Sigma D_i\text{LnRGDP}_{t-1} + U_{3t} - (6)$$
$$\text{ADLIT}_t = \Sigma E_i\text{ADLIT}_{t-1} + \Sigma F_i\text{LnRGDP}_{t-1} + U_{4t} - (7)$$
$$\text{LnRGDP}_t = \Sigma G_i\text{LnGDPpc}_{t-1} + \Sigma H_i\text{LnRGDP}_{t-1} + U_{5t} - (8)$$
$$\text{LnGDPpc}_t = \Sigma P_i\text{LnGDPpc}_{t-1} + \Sigma J_i\text{LnRGDP}_{t-1} + U_{6t} - (9)$$
$$\text{LnRGDP}_t = \Sigma K_i\text{DCI}_{t-1} + \Sigma L_i\text{LnRGDP}_{t-1} + U_{7t} - (10)$$
$$\text{DCI}_t = \Sigma M_i\text{DCI}_{t-1} + \Sigma N_i\text{LnRGDP}_{t-1} + U_{8t} - (11)$$

Where:
$t – 1$ = Lagged values of the variables to one year.
$B_i, \theta_i, \alpha_i, \lambda_i, C_i, D_i, E_i, F_i, G_i, H_i, P_i, J_i, K_i, L_i, M_i$ and N_i = Coefficient parameters.

Table 2: Granger – Causality Results

Direction of Causality	Null Hypothesis	F-Statistics (Computed)	5% F-Value Critical	Decision
LEX → LnRGDP	No Causality	7.56828	2.96	Reject Null hypothesis
LnRGDP → LEX	No Causality	2.29374	2.96	Do not reject Null
ADLIT→ LnRGDP	No Causality	3.26128	2.96	Reject Null
LnRGDP→ADLIT	No Causality	2.06676	2.96	Do not reject Null
LnGDPDC→LnRGDP	No Causality	8.23769	2.96	Reject Null
LnRGDP→LnGDPPC	No Causality	1.11784	2.96	Do not reject Null
DCI → LnRGDP	No Causality	2.65247	2.96	Do not reject Null
LnRGDP→DCI	No Causality	5.06041	2.96	Reject Null

Source: Author's Computation using E-views

From the above results, there is a unidirectional (one-way) causality between life expectancy and economic growth in Nigeria with the direction of causality running from life expectancy to economic growth. Thus, it is a higher life expectancy at birth that should lead to economic growth and not the other way round. This outcome supports Mahbub Ul Haq (1997) that growth and increased income does not automatically translate to improved well-being of the population.

More so, there is a unidirectional causation between economic growth and adult literacy in Nigeria – with causation running from adult literacy to economic growth. This goes to show that with the right investment in education and training, productivity will be enhanced which will impact positively on economic growth of Nigeria. Hence, no amount of economic growth can lead to improvement in education but with the right investment in education, human capital will be enhanced which leads to all-inclusive economic growth.

There is also a unidirectional causation between per capita income (GDP_{PC}) and economic growth with the causation running from per-capita income to economic growth. This result is explained by the fact that an economic growth accompanied by much higher rising population, as in the case of Nigeria, makes little or no impact on the well-being of the citizenry. Thus, for the much touted economic growth to be meaningful, a deliberate effort has to be made by the government to checkmate the spiraling population growth.

Finally, there is a unidirectional causation between discomfort index and economic growth in Nigeria with the direction of causality running from economic growth to discomfort index. Thus, explaining the earlier held position that the discomfort index is of little economic import but often used as a political tool by politicians to score their programmes and policies high or discredit the policies of their opponents (Financial Dictionary).

5.   CONCLUSION AND RECOMMENDATIONS

This paper examined the impact of poverty on economic growth in Nigeria. Economic growth had often been seen as the panacea to alleviating the rising incidence of poverty in Nigeria. This notion is based on the much touted "trickle-down effect" of economic growth to every sector of the economy thereby reducing poverty. This, however, has not been the case in Nigeria. The findings of this study shows that all the indices of human development (indicative of well-being) has no impact in explaining the economic growth experienced in Nigeria for over a decade now. Hence, indicating that there is an unacceptable disconnect between economic growth and poverty.

In view of the above findings, this paper recommends:

(1)   That government at all levels (Local Government Area, State and Federal) in Nigeria should direct attention towards making human capital development a priority by investing in quality education as well as encouraging entrepreneurship development through small scale businesses. This will eliminate the pursuit of economic growth as if it were, in isolation, the key to solving Nigeria's poverty problem.

(2)   The "top-bottom" approach often used by government towards tackling the burden of poverty has to be jettisoned and a "bottom-top" approach adopted in the implementation of such policies/programmes. This calls for sincerity by government officials. A situation in which the presence (in terms of location) of the so-called poverty alleviation agencies are not felt in the rural areas makes the programmes not deep-rooted and bound to fail.

(3)   The government should channel its resources to the provision of basic amenities and infrastructures such as power, good roads etc., such that the citizens can benefit and the long-run effect being increased productivity and a higher standard of living.

(4)   The issue of corruption has to be tackled holistically in order to ensure that all efforts by government towards eradicating poverty in Nigeria are achieved.

(5)   Finally, the government should also provide the enabling environment for people to work especially in the area of security of lives and property. This is against the back-drop that no meaningful economic activity can thrive in the face of insecurity.

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