NATIONAL ECONOMIC EMPOWERMENT DEVELOPMENT STRATEGY (NEEDS) AND THE CHALLENGES OF POVERTY ALLEVIATION IN NIGERIA, 1999-2011.

BY

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DEDICATION

To the strength and light of my feet, God Almighty, who has been the captain of the ship of my life and academic pursuit.
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ABSTRACT

Due to the continued exacerbation of macroeconomic and socio-political crises in the economy starting from the late 1970s, Nigeria has experimented with varying degrees of reform packages aimed at resolving these crises. However, these reform programmes instead of ameliorating these crises seemed to have deepened it and thus threw the economy on the throes of acute indebtedness and dependence. In 2003, the civilian government in Nigeria initiated yet a new reform package proclaimed as homegrown strategies to rectify the lingering structural rigidities and bottlenecks in the economy. This reform is based on National Economic Empowerment and Development Strategy (NEEDS) – revised version of Poverty Reduction Strategy Papers (PRSP) of the IMF and World Bank. Why has poverty rate continued to increase after many years of the implementation of NEEDS? This study argues that NEEDS policy document is not adequate enough as a reform programme for Nigeria, instead of ameliorating it rather worsen poverty situation in Nigeria. It is the position of the study that NEEDS is an offshoot of SAP and essentially, shares its objective and strategies for achieving macroeconomic stability and economic growth. It therefore argues that the road to economic El Dorado and development in Nigeria is still faced with monstrous hurdles. We employed the theory of post-colonial state as our analytical framework to provide a conceptual foundation for the study. Our method of data collection and analysis are qualitative and qualitative-descriptive methods respectively.
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CHAPTER ONE: INTRODUCTION

1.1 BACKGROUND OF THE STUDY

The social and economic pedigrees of Nigeria are replete with strange ironies, with the description of Nigeria as a paradox which has continued to be confirmed by events and official statistics in the country (World Bank, 1996). The paradox is that the poverty level in Nigeria contradicts the country’s immense wealth. Despite the abundant natural and human resources, the country continuously wallows in pitiable penury and lugubrious underdevelopment. Among other things, the country is enormously endowed with human, agricultural, petroleum, gas, and large untapped solid mineral resources. For example, in terms of human endowment, Nigeria is respected to have a population of about 140 million people (National Population Commission, 2006). The country has about 125 Universities of which about 80 are publicly owned (that is owned by state or federal government) while about 45 are owned by private individuals and corporate institutions (UNDP, 2009).

 Particularly worrisome is that the country earns over US $ 300 million annually from one resource – petroleum. But rather than record remarkable progress in national socio-economic development, Nigeria retrogresses to become one of the 25 poorest countries at the threshold of twenty-first century when she was among the richest 50 in the early-1970s (World Bank, 2009). In terms of crude oil, the country is believed to have an estimated reserve of about 32 billion barrels and an estimated gas reserve of about 174 trillion barrels (Ajadike, 2005). It is even noted that “if Nigeria’s natural gas is depleted at the current rate, then the reserve can last for the next 110 years” (Onuoha, 2008:143). The World Bank survey shows that out of 137 billion cubic meters of gas
flared worldwide, Nigeria flares about 17 billion cubic meters. Despite the presence of abundant mineral resources in the bowels of Nigerian soil, the country’s poverty rating is still pathetically high.

Official statistics show that in 1980 the national average poverty, incidence was 28.1 percent of the population (FOS, 1999). The distribution of the incidence across the states of the federation showed a maximum of 49.5 percent recorded for Plateau and Nassarawa. This meant that every state had a poverty incidence below 50 percent. By 1985, the national average poverty incidence had risen to 46.3 percent, with the maximum of 68.9 per cent recorded in Bauchi and Gombe. As at 1996, the national average stood at 65.6 per cent with Sokoto, Kebbi and Zamfara recording the highest incidence of 83.5 per cent; followed by Bauchi and Gombe with 83.5 per cent (CBN, 1999). As at 2000, the incidence of poverty was believed to have risen to 70 per cent at the national level and according to the estimate of UNDAF Nigeria 2002 – 2007, a publication of the United Nations Agency in Nigeria, over 70% of Nigerians were by 2002 living below the poverty level.

The United Nations Development programmes on Nigerian Human Development Report 2000/2001 further confirmed the poverty situation as well as the widened gap between the rich and the poor as follows:

According to the NHDR 1998, 48.5% of the country’s population in 1997 live below poverty level. Indeed, since that report was published, the poverty rate has been exacerbated. According to a recent estimate, almost two-thirds of the population is currently suffering from income poverty (1998:43)
But the Central Bank of Nigerian’s poverty assessment estimated the poverty incidence in 1997 to be 69.2% while the World Bank’s estimate of the poor is 66% in 1996 (Olatunji 2006). These frightening assessment data which are also practically manifested on the ground among the vast majority of the populace have necessitated the need for this study. Although, the increasing incidence of poverty, both within and among locations in spite of various resources and efforts exerted on poverty – related programmes and schemes in the country, thus suggest that the programmes and schemes were ineffective and ineffectual.

In reaction to the above spate of poverty, the Obasanjo-led civilian regime in 2003 introduced NEEDS which is anchored on: poverty reduction; employment generation; wealth creation and value re-orientation. After about nine years of implementation of NEEDS, the poverty rate in the country seems to be on the increase, hence this study focused on NEEDS and challenges of poverty alleviation in Nigeria between 1999 to 2011.

In March 2004, the federal government launched a new economic reform programme with moderate celebration. The program is enchantingly termed the National Economic Empowerment and Development Stretegy (NEEDS). The then chief Economic Adviser to the President and the chief salesmen of the reform, Professor Charles Soludo, advertised it as the brain child of the Presidential Economic Team made up of himself, Dr. Ngozi Okonjo-Iwuala, the finance minster, Oby Ezekwesili, the special assistant on Budget and due process, Mallam El-Rufai, the Minister of the FCT, and a sundry of
Abuja technocrats. NEEDS among other things will catalyze a process of economic growth, poverty reduction and value re-orientation in Nigeria.

There is no gain saying the fact that Nigerian’s effort for poverty eradication started with the National Development plan in 1960s, followed by General Yakubu Gowon’s National Acceleration, Food production and Nigerian Agricultural and co-operative Bank, Operation Feed the Nation (OFN) of Gen. Olusegun Obasanjo in 1976. The Shagari administration came to power and introduced the Green Revolution in 1980. In 1986, General Babangida set up the Directorate for Food, Road and Rural Infrastructure (DFRRI). He also came up with Peoples Bank and Community Banking System (CBS), Betterlife for Rural Women (BLW). Maryam Abacha in 1993 introduced the Family Economic Advancement Programme (FEAP) and the Family Support programme (FSP). All these were several attempts at reducing the incidence of poverty in Nigeria (African Recovery, 2002:3).

The democratic regime of President Obasanjo after considering the rate of poverty in Nigeria launched the poverty Alleviation programme (PAP) and the National Poverty Eradication programme (NAPEP) established in 2001 and latter the National Economic Empowerment and Development Strategy (NEEDS) which is our primary area of concern here.

In this study, we shall evaluate the content, substance and contributions of NEEDS to poverty alleviation and reduction in Nigeria.

1.2 STATEMENT OF THE PROBLEM

The continued exacerbation of macroeconomic contradictions in the Nigerian economy manifesting in huge debt overhang, low productivity, uncompetitiveness of the
private sector and infrastructure inadequacy and decay led to varying degrees of reforms starting from the late 1970s (Nwaozor, 2006).

In an effort to curtail these problems, successive, governments have introduced several poverty reduction programmes and policies ranging from: Operation Feed the Nation (OFN), Green Revolution, River Basin, Directorate for Food, Road and Rural Infrastructure (DFRRI), Agricultural Development Programme (ADP), National Directorate of Employment (NDE), Peoples Bank of Nigeria (PBON), Community Bank (CB), Better Life Programme (BLP), Guinea Worm Eradication Task Force (GWETF), Family Support Programme (FSP), Primary Health Care (PHC), National Agricultural Land Development Authority (NALDA), Family Economic Advancement Programme (FEAP), Federal Assisted Mass Transit Programme (FAMTP), Oil Mineral Producing Area Development Commission (OMPADEC), Petroleum Trust Fund (PTF), Education Trust Fund (ETF), Roll Back Malaria, National Housing Fund Scheme (NHF), Poverty Alleviation Programme (PAP), National Poverty Eradication Programme (NAPEP) and the National Economic Empowerment and Development Strategy (NEEDS) which among other things was launched on 15 March, 2004 by the Federal Government of Nigeria as a development strategy aimed at:

1. Reducing poverty
2. Creating wealth
3. Generating employment
4. Eliminating corruption and;
5. Re orientating Nigerian values
However, according to Onuoha (2008) NEEDS programme is a new wine in an old wine skin. The demand is the same: namely that the state should withdraw from the economy. The only new thing about the programme is the political will the Obasanjo regime exhibited. He was able to implement a programme the Babangida’s regime could not do under military regime due to pressure from the masses. However, Aniche (2007) stresses that the implementation of the economic reform programme is all about implementation of World Bank loan conditionalities. Axe (2004) also observed that NEEDS was fundamentally influenced, by the analysis of Nigeria as a rent-based state, which status is a major stumbling block to development. To Ayo (2004) NEEDS document was lacking in data, timelines, and implementation milestones, and deliverables.

Consequent upon these, one can deduce that poverty alleviation has continued to be a mirage in Nigeria.

However, it is sad and regrettable that the aforementioned poverty eradication programmes seem not to have reduced poverty rate in Nigeria.

Hence we ask the questions:

1. Has the implementation of NEEDS programme reduced the number of people living below the poverty line in Nigeria within the period under investigation.
2. Has poverty level continued to be increasing after years of NEEDS implementation in Nigeria?

1.3 OBJECTIVES OF THE STUDY

Broadly, this study examines the link between the National Economic Empowerment Development Strategy (NEEDS) and the challenges of poverty alleviation
in Nigeria, between 1999 and 2011. However, the study pursues the understated specific objectives:

1. To ascertain whether the implementation of NEEDS programme reduced the number of people living below the poverty line in Nigeria within the period under investigation.

2. To investigate if the poverty level continued to be increasing after years of NEEDS implementation in Nigeria.

1.4 SIGNIFICANCE OF THE STUDY

The study is of great academic and practical significance. The academic contribution of the work is that it will expose the fact that often cited problems of increasing poverty among Nigerians and the failure of NEEDS to ameliorate poverty incidence is because of the Neo-colonial capitalist nature of the Nigerian state. It will equally help in filling up the academic gap existing because of the inadequacies surrounding most existing literature on the National Economic Empowerment and Development Strategy (NEEDS). Furthermore, the study will help to clarify the students to be more enlightened on the issue of poverty reduction in Nigeria.

Practically, this work will be of immense benefits to policy makers, economist, non-governmental organizations, legislatures by serving as a guide towards a more pragmatic and result oriented approach to poverty reduction in Nigeria. In the same vein, it will generate intellectual curiosity and postulations on economic policy design and implementation among scholars.
1.5 LITERATURE REVIEW

The aim of this literature review is to ascertain how scholars had attempted to examine the implementation of NEEDS Document and its effect on poverty situation in Nigeria. This is with a view of locating the gap in the literature.

One of the simplest means of economizing effort in an enquiry is to review and build upon works already done by others. Such works may include books, journals, newspapers/articles, and symposia material relevant to the subject being discussed (Settiz, 1972). Reason being that knowledge is cumulative and no one is a paragon of knowledge. Therefore, study of this nature requires a review of some literature dwelling on the subject of research. Such a critical intellectual exercise may help in exposing the ideas, views and conclusions arrived at by some erudite and reputable scholars.

The poverty situation in Nigeria is galloping despite attempts by successive governments to ameliorate the scourge (Eze, 2009) where he explains that the level of poverty is geometrically increasing. Poverty is deep and pervasive, with about 70 per cent of the population living in absolute poverty (Okonjo-Iweala, Soludo and Muhtar, 2003). The ballooning poverty situation notwithstanding, Nigeria is blessed with enormous resources (Chukwuemeka, 2009). The country is blessed with natural and human resources, but in the first four decades of its independence, the potentials remained largely untapped and even mismanaged (Omotala, 2008). Putting the problem in proper perspective, Nigeria presents a paradox (Nwobi, 2003). The country is rich but the people are poor. Given this condition, Nigeria should rank among the richest countries that
should not suffer poverty entrapment; however, the monumental increase in the level of poverty has made the socio-economic landscape frail and fragile.

Today, Nigeria is ranked among the poorest countries in the world. The fight against poverty has been a central plank of development planning since independence in 1960 and about fifteen ministries, fourteen specialized agencies, and nineteen donor agencies and non-governmental organizations have been involved in the decades of this crusade, but about 70 percent of Nigerians are still in poverty (Soludo, 2003). The failure to effectively combat the problem has largely been blamed on infrastructural decay, endemic corruption, poor governance and non-accountability (Okonjo-Iweala, 2003).

Poverty, their cause, solutions and effects means different things to different people as there is no one-size-fits-all definition of poverty. For example, while there exists an overwhelming opinion that corruption is a major cause of poverty, a few others believe very strongly that corruption is not all-evil but an opportunity for poorly remunerated officials to boost their incomes (Olatunji, 2006). Poverty is a relative concept; it is both complex and multi-dimensional.

According to the Draft National Policy on Poverty Eradication (2000), poverty include the conditions of:

i. Not having enough to eat.

ii. Poor drinking water

iii. Poor nutrition

iv. Unfit housing

v. A high rate of infant mortality

vi. Low life expectancy
vii. Low educational opportunities
viii. Inadequate health care
ix. Lack of productive assets
x. Lack of economic infrastructure

Out of the 177 countries surveyed by the United Nations Development Programme (UNDP), Nigeria is ranked 158th on the human development index (Onuoha 2008). The implication of this report is that we have failed woefully in the areas of living a long and healthy life, provision of qualitative education and having a decent standard of living.

Unfortunately, despite the country’s vast oil wealth and abundant human resources, endemic corruption and mismanagement of the nation’s resources as a result of poor leadership, have continued to undermine country’s economic development and social integration (Adogambe, 2007). The country continues to plunge into poverty and its attendance consequences.

In line with that argument, Nwokeoma (2010) report that more than 70% of the Nigerian population lives in poverty despite the country’s enormous resources. Nigeria has a low per capita income and has experienced a sustained retrogression for more than 2 decades, for example the per capita GNP in Nigeria was estimated at US$1,000 in 1977 (Kirk-Green, 1981) dropped to US$ 800 by 1982, it fell to US$359 in 1986 (Fadahunsi, 1993) and fell further to US$90 in 2000 (Obasi, 2000).

According to poverty reduction and the World Bank Report (1991), there is no successful poverty alleviation programme in Nigeria. The poverty alleviation schemes or programmes were inefficiently managed and the benefits did not reach the intending
beneficiaries and large overhead cost makes them less desirable. Federal sponsored programmes in this connection have not been successful because they have failed to include the intended beneficiaries in the design and execution of poverty alleviation programme. There had been initiatives over the years to eradicate poverty but they have not shown substantial improvement in the overall economic development situation in Nigeria. The off shoot of all these have been the fact that Nigeria is caught in the vicious cycle of poverty.

According to Obasanjo (2005), corruption and the abuse of positions and privileges have long been features of Nigeria’s economic and political landscape. Systematic corruption and low levels of transparency and accountability have been the major sources of development failure. According to Ifediba,(2006), from 1975 to 2001, Nigeria has experienced and established about twenty-four (24) poverty alleviation schemes or programmes starting from the Operation Feed the Nation (OFN) to the National Economic Empowerment and Development Strategies (NEEDS). However, her poverty situation continues to worsen.

The National Director of the National Poverty Eradication Programme disclosed in 2005 that the Federal Government had spent about N20 billion on poverty alleviation between 1999 and 2004 through the provisions of micro-credits, capacity acquisition, farmers empowerment programmes, direct purchase of tricycles and community economic sensitization programmes. Several other direct economic empowerment programmes have variously benefited and continue to benefit those who possessed the skills, entrepreneurship and self-discipline to maximize expected returns and benefits.
However, successive Nigerian post-independent governments must take blame for failure to appropriately check massive corruption, reproductive recklessness and general indiscipline within the society all of which have together guaranteed poverty for the vast majority of the citizenry. Except for a brief period between 1984 and 1985, when out of necessity an official War against Indiscipline (WAI) was mercilessly waged on a highly resentful citizenry. “Apart from WAI, there was no other record of a comprehensively concerted effort to tackle political, social and economic indiscipline which must largely take responsibility for the nations extremely high poverty levels, into the twenty-first century” (Olatunji, 2006:20).

Analyzing on the NEEDS Programme, Onuoha (2008) opines that it is a new wine in an old wine skin. The demand is the same; namely that the state should withdraw from the economy. The only new thing about the programme is the political will the Obasanjo regime exhibited. He was able to implement a programme the Babangida’s regime could not do under military regime due to pressure from the mass. The Obasanjo regime saw the reform programme as inevitable and was determined to implement the programme no matter how painful economic adjustment appeared.

According to Donli (2004), the long term goals of NEEDS are crafted to reverse the structural weaknesses and imbalance in the economy, provide strategic focus and direction, and inculcate the right ethics discipline patriotism, virtues of handwork, honesty, respect for traditional values, entrepreneurial spirit and excellence as well as provide incentive structures that rewards and celebrates private enterprise among the citizenry. However, Aniche (2007) stresses that the implementation of the economic
reform programme is all about implementation of World Bank loan conditionalities. It encompasses both the public and private sectors.

Axel (2004) observed that NEEDS was fundamentally influenced by the analysis of Nigeria as a rent-based state, which its status is a major stumbling block to development. To Soludo (2004) NEEDS provided the missing link in all previous development plans i.e. workability. He further argued that NEEDS was different from previous plans in four key ways, namely the participatory nature of the planning process, the collaborative planning framework, sharp focus and workable content as well as implementability. He concluded that NEEDS was anchored on the fact that Nigeria has all it takes to be one of the leading economies in the world.

To Ayo (2004) NEEDS document was lacking in timelines, data, implementation milestones, and delivery. He questioned the desirability of seeking external funding for a Nigeria project and government’s emphasis on economic reform, advising that growing the private sector was key to revitalizing the economy. He posited that insecurity was responsible for the seemingly uncontrollable emigration of Nigerians to other countries and urged the government to demonstrate its capacity to make investment safe in Nigeria to arrest the drift.

Like previous reforms of the poverty alleviation programmes undertaken by successive regimes in Nigeria, Obasanjo’s NEEDS Document operate from the erroneous assumption that the fundamental problem of the state had to do with lack of professionalism, absence of effective positive measures, weak institutional mechanism for public accountability and probity, Olayemi (2005). According to Olatunji (2006), there is no reason to believe that the current NEEDS programmes will cure the fundamental ills of the people due to the following reasons. Some of the recommendations of the 34 member committee set up by the government to review the
NEEDS Document include; privatization, deregulation, and liberalization of key sectors of the economy. These recommendations are not new because, they were an integral part of the 1986, SAP reform embarked upon by Babangida’s regime and yet the programme remained ineffective and inefficient.

**GAP IN LITERATURE**

The NEEDS Document glossed over certain fundamental questions: why did previous attempts by previous regimes to curb poverty fail? Why is it that the Nigerian society in spite of previous reforms is still being unresponsive to the developmental needs of the people?

The federal government is either ignorant or pretends to be ignorant of the fact that often cited problem of increasing poverty among Nigerians generally are symptoms of a more fundamental problem which is the Neo-colonial capitalist nature of the Nigerian state. Instead of addressing the problems of poverty through dismantling the existing neo-colonial capitalist structure, the NEEDS programme choose the liberal approach by embarking on reforms which are superficial and aimed at meeting the conditionalities of the IMF and other international donor agencies.

**1.6 THEORETICAL FRAMEWORK**

To philosophically justify our hypotheses, we predicated our analysis on the Marxist theory of the state. This theory belongs to the Marxist persuasion of political analysis which is anchored on the fact that the theory with its analytical, illuminating, and emancipatory capabilities will explain the persistent poverty situation of Nigeria. The classical Marxist theory of the state has been further developed and employed in the elucidation and understanding of the peculiarity of the neo-colonial state by scholars such
as Alavi(1973), Ekekwe(1985), Ake(1985) and Ibeanu(1998) and others. The major contention of this scholars is that the post-colonial state is a creation of imperialism and as such, has followed a developmental strategy dictated by the interest of imperialism and its local allies rather than that of the majority of the indigenous population. According to Ekekwe (1985), the post-colonial state rests on the foundation of the colonial state whose major preoccupation was to create conditions under which accumulation of capital by the foreign bourgeoisie in alliance with the ruling elite would take place through the exploitation of local human and other natural resources. Therefore, the post-colonial state that now emerged, though ostensibly independent and sovereign, was no less a creation of imperialism than the colonial state. The post-colonial state is a creation of imperialism because the local class that now controlled it was a creature of imperialism and, as such, sought always to dovetail its interest with those of the foreign bourgeoisie (Ekekwe, 1985).

One basic character of the post-colonial state, as articulated by Ake (1985), is that it has very limited autonomy. This means that the state is institutionally constituted in such a way that it enjoys limited autonomy. This means that the state is institutionally constituted in such a way that it enjoys limited independence from the social classes, particularly the hegemonic social class, and so, is immersed in the class struggles that go on in the society. The post-colonial state is also constituted in such a way that it reflects and mainly carters for a narrow range of interests: the interest of the rapacious political elite in comprador and subordinate relationship with foreign capital. This lack of relative autonomy is one reason why the post-colonial state in Nigeria is incapable of mediating political conflicts (Ake, 1985).
Ake, (1985:105) being anxious at the fact that state in Africa has not lived up to expectation when compared with their Western counterpart decided to make an intellectual exposition that can particularly address the nature and character of the state in Africa. According to him:

The state is a specific modality of class domination, one in which class domination is mediated by commodity exchange so that the system of institutional mechanisms of domination is differentiated and dissociated from the ruling class and even the society and appears as an objective force standing alongside society. The state form of domination is the modality in which the system of mechanism of class domination is autonomized; that is the institutional apparatus of class domination is largely independent of social classes, including the hegemonic social class.

The common feature of the socio-economic formation of Nigeria and indeed in contemporary periphery social formations is that the state has limited autonomy, dispense a great deal of force, and used as an instrument for primitive accumulation. These characteristics are said to be the creation of the colonial masters.

After the attainment of independence in Nigeria, the local bourgeoisies who took political powers from the colonial ones lacked the commensurate economic base to pull the levers of power. Because of the pervasive state involvement in the economy coupled with the vast resources to the state for control, state officials encouraged by the fortunes of the emerging oil economy, saw state positions as the most viable and rapid avenues for acquisition of private capital in order to beef up their economic status.

According to Ake (1985), the control of the state, therefore, offers the opportunity of a life time, to rise above general poverty, a rare opportunity to acquire wealth and prestige. To be in a position to redistribute jobs, contracts, scholarships and gifts to
relatives and political allies. Hence, the propensity among political elites to invest in the goal of controlling the state. The implication of the above is that the resources of physical coercion become the tools of particular groups especially the hegemonic factions of the ruling class.

For Ibeanu (1998), the colonial state, due to the distinct colonial experience at the stage of “extensive growth” of capital in which they emerged, did not strive for legitimacy as the raison d’être for their constitution was “principally for conquering and holding down the peoples of the colonies, seen not as equal commodity bearers in integrated national markets, but as occasional petty commodity producers. .“ (Ibeanu, 1998:9). As a result of this, there was no effort made to evolve, routinize and institutionalize “principles for the non-arbitrary use of the colonial state by the colonial political class. And when in the post-colonial era this state passed into the hands of a pseudo capitalist class fervently seeking to become economically dominant, it becomes, for the controllers, a powerthl instrument for acquiring private wealth, a monstrous instrument in the hands of individuals and pristine ensembles for pursuing private welfare to the exclusion of others” (Ibeanu, 1998: 9-10). Against this background, Ibeanu has maintained that the “abiding assault on democracy in Nigeria” should be located in the character of the Nigerian state as instructions that have continued to undermine democracy are genealogically inscribed in it. These peculiar features of the post-colonial state in Nigeria, for Ibeanu, have undermined the democratization of Nigerian politics in a number of ways which include:

- Excessive premium on power converts politics into warfare rather than a process of bargaining, discussion and orderly transfer of power.
There is a weak sense of a shared future, especially among the constituent ethnic groups, as a result, the primacy of politics and premium on power persist. There is a dominance of exclusive rather than inclusive strategies of power.

Absence of effective institutional mechanism for moderating political competitions leads to conversion of political competition into warfare among ethnic groups, thereby elevating the military, the masters of warfare and antithesis of democracy into a position of social preeminence.

Absolutism and totalitarianism of the state are leading to widespread deradicalization of politics through the so-called politics of consensus. The paradox of this politics of consensus is that it is pursued in a context of deepening exec and lack of a sense of a shared future.

Related to the deradicalization of politics is the use of dubious plebiscitary and acc methods like rallies, popular drafts and nominations (rather than institutionalized party or community-based competition) as means of selecting political offices and reaching decisions.

There is an overwhelming inclination towards personalization of rule... by political leaders because of the limitless power and prestige they enjoy. (Ibeanu, 1998:12).

The theory, therefore, suggests that political leaders of post-colonial states, due to the peculiar features of these states, and their quest for economic survival pursue distorted and disprogrammed pattern of development which fosters dependence, worsens conditions of material existence and above all alienates the people. With
respect to Nigeria, it is seen that the dynamics of her historical emergence and the weak economic base of the ruling class do not permit fundamental and independent restructuring of the Nigerian state in general and the existing pattern and structures of external dependence in particular. By this, we mean that the neo-colonial economic and political structures, bequeathed to the Nigeria state at independence incubate a convoluted political culture, economic backwardness and a pattern of primitive capital accumulation which not only render the task of nation-building in Nigeria difficult, but also entrench and reinforce the structures of authoritarian liberalism and the corresponding social categories with vested interest in nurturing rather than dismantling these structures since these foster and guarantee their dominance. This has relegated the economic rights as well as the political freedoms of the citizenry. It has also provoked intense agitations for justice, equity and, above all, restructuring of the Nigerian state via sovereign national dialogue to correct these anomalies.

It is against this background that we can understand why the poverty reduction programmes in Nigeria has not been able to solve the increasing poverty incidence.

**APPLICATION OF THE THEORY**

This theory could be perfectly used to explain the reasons and causes of poverty in Nigeria, particularly why National Economic Empowerment and Development Strategy (NEEDS) has failed to alleviate poverty despite the claims that it was home grown. When this theory is applied, it becomes easily perceived or understood that the nature and character of the post/neo-colonial state created the opportunity for the hegemonic faction of the ruling class in Nigeria to craft poverty alleviation programmes in such a way that it will help to perpetuate dominance and subjugation against the
masses of the Nigerian society. This had led to the politicization of poverty alleviation programmes since independence to the present day.

Supplementary to the above, we understood that Structural Adjustment Programme (SAP) increased rather than reduced poverty among the masses. When Better Life for Rural Women was introduced during Babangida regime, we observed that it were the wives of state governors, local government chairmen and other notable politicians that constituted its membership. The rural women were not included, rather it became an avenue to show off wealth and brainstorm on how to maintain the widening gap between the rich and the poor.

The National Economic Empowerment and Development Strategy (NEEDS), even though claimed to be home grown, did not mobilize or enhance the participation of civil society in the process of its formation. Rather, it was imposed on Nigerians with all form of persuasion to rationalize it hence the civil society contested the values of the NEEDS document.

1.7 HYPOTHESES

The understated hypothesis was put forward for empirical investigation.

1. The implementation of NEEDS programme has not reduced the number of people living below the poverty line in Nigeria within the period under investigation.

2. The poverty level has continued to increase after years of implementation of NEEDS in Nigeria.

1.8 METHOD OF DATA COLLECTION

We adopted the qualitative method as our method of data collection. The qualitative method is used to interpret, illuminate and extract valuable information so as
to draw inference from available evidence in order to reach a conclusion. Obikeze (cited in Nnabugwu, 2006) argues that the advantage of the qualitative method lies in the fact that it is able to gain access to organizational structure, bureaucratic processes and it can more readily lead to the discovery of the unexpected phenomenon. Additionally, qualitative method is used to obtain in-depth information on concept and variable clarification so as to facilitate instrument design.

Meanwhile, due to the nature of evidence required to test and validate our hypothesis, this study relied on secondary sources of data. Secondary sources of data, as explained by Ikeagwu, (1998) and Asika (2006) refer to a set of data gathered or authored by another person, usually data from the available data, archives, either in the form of document or survey results and code books. Selltiz et al (1977) articulates the advantages of secondary sources of data to include that of economy. Again, the information of this sort is collected periodically thereby making the establishment of trends over time possible. More importantly, is the obvious fact that the gathering of information from such source does no require the cooperation of the individual about whom information is being sought.

Therefore, the study relied on institutional and official documents such as CBN Bulletin that contains information on the national economic empowerment and development strategy. The study also utilized other secondary sources of data such as textbooks, journal articles, magazines, conference papers and other written works sourced from Nnamdi Azikiwe library, UNN and Center for American Studies (CAST) UNN. Finally, this study extensively used materials sourced from the internet that border on the same issues.
RESEARCH DESIGN

We have adopted the ex-post-facto research design for this work. Kerlinger (1973) defines the ex-post-facto research design as a form of descriptive research in which an independent variable has already occurred and in which an investigator starts with the observation of a dependent variable, then studies the independent variable in retrospect for its possible relationship to and effects on the dependent variables. Ex-post-facto or after-the-fact research design is based on the examination of the independent and dependent variables after the events have taken place and the data already in existence.

In ex-post-facto research design, the test of the hypothesis involves observing the independent and dependent variables at the same time because the effects of the former on the later have already taken place before the investigation. The ex-post-facto or single-case design assumes the form of an experimental design where an existing case is observed for sometime in order to study or evaluate it. The single case design is presented as follows:
Prior to 1996, about 46.3% of Nigeria’s population were living below the national poverty level, Federal Office of Statistics (FOS). The poverty index increased to over 70.1% by 2007 (UNDAF, 2008) which was an indication that most Nigerians are living below one dollar per day. In testing our hypothesis, which states that ‘the implementation of NEEDS programme has exacerbated the poverty situation in Nigeria’, we see (X) as ‘the implementation of NEEDS programme and (Y) as ‘worsen poverty situation in Nigeria.’ The empirical referents of (X) are privatization, deregulation, and liberalization of key sectors of the economy. The empirical referents of (Y) include ‘downsizing of the civil service with the sack of initial 160,000 workers by March 2006, per capital GDP at 2.2%, total GDP at $45 billion, external and domestic debt – 70% GDP, High unemployment rate (urban 12.4% rural 23.2%), per capital income at $300 a year.
METHOD OF DATA ANALYSIS

In analyzing our data we adopted the qualitative descriptive method of data analysis. According to Asika (1990) qualitative descriptive analysis is used to verbally summarize the information gathered in research. Through quantitative descriptive analysis, descriptive explanation is given to statistical data gathered in our research work, in order to establish the relationship between the variables under study. Thus the use of this method of analysis is informed by the simplicity with which it summarizes, exposes and interprets relationships in a given data by a qualitative description or explanation to a statistical information.
CHAPTER TWO: CONTENT AND SUBSTANCE OF NEEDS

THE NATIONAL ECONOMIC EMPOWERMENT AND DEVELOPMENT STRATEGY (NEEDS)

The National Economic Empowerment and Development Strategy is a federal government poverty reduction strategy. It builds on the earlier two-year efforts at producing the interim poverty reduction strategy (PRSP), and the wide consultative participatory process associated with it. It is a medium term strategy (2003-07), which derives from the country’s long term goals of poverty reduction, wealth creation, employment generation and value re-orientation. NEEDS is a nationally co-ordinated framework of action in collaboration with state and local governments (with their state Economic Empowerment and Development Strategy (SEEDS), as well as other stakeholders to consolidate on the earlier achievements of the democratic dispensation as well as building a solid formation for the attainment of Nigeria’s long term vision of becoming the largest and strongest Africa economy and a key player in the world economy. (NEEDS Document 2005)

NEEDS is essentially a federal government programme. The president and his cabinet fully endorse the programme. Participation is also required of the civil society groups, labour unions, non governmental organizations and the general public. This ensures a full participatory approach to the NEEDS design. NEEDS builds on the progress made during the transitional phase of the new democratic dispensation.

The fundamental values upon which National Economic Empowerment and Development Strategy (NEEDS) rests upon are:
Respect for elders, honesty, accountability, co-operation, industry, discipline, self-confidence and moral courage (NEEDS, document 2005). More specifically, the strategy hopes to lay a solid foundation for a national rediscovery and strong values on the following principles.

- Enterprise, competition, and efficiency at all levels
- Equity and care for the weak and vulnerable
- Moral rectitude, respect for traditional values, and pride in Nigeria’s culture.
- A value system for public service that results in efficient and effective service delivery to the citizen.
- Discipline at all levels of leadership. According to the 2001 Kuru declaration; all public officials, elected and appointed, swear to abide by certain codes of values embodying Nigeria’s development objectives and human capital needs. NEEDS recognizes that values cannot take root and be sustained unless conscious efforts are made to mobilize the Nigerian people around them. Without paradigm shifts, fundamental changes in mindset, and acknowledgement that business as usual is not acceptable, especially by the elite, the change that NEEDS seeks to bring about will be difficult to attain and sustain (NEEDS document 2005:4)

**EMPOWERING PEOPLE**

Meeting the needs of our people and nation is the primary aim of the plan for prosperity. NEEDS insists that every Nigeria has the right to adequate water and sanitation, nutrition, clothing, shelter, basic education, and health care, as well as physical security and the means of making a living. NEEDS proposes a contract between the
Nigerian people and their government in the form of a social charter, or bargain. This charter recognizes the people’s rights to government services that provide basic needs for life. In return, the people agree to work hard and honestly to make NEEDS a success. In formalizing the contract between the people and the government, NEEDS empowers the people to challenge the government if it does not keep its side of the bargain.

NEEDS recognizes that poverty has many strands and must therefore be tackled from several different directions at once. It recognizes that the government must work not only to improve incomes but to tackle the many other social and political factors that contribute to poverty. These are very difficult to separate and are therefore often thought of as a bundle of factors that result in social exclusion. A poorly educated farmer is less likely to know how to keep his family healthy and less able to find alternative employment. As a result, he is more vulnerable to external shocks, such as drought or falling market prices, NEEDS empowers the poor by tackling social exclusion head on, paying particular attention to generating jobs to improve incomes, housing, health care, education, political power, and physical security.

To improve the lives of the Nigerian people, NEEDS includes plans for creating jobs, creating affordable housing, improving health care services, strengthening the skill base, protecting the vulnerable, and promoting peace and security.

VALUE RE-ORIENTATION

NEEDS envisages the re-orientation of values in government and society. This goals of NEEDS seek to change the perception of people to government and is directed at involving Nigerians in the art of governance. In effect, NEEDS seeks to the key message that it is not business as usual; the privatization programme is designed to shrink the
domain of the state and hence the pie of distributable rents which have been the haven of public sector corruption and inefficiency. The act of privatization will release a few thousands of appointed board members of government parastatals to go into productive engagements. Public sector reforms would also aim to emphasize professionalism, selfless service, and efficiency. The anti corruption measures fight against advance free fraudsters, the strive towards greater transparency in public and private sector financial transactions will help ensure accountability.

NEEDS intend to mobilize the people to re-emphasize the virtues of honesty, hard work, selfless service, moral rectitude, and patriotism. The National Orientation Agency (NOA) and their state counterpart will be strengthened to actively lead the campaign. Encouragement will also be given to civil society organizations, community based religious and socio-cultural-traditional organizations etc to provide leadership in the campaign for a new value system.

POVERTY REDUCTION

Poverty reduction is the most difficult challenge facing Nigeria and its people and the greatest obstacle to pursuit of sustainable socioeconomic growth. The poverty rate in Nigeria increased from 27 percent in 1980 to 66 percent in 1996, by 1999 it was estimated that more than 70 percent of Nigerians lived in poverty. Life expectancy is a mere 54 years, and infant mortality (77 per 1000) and maternal mortality (704 per 100,000 live births) are among the highest in the world. Other social indicators are also:

- Only about 10 percent of the population had access to essential drugs.
- There were fewer than 30 physicians per 100,000 people.
- More than 5 million adults were estimated to be living with HIV/AIDS.
- Among children under five, almost 30 percent were underweight.
- Only 17 percent of children were fully immunized—down from 30 percent in 1990—and almost 40 percent had never been vaccinated.
- Only about half the population had access to safe drinking water (40 percent in rural areas, 80 percent in urban areas).
- Some 29 percent of the total population lived as risk from annual floods.
- More than 90 percent of the rural population depended on forests for livelihood and domestic energy sources.
- Rural households spend an average of 1.5 hours a day collecting water and fuel wood, with household members walking an average of one kilometer a day to collect water and fuel wood.

Quantitatively, poverty in Nigeria has many manifestations and dimensions, including joblessness, over-indebtedness, economic dependence, lack of freedom, inability to provide the basic needs of life for self and family, lack of access to land and credit, and inability to save one's own assets. Poor people tend to live in dirty localities that put significant pressure on the physical environment, contributing to environmental degradation. The poor, especially farmers, perceive their economic circumstances to be fraught with uncertainty, affected by events over which they have no control, such as primary commodity prices, the volume of rainfall, pest attacks, fire outbreaks, changes in soil conditions, and social conflicts. Lack of food is the most critical dimension of poverty, reflected in the popular saying that “when hunger is excised from poverty, the poverty is light”.
EMPLOYMENT GENERATION

The rate of urbanization in Nigeria—about 5.3 percent a year— is one of the fastest in the world. Urban unemployment is estimated at about 10.8 percent. If manufacturing and services sectors do not grow sufficiently to absorb the surge of labour to urban areas and if rural areas are not transformed to stem the growth in migration to urban area, the rate urban unemployment could become unmanageable. The implications for poverty— and crime, conflict, and the maintenance of democracy—are grave.

NEEDS recognizes the urgency of the unemployment situation, but it understands that there will be a lag in the expected job-creation effects of the reform programme. It also recognizes the need for specific steps to facilitate individual empowerment, particularly among young people and other vulnerable groups, through the creation of new jobs.

The private sector is expected to generate most of the new jobs in Nigeria. The role of the government will be to:

- Create an enabling environment by adopting specific sectoral programmes that permit the private sector to prosper.
- Empower people by providing for the acquisition of relevant skills to prepare them for the world of work.
- Promote integrated rural development, in collaboration with the states.

Coordinated implementation of NEEDS at the federal level and State Economic Empowerment and Development Strategies (SEEDS) at the state level is expected to lead to about 7 million new jobs.
REFORMING GOVERNMENT AND INSTITUTIONS

The goal is to restructure, right-size, reprofessionalize and strengthen government and public institutions to deliver effective services to the people. It aims to eliminate waste and inefficiency, and free up resources for investment in infrastructure and social services by the government. A key aspect of the institutional reforms is to fight corruption, ensure greater transparency, and promote rule of law and strict enforcement of contracts. An explicit service delivery programme to re-orientate government agencies towards effective delivery of services to the people is to be introduced by the government.

In summary, the goal is to make government and public institutions serve the people, to make the government play a developmental role rather than being a haven for corruption and rent-seeking. Part of the reforms at this level is to ensure a predictable and sustainable macro-economic framework especially through a sustainable fiscal policy framework.

GROWING THE PRIVATE SECTOR

NEEDS is a development strategy which rests on the private sector as the engine of growth, for wealth creation, employment generation and poverty reduction. The government will be enabler, the facilitator, and the regulator. The private sector will be the executor, the direct investor and manager of businesses. The key elements of this strategy include the renewed privation, de-regulation and liberalization programme (to shrink the domain of the public sector and buy up the private sector), infrastructure development especially electricity and transport, explicit sectoral strategies for agriculture, industry small and medium scale enterprises, services especially tourism, art
and culture and information communication technology, oil and gas, solid minerals. Other elements of this agenda are the mobilization of long-term capital for investment, appropriate regulatory framework, a coherent and consistent trade policy and regional/global integration regime, and specific innovations and interventions to encourage the development of some sector. For instance, in order to enhance rapid industrial growth and efficient exploitation of the resources, government shall encourage strong linkage between science and technology parks, industry and research and development institutions. In addition, there will be deliberate efforts made to promote technology acquisition from within as well as across national boundaries.

In collaboration with the stakes, a key strategy is to promote the emergence and the flourishing of industrial clusters. In a global economy characterized by increasing agglomeration of industries, promotion of clusters to ensure economies of scale is an importance element of the strategy. The small and medium enterprises (SMES) are critical special attention under NEEDS.

In addition, NEEDS seeks to promote the emergence of medium and large commercial farms, plantations and industrial conglomerates that would harness the economies of scale and effectively compete in today’s global market.

**IMPLEMENTING A SOCIAL CHARTER**

For the first time, it appears government has realized that it owes the Nigerian people a sacred duty to provide them with security, happiness and a guarantee for the future. NEEDS seems to recognize the constitutional injection that the “security and welfare of the people shall be the primary purpose of government (section 14(2) (b) of the 1999 constitution).
NEEDS proposes a social charter which seeks to guarantee the basic needs of the citizens. This is expressed in social welfare, education, health, employment, poverty reduction, empowerment, security and participation. In effect, NEEDS seek to implement the provisions of chapter 2 of the 1999 constitution which consists of a social charter or contact between the government and the people. The chapter contains political, social, economic, educational, and environmental and foreign policy objectives. This chapter also provides for government principles, national ethnics and citizens responsibilities. This aim of the NEEDS agenda will be supported by the states under the states Economic Empowerment Strategy (SEEDS) to provide integrated rural development. There will be concerted effort and policies aimed at women employment, youth employment and skills acquisition, scheme among others. This is aimed at reducing the rural-urban drift that is currently plaguing our society.

NEEDS intends to tackle the HIV/AIDS epidemic, which it sees as not just a social problem, but also a major threat to productivity and the economy. Effective health care delivery system, especially aspects directed at combating the HIV/AIDS scourge as well as other preventable diseases such as malaria and tuberculosis is the key strategy. Under NEEDS also, there will be reforms to promote the emergence of a vibrant mortgage and housing development system that will be led by the private sector. Investments are to be made in the agricultural sector especially to improve the productivity of peasant farmers. This is a key element of this strategy since over 50% of the poor engage in agriculture. Another key strategy in the social charter is inclusiveness and empowerment. Deliberate programme to give voice to the weak and the vulnerable groups through increased participation in decision-making and implementation, laws and
programmes to empower women, children, the handicapped and the elderly will also be arranged.

**TACKLING CORRUPTION AND PROMOTING TRANSPARENCY AND ACCOUNTABILITY**

A strong and effective anti-corruption policy is a priority of the government, which hopes to create a transparent and accountable Nigeria in which the incidence of corruption is low. NEEDS envisions a prosperous country that is not only developed economically but infused with strong moral and ethical values. Without these values it would be difficult, if not impossible, to achieve the desired level of growth and development.

Moreover, even if Nigeria were able to break out of the vicious cycle of poverty and underdevelopment, it would be a developed society without moral character.

Some of the values on which attention must be focused include the following:

- Integrity and good citizenship at the individual and corporate level
- Discipline and a strong work ethic
- Excellence, competitiveness, creativity, and innovation in service delivery
- Perseverance and longer term thinking as opposed to short-term expediency
- Enterprise, thrift and savings, and curbing of waste
- Thirst for knowledge, information, and know-how
- Commitment to the welfare of vulnerable groups
- Pride in the spirit of Nigeria.
FINANCING NEEDS

To finance the programme, the government will increase the efficiency of resource use by:

• Reducing or Eliminating Wasteful spending

• Selling assets or privatization

• Reforming the tax system

• Mobilizing domestic savings

• Attracting foreign direct investment (FDI)

• Obtaining debt relief etc.

REDUCING OR ELIMINATING WASTEFUL SPENDING

According to the NEEDS Document (2005). The federal government share of the federation account has decreased from about 60 percent to 46 percent, but the change does not yet reflect the devolution of responsibilities to state and local governments. The rationalization envisaged in this strategy will involve clear delineation of roles among the federal, state, and local governments in line with the changes in the revenue allocation formula. The federal government will withdraw from programmes and projects best left to state and local governments, not only to avoid duplication but also to enhance efficiency in implementing and monitoring programmes and projects.
SELLING ASSETS

Substantial revenue is expected to be generated by privatization of refinaries and steel mills, the sale of shares in the automotive industries, the unbundling of the National Electric Power Authority, and the expected initial public offering of shares of Nigerian Telecommunications, Ltd. Proceeds of these sales can be used to finance infrastructure development under NEEDS.

The law setting up the National council on privatisation stipulates that all proceeds from privatisation be placed in the privatisation proceeds accounts which is automatically transferable into the consolidated revenue fund. The privatisation programme is expected to attract private capital to increase working capital, replace equipment, and rehabilitate plants. With the monetisation of fringe benefits, the government will dispose some of its assets, especially buildings and cars. Proceeds from these sales will augment the budget.

REFORMING THE TAX SYSTEM

There is scope to increase revenue yield by aggressively pursing tax collection in all sectors of the economy. Target areas include the oil and gas sector, personal and property taxes and indirect taxes. The practice whereby most revenue-generating state enterprises spend revenues collected on behalf of the central government, in breach of financial regulation will be checked.

- NEEDS will generally move in the direction of a low, stable, simplified tax and tariff regime. But a few new taxes may be imposed and some existing ones increased slightly to raise revenue. To increase revenues, the government will also:
• Return to the use of market-based development stocks, with ‘appropriate tenures, to meet medium- to long-term financing needs. The change will check the current trend of crowding out of the real sector by borrowing from the banking system.

• Review and strengthen the enabling laws to ensure that institutions such as the Nigerian Social Insurance Trust Fund, pension fund, and life insurance companies adhere to guidelines that require them to use most of their funds to finance real sector activities.

• Support programmes, such as the comprehensive review of public sector pension schemes, that mobilize and effectively manage long-term fund.

• Adopt appropriate regulatory and enforcement machinery to ensure that development finance institutions are well funded and that their funds reach intended beneficiaries, especially those operating in the priority sectors.

• Mainstream micro, small, medium size enterprises, especially those operating in the priority sectors, to broaden the real sector and enhance their access to funds available in the banking industry.

**ATTRACTING FOREIGN DIRECT INVESTMENT**

With better management of the economy and restoration of investor confidence, a higher level of investment inflow is expected, especially in view of the high returns that investment in Nigeria offers.

About $1.5 billion a year is expected to be attracted into manufacturing, steel, construction, solid minerals, and large-scale farming over the period. Efforts will be
made to attract investment from wealthy Nigerians at home and abroad, and strategies will be developed for inducing other Africans in the diaspora to invest in Nigeria.

Consequently, it is expected that donor agencies will significantly increase their aid budget to Nigeria. Better co-ordination of aid and an emphasis on value for money should amplify the impact of assistance to Nigeria. Nigeria may also be able to access international credit on concessional terms (IDA terms or better) provided that the projects for which loans are sought are bankable projects that will generate sufficient returns to pay back the credit.

**OBTAINING DEBT RELIEF**

Nigeria’s debt service is high and unsustainable. Annual debt service due averages more than $2.5 billion a year. Including arrears of about $3.47 billion incurred as of the end of 2003, annual debt service is about $3 billion a year. Beyond the direct cash flow impact, debt relief would facilitate the restoration of insurance cover, on exports to Nigeria (including foreign direct investment), by helping clear arrears and making current the country’s debt status. Debt relief could thus create substantial resource inflows, which would form part of the financing required over the programme period.

Debt service payments have come at great opportunity cost in terms of social services. External debt service payments made between 2001 and 2003 were five times as high as the recurrent federal government budgetary allocation to education and about six times as high as the recurrent budgetary allocation to health. Only substantial debt relief will allow Nigeria to pursue a meaningful development programme. This condition is corroborated by a 2002 study by the International Monetary Fund that revealed that even with a good
policy environment, resolving Nigeria’s debt problem would require a 67 percent of the net present value of the debt.

**OTHER SOURCES OF REVENUES INCLUDE**

- Payment of interest on delayed payments.
- Recovery of looted and misappropriated funds.
- Partnership with the private sector.
- Private sector investment in infrastructure
- Small and medium-size enterprise investment equity scheme.
CHAPTER THREE: CONTEXTUAL ANALYSIS OF NEEDS

3.1 THE IDEOLOGY BEHIND NEEDS

The national economic empowerment and development strategy is a federal government poverty reduction strategy. It builds on the earlier two–year efforts at producing the interim poverty reduction strategy (PRSP), and the wide Consultative participatory process associated with it. It is a medium term strategy (2003-2007), which derives from the country’s long term goals of poverty reduction, wealth creation, employment generation and value re-orientation. NEEDS is a nationally coordinated framework of action in collaboration with state and local governments (with their state and local Economic Empowerment and Development strategy as SEEDS and LEEDS respectively), as well as other stakeholders to consolidate on the earlier achievements of the democratic dispensation as well as building a solid formation for the attainment of Nigeria’s long term vision of becoming the largest and strongest Africa economy and a key player in the world economy. (NEEDS Document, 2005).

The fundamental values upon which National Economic Empowerment and Development Strategy (NEEDS) rest upon are: respect for elders, honesty, accountability, co-operation, industry, discipline, self-confidence and moral courage. More specifically, the strategy hopes to lay a solid foundation for a national rediscovery and strong values on the following principles:

- Enterprise, competition, and efficiency at all levels
- Equity and care for the weak and vulnerable.
- Moral rectitude, respect for traditional values, and pride in Nigeria’s Culture.
• A value system for public service that results in efficient and effective service delivery to the citizen.

• Discipline at all levels of leadership.

It is essentially imperative to explicate the ideology that is behind the reforms articulated in the NEEDS document. The primary question should be does ideology matter? Yes, I think it does since determining the ideology behind the economic actors driving the reform and the interest they promote. It enables us also to develop effective political and communicational strategies to protect and promote the interests of underrepresented interest groups. In articulating the four key strategies of NEEDS as a reform policy, the document defines NEEDS under the rubric of “growing the private sector” as a development strategy anchored on the private sector as the engine of growth for wealth creation, employment generation and poverty reduction. The government is the enabler, the facilitator, and the regulator. The private sector is the executor, the director, investor and manager of business. Under the rubric of “implementing a social charter” the document describes NEEDS as focusing on people. It is about their welfare, their health, education, employment, poverty reduction, empowerment, security and participation (NEEDS Document, 2005). The genius of NEEDS and ironically its failure is the confusion of ideological biases. By combining a policy thrust on private sector with a focus on people, their welfare and empowerment and the strengthening and reform of the public sector, NEEDS seems to provide for everyone and nothing significant for some.

An assessment of the policy thrust of NEEDS as a policy document will conclude that it balances a concern for market-oriented private sector led economic development
with a people oriented social charter. But, a critical reading of the entire document shows that it still keep faith with the broad framework of neo-liberal market-oriented reform which the world Bank and the International Monetary fund strongly endorse. The ideology that comes out from a critical reading of the document is neoliberlism, which can be described as “based on an unwavering belief in free markets”. The promotion of competitive market, capitalism, private ownership, free trade, export led growth, strict controls on balance of payments and deficits, and drastic reduction in government social spending.

The NEEDS Document was aimed at correcting some of the micro and macroeconomic contradictions that had bedeviled the country. However, contrary to the precepts outlined in the NEEDS document, the NEEDS package worsened the poverty situation in the country, increased unemployment rate, and worsened the economic disequilibria it had hitherto, aimed at resolving. The NEEDS Document was structured into the following components:
TABLE 1: NEEDS AT A GLANCE

Vision, Values, Principles

Goals
- Wealth creation
- Employment generation
- Poverty reduction
- Value reorientation

MICROECONOMIC FRAMEWORK

Empowering people
Health, education environment, integrated rural development, housing development, employment and youth development, safety nets, gender and geopolitical balance, pension reforms.

Promoting private enterprise
Security and the rule of law, infrastructure, finance, sectoral strategies. Privatizations and liberalization, trade regional integration and globalization

Changing the way the government does its work
Public sector reforms, privatization and liberalization governance transparency and anti corruptions, service delivery, budget and expenditure reforms.

FINANCE AND PLAN IMPLEMENTATION STRATEGIES

Source: Extract from NEEDS Document 2005
TABLE 2: INSTITUTIONAL FRAMEWORK FOR THE IMPLEMENTATION OF NEEDS

3.2 PRIVATE SECTOR-DRIVEN ECONOMY; OUR ANSWER?

National Economic Empowerment and Development Strategy (NEEDS) anchors the development of the economy on the private sector. It reduces government to the role of a regulator and an enabler. There is nothing unusual about giving the private sector the prominent role in economic development. Since the collapse of third world economies by
reason of crisis in the world of oil prices, the failure of import substitution programme and the rise of balance of trade deficits, there is a strong global disfavour for government dominant role in economic activities. This roll-back the state tendency has taken the form of privatization and deregulation. There is now a growing argument on the merit of rolling back the state. Issues are joined on the interpretation of the history of economic development and the role of the state especially in some of the western capitalist states. The importance of the state both in capitalist accumulation and equitable distribution to create an articulated economy is been emphasized (Dietrich, 2009). The state is needed for capital accumulation, savings and public expenditures that is needed to grow the economy. The state is also needed to maintain the right mix of industrial sector. As Robert Wade (2004) of London school of economics put it with regard to Taiwan economic miracle, “the developmental state has to be judged not only in its role of influencing the allocation of resources between different sectors and different function (infrastructure, small enterprise), but also in its role of mobilizing resources within the public.

Surely, the developmental state is necessary but even as the Nigerian government has followed the tract of withdrawing from mainstream activities, yet, it cold still firm ups its regulatory role. There are many ways to create a market and there are many forms which privatization and liberalization of the economy can take. Evidence even when the state intends a greater role for the private sector the state must be able and willing to make enormous public investment in social services apart from investment in infrastructure if real and sustained economic growth is to be possible.
Quoting intensively the views of renowned development economists, Paul streeten (in Amadi 2004:109), on the political economy of fighting poverty; Financing a service must be distinguished from its provision and its production. Social services may be wholly privately, or wholly publicly, produced, provided and financed. But these services may also be financed by the state and provided privately or they may be provided by the state, but through user charge privately financed.

The real problem with NEEDS is that there is no clear framework for the provision of these essential public goods. Again, the policy of private sector driven economy negates the provision of these goods and services for the poor. Nothing in the framework gives hope that government is fully aware of its duty towards vulnerable groups- the poor, aged, disabled etc in terms of protecting and expanding their access to basic social and infrastructural services.

The case of telecommunication illustrates this fact. Although the telephone density has drastically improved, quality and cost of phone calls remain big problems. Nigeria has the highest number of drop-calls and pays the highest tariff for cell-phone calls. The National Communication Commission (NCC) has proved incapable of monitoring the running cost of cell-phone companies as to determine fair changes. MTN the leading phone company in Nigeria made over N26 billion in six months. Revenue from Nigeria constitutes about two-third of its enormous revenue in Africa. So far, the regulatory practice has not protected customer interest and has not ensured equity and quality service.
There is no doubt that the economy needs bureaucracy in order to lead to meaningful growth. Any meaningful economic reform policy must reform government involvement in economic activities in order to deal with corruption, but, a private sector-driven economy is not necessarily the answer. Evidence across the globe shows that public companies can be more efficient and competitive than private companies. The French electricity company pushed prices down below these in America because of its innovation. The less postal service shows how a public company can effectively compete with private companies in quality services. In Canada, study shows that there is no difference in the efficiency of private and public rail systems.

As much as government should move out of those areas where the private sector can do better and focus on creating enabling environment for articulated and integrated economic development, this shift should not amount to handing the private sector the captain’s bond to ‘manage’ the economy. The balance of evidence and analysis of the economic miracle in East Asian countries prove definitely that the state must always wear the captain’s band. Whether we opt for hard or soft state, the Nigerian state must retain the capacity to choose “winners” and allocate resources preferentially according to an overall plan of development that answers to national priority. And in our situation such a priority is drastic reduction of general poverty and class, gender, and region-specific poverty.

It is ironic that NEEDS in articulating its mission latched on the directive principles of state policy in the constitution, but these exhortatory statements rather require a developmental state. The constitution among others require the control of the national economy in such a manner as to secure the maximum welfare, freedom and

3.3 THE LEADERSHIP ENVISIONED BY NEEDS

NEEDS envisages a new vision of development for Nigeria. It is sourced from the Kuru Declaration 2001,

To build a truly, great African democratic country, politically united, integrated and stable, economically prosperous, socially organized, with equal opportunity for all, and responsibility from all, to become the catalyst of African renaissance and making adequate, all embracing contributions, sub-regionally, regionally and globally. Amadi (2006:11)

This new vision requires, the government to model enterprise, competition and efficiency at all level, equity and care for the weak and vulnerable, entrench a value system for the public service and fight corruption.

Although the document (National Economic Empowerment and Development strategy) comes short of linking economic development to political leadership, it seems to strongly suggest it by relating the vision to the Kuru declaration. There is no doubt about the correlation between leadership and economic performance. But this relationship is not axiomatic. Leadership interacts with other variables to make for economic development. But if we conceive leadership in the broad category that includes the creation and sustenance of institutions, then the role of good leadership in economic performance becomes critical.

As Gyimah-Boadu and Van de While (1996) argue in their study of leadership in Africa; All the factors identified as keys to the success of economic reform in the recent literature are, in fact, dependent on effective political leadership. These include the
government’s level of understanding of economic issues, its commitment to reform, the insulation of key technocrats, and its ability to build coalitions on behalf of reform. Whether we subscribe to the interest group theory of policy reform or the great man theory, the importance of the ability of leaders to mobilize public support to the reform project is critically important. This ability may take a democratic or authoritarian model. But the key ingredients remain competence, integrity and dedicated leadership.

The major problem with political leadership in Nigeria is the death of credibility and legitimacy among political leaders. President Obasanjo came to power in a context where the Nigerian people were enthusiastic of new beginnings after being worsted by Abacha dictatorship. But, his credibility was diminished by latter events like half hearted commitment to fight corruption. The high point of his diminished leadership was the electoral bill fraud and the massively rigged 2003 election. The sort of reform contemplated by NEEDS require a transparent and charismatic leadership that can mobilize Nigerians towards, efficiency and minimize antagonism to the paradigm. Another major blemish on the Obasanjo presidency is the failure to communicate passionately and engage different sectors of the society. Under Obasanjo, labour and other civil society groups have mobilized for strike actions against reform policies. It is true that reforms are usually contentions because of conflicting interest of winners and losers. But such contention can be managed by a style of leadership that effectively neutralizes opposition. Obasanjo’s autocratic disposition is ineffective because it is not sufficiently underlined by a transparent patriotism and commitment to the Nigerian dream a commitment that is contagious.
The president has coupled a credible and well educated reform team, although a team that is sold to the neo-classical approach to economic change as highlighted by John Williamson (1994): that reform should be led by a coherent economic team. The question now is whether the president satisfies the criterion of a visionary leader. Williams defines a “visionary” leader as an executive with a strong commitment, a vision of where he wants to take his country and is prepared to take risk.

But more important in my view is the integrity which the leader models. Part of the hindrance to mobilizing human resources for development is cynicism. There is a widespread loss of faith on political leadership. Because of the grip corruption holds on the nation’s psyche, the leader who can effectively mobilize for economic transformation must be one who consistently and transparently eschews the personal rent-seeking that is now ubiquitous. He has to recognize that the example set by a corrupt chief executive permeates all branches and layers of government, from top-to bottom in the executive, legislature and judiciary, and undermines growth by engendering capricious interference with private activity (Clive Gray and Malcom Mcpherson, 1999). The president went to power on a strong sentiment of patriotism and commitment to anti-corruption. But has own down on his credibility banks with certain opportunistic behaviours, especially the electoral bill fraud that presented him as a leader who was prepared to sacrifice national interest for personal political advantage. Many Nigerians no longer believe that the president meant well. If he had meant to engender a new value orientation and entrench efficiency and accountability across sectors of national life, then he needs to have began to consistently and transparently model credibility.
CHAPTER FOUR: NEEDS AND POVERTY REDUCTION IN NIGERIA

The National Economic Empowerment and Development Strategy (NEEDS) rests on four key strategies: Reforming the way government works and its institutions, growing the private sector, implementing a social charter for the people, and re-orientation of the people with an enduring African value system.

4.1 NEEDS POVERTY ALLEVIATION AND SOCIAL WELFARE

NEEDS declares affirmatively that “the resulting challenge of development is not only the need to reform the economy for enhanced economic growth, but also how to empower the citizenry as a means of revitalizing the weakened social pillar. This calls for the human rights approach to development planning which places human beings at the center of development effort”.

There are two ways to consider poverty alleviation and social welfare within the program. First, we have to assess the content of the program to know how much poverty alleviation is a central part of the reform. Second, we can also examine what alternative plans we set up in order to deal with the, adversities following privatization. The document articulates the NEEDS program as focused on meeting the challenges of the UN millennium Development Goals, which prescribes that poverty be reduced to halve by the year 2015. The government itself has acknowledged that about 70 percent of Nigerians live below poverty level, that is, spends less than one dollar a day. The document contains revealing data on poverty and deprivation in Nigeria.
Samples: 50% of Nigerians have no access to good drinking water; only about 15% of children in Nigeria are immunized; only about 10% Nigerians has access to essential drugs (Amadi, 2004).

Dealing with poverty in such a society requires a well articulated and ambitious program that increases both the income of ordinary Nigerians and their access to social goods. The document does not contain any such plans. Instead, it impliedly stipulates for the dwindling of the incomes of poor households and consumption will further drag economic growth. The document states as a matter of fact that NEEDS is about the people: it is about their welfare, their health, education, employment, poverty-reduction, empowerment, employment, poverty-reduction, empowerment, security and participation. This is the over arching ultimate goals of NEEDS. What are we to make of this statement in view of the absence of poverty reduction programs or approaches in the proposal. We can give the architect of the program the benefit of the doubt that they truly consider, poverty as a real threat to economic growth and its drastic reduction a big boost to development. But why fail to provide a programmatic process of reducing poverty? It seems that the architects had in mind the notion of poverty reduction that depends on the overall growth of the economy.

The logic therefore, is that once we grow the economy in a sustainable manner, poverty will be reduced and human welfare enhanced. This is the pro-growth theory. And the logic is that the private sector will drive the growth process and also the trickling down of social welfare. On the issue of housing (many Nigerians are no house-owners and are not secured tenants), “under NEEDS, reforms are ongoing to promote the emergency of a vibrant mortgage and housing development system that is led by private
sector”. The dependence on the private sector to provide the housing needs of Nigerians is not realistic in view of the failure of market in this respect. Housing for the poor is not what the private sector will have enough profit incentive to invest. Therefore, there will be an incomplete market for housing. It is in recognition that private market will not provide sufficient housing for the poor, that the government of the United States established the federal mortgage Association, known as the Framy Mac, to provide funds for home mortgage (Stiglitz, 2008).

Experience with federal Housing Authority in Nigeria shows that controlling for corruption and abuse of power, government investment in housing remains the realistic way for the working poor to meet their housing needs. This investment does not need to take the form of direct government provisioning. Government may simple offer financial assistance. So that workers can obtain housing at the private markets or subsidize the private market for the poor workers. The problem with NEEDS private sector led development is not necessarily the preference for the private and public goods as much as the removal of governments direct investment either in producing or purchasing these goods. In the face of market failures, incomplete markets and internalities, government engagement with the economy may take many different forms: government may produce directly, government may purchase products for the people, or government may pay its citizens to purchase in the deregulated market. Even government in advanced capitalist states spend much, not only on infrastructure, but on pay-outs to citizens in order to enable them thrive in the private market. In the US for example, government intervene in private production through policy instruments like subsidies and taxes, transfer payments
like cash and in-kind benefits, tax returns, social insurance, food stamp, and Medicaid (Ogwo, 2004).

The NEEDS Document fails to address government direct investment in social good provisioning either through public or private market. Looking beyond the document to government practices, the impression is sustained that government does not intend to focus on poverty alleviation even as it divests from the commanding heights of the economy. Since coming to power in 1999, The Obasanjo government has increased the prices of petroleum more than three times. These increases have been justified on the ground that the liberalization of the downstream oil sector (a prime policy thrust of NEEDS) leads to price volatility. The government has failed to perceive the domino effect of such price swing on the disposal income of most Nigerians and how it leads to dwindling welfare.

As part of its social charter, NEEDS promises to focus on eradication of poverty, universal basic primary education, and also increase funding for research in tertiary education. In furtherance of this policy thrust the government has proposed a universal basic education Bill to criminalize parental failure or refusal to send their wards to school. So far government investment in education over the years has remained insignificant.

The details of the policy thrust of NEEDs as regards poverty reduction and social welfare is not as important as the framework in which the reform intends to grow the economy, as well as fight poverty. My analysis suggests that the premise of focusing on the private sector and the private market may be insufficient in the context of absolute material poverty in Nigeria. This is not about whether government should remain in
direct production, but, it is about the degree of engagement of the government with questions of deprivation and disempowerment.

NEEDS claims to focus on human rights approach to development, but fails to articulate a framework that can make that happen. At the least minimum, a human rights approach to development, would require an overt policy engagement with equity in production and distribution, and must emphasize far reading land reform progressive tax systems, new credits systems to the banks on the poor, a major expansion of basic social services to reach all the people in economic and political spheres and the equalization of their access to opportunities, and the establishment of temporary social nets for those who may be by-passed by the markets or public policy actions (Mahbub, 1999). The focus on human welfare, equitable distribution and investment in provision of social goods is so minimal or not at all to qualify for a human rights based developments. The reform may spur growth but does no look promising with regards to poverty reduction an economic and social empowerment of the poor.

**4.2 NEEDS AND HUMAN DEVELOPMENT INDEX**

According to Okolie (2006:6) “the most realistic measure of sustainable development is the Human Development Index (HDI). Following this method, the united nations development programme (UNDP) believes that it is not economic growth, but rather people and their capabilities that should be the ultimate criteria for assessing the development of a country. Based on this, it will be clearer that NEEDS has not made a significant impact on Nigeria’s infrastructures and standard of living of the majority and therefore status of poverty remains at an alarming rate.
In spite of the reform structures and institutions established by the government to ensure economic efficiency, transparency and proper management, there is enough evidence that the reform did not achieve those noble objectives. The corruption is on the increase and could not allow any meaningful impact on the economy. Evidence showed that US $16 Billion was stolen between 2004 and 2007 on electricity. In a similar fashion from 1999 to 2010 the Economic and Financial Crime Commission (EFCC) puts the economic and financial crimes at an approximate sum of N1.2trillion. In the Corruption Perception Index (CPI) 2009 report by Transparency International (TI) a global anti-corruption watchdog, Nigeria received 2.5 out of a possible 10 marks, emerged 27th, out of the surveyed 47 nations in sub-saharan Africa, and 33rd out of the 53 countries in Africa. From 2001 to 2005 Nigeria ranked second to last in CPI ranking with 1.0.

STATISTICAL UPDATE FOR NIGERIA

Each year since 1990 the Human Development Report Office has published the Human Development Index (HDI) which looks beyond GDP to a broader definition of well-being. The HDI provides a composite measure of three dimensions of human development: living a long and healthy life (measured by life expectancy), being educated (measured by adult literacy and enrolment at the primary, secondary and tertiary level) and having a decent standard of living (measured by purchasing power parity, PPP, income). The index is not in any sense a comprehensive measure of human development. It does not, for example, include important indicators such as gender or income inequality and more difficult to measure indicators like respect for human rights and political freedoms. What it does provide is a broadened prism for viewing human progress and the complex relationship between income and well-being.
The HDI for Nigeria in 2011 is 0.459, which gives the country a rank of 156th out of 187 countries in the low human development category with data in (Table 3).

**Table 3**

<table>
<thead>
<tr>
<th></th>
<th>Life expectancy at birth</th>
<th>Expected years of schooling</th>
<th>Means of years of schooling</th>
<th>GNI per capita (2005 PPP$)</th>
<th>HDI value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>45.5</td>
<td>6.7</td>
<td>..</td>
<td>1.597</td>
<td>..</td>
</tr>
<tr>
<td>1985</td>
<td>45.9</td>
<td>8.5</td>
<td>..</td>
<td>1.223</td>
<td>..</td>
</tr>
<tr>
<td>1990</td>
<td>45.6</td>
<td>6.6</td>
<td>..</td>
<td>1.271</td>
<td>..</td>
</tr>
<tr>
<td>1995</td>
<td>45.1</td>
<td>7.1</td>
<td>..</td>
<td>1.286</td>
<td>..</td>
</tr>
<tr>
<td>2000</td>
<td>46.3</td>
<td>7.8</td>
<td>..</td>
<td>1.289</td>
<td>..</td>
</tr>
<tr>
<td>2005</td>
<td>49.0</td>
<td>8.9</td>
<td>5.0</td>
<td>1.530</td>
<td>0.429</td>
</tr>
<tr>
<td>2010</td>
<td>51.4</td>
<td>8.9</td>
<td>5.0</td>
<td>1.990</td>
<td>0.454</td>
</tr>
<tr>
<td>2011</td>
<td>51.9</td>
<td>8.9</td>
<td>5.0</td>
<td>2.069</td>
<td>0.459</td>
</tr>
</tbody>
</table>

**Source:** Human Development Index Report 2011.
Below shows the contribution of each component index to Nigeria’s HDI since 2005.

**TRENDS IN NIGERIA’S HDI COMPONENT INDICES 2005-2011**

![Graph showing trends in Nigeria's HDI component indices from 2005 to 2011.](image)

**Source:** Human Development Index Report 2011.

**ASSESSING PROGRESS RELATIVE TO OTHER COUNTRIES**

Long-term progress can be usefully assessed relative to other countries—both in terms of geographical location and HDI value. For instance, during the period between 2005 and 2011 Nigeria, Comoros and Senegal experienced different degrees of progress toward increasing their HDIs.

**INEQUALITY-ADJUSTED HDI (IHDI)**

The HDI is an average measure of basic human development achievements in a country. Like all averages, the HDI masks inequality in the distribution of human development across the population at the country level. The 2010 HDR introduced the ‘inequality adjusted HDI (IHDI)’, which takes into account inequality in all three
dimensions of the HDI by ‘discounting’ each dimension’s average value according to its level of inequality. The HDI can be viewed as an index of 'potential' human development and IHDI as an index of actual human development. The ‘loss’ in potential human development due to inequality is 4 given by the difference between the HDI and the IHDI, and can be expressed as a percentage.

Nigeria’s HDI for 2011 is 0.459. However, when the value is discounted for inequality, the HDI falls to 0.278, a loss of 39.3 per cent due to inequality in the distribution of the dimension indices. Ethiopia and Democratic Republic of the Congo show losses due to inequality of 31.9 per cent and 39.9 per cent respectively. The average loss due to inequality for low HDI countries is 33.3 per cent and for Sub-Saharan Africa it is 34.5 per cent.
TABLE 5: NIGERIA’S HDI FOR 2011 RELATIVE TO SELECTED COUNTRIES AND GROUPS

<table>
<thead>
<tr>
<th></th>
<th>HDI value</th>
<th>Overall Loss (%)</th>
<th>Loss due to inequality in life expectancy at birth (%)</th>
<th>Loss due to inequality in education (%)</th>
<th>Loss due to inequality in income (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nigeria</td>
<td>0.278</td>
<td>39.3</td>
<td>43.8</td>
<td>44.2</td>
<td>28.8</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>0.247</td>
<td>31.9</td>
<td>35.4</td>
<td>38.2</td>
<td>20.8</td>
</tr>
<tr>
<td>Democratic Republic of the Congo</td>
<td>0.172</td>
<td>39.9</td>
<td>50.0</td>
<td>31.2</td>
<td>36.8</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>0.303</td>
<td>34.5</td>
<td>39.0</td>
<td>35.6</td>
<td>28.4</td>
</tr>
<tr>
<td>Low HDI</td>
<td>0.304</td>
<td>33.3</td>
<td>35.6</td>
<td>39.2</td>
<td>24.2</td>
</tr>
</tbody>
</table>

MULTIDIMENSIONAL POVERTY INDEX (MPI)

The 2010 HDR introduced the Multidimensional Poverty Index (MPI), which identifies multiple deprivations in the same households in education, health and standard of living. The education and health dimensions are based on two indicators each while the standard of living dimension is based on six indicators. All of the indicators needed to construct the MPI for a household are taken from the same household survey. The indicators are weighted, and the deprivation scores are computed for each household in the survey. A cut-off of 33.3 percent, which is the equivalent of one-third of the weighted indicators, is used to distinguish between the poor and non-poor. If the household deprivation score is 33.3 percent or greater, that household (and everyone in it) is multidimensionally poor. Households with a deprivation score greater than or equal to 20
percent but less than 33.3 percent are *vulnerable* to or at risk of becoming multidimensionally poor.

The most recent survey data that were publicly available for Nigeria’s MPI estimation refer to 2008. In Nigeria 54.1 per cent of the population suffer multiple deprivations while an additional 17.8 per cent are vulnerable to multiple deprivations. The breadth of deprivation (intensity) in Nigeria, which is the average percentage of deprivation experienced by people in multidimensional poverty, is 57.3 per cent. The MPI, which is the share of the population that is multi-dimensionally poor, adjusted by the intensity of the deprivations, is 0.310. Ethiopia and Democratic Republic of the Congo have MPIs of 0.562 and 0.393 respectively.

Table 6 compares income poverty, measured by the percentage of the population living below PPP US$1.25 per day, and multidimensional deprivations in Nigeria. It shows that income poverty only tells part of the story. The multidimensional poverty headcount is 10.3 percentage points lower than income poverty. This implies that individuals living below the income poverty line may have access to non-income resources. Table E also shows the percentage of Nigeria’s population that live in severe poverty (deprivation score is 50 per cent or more) and that are vulnerable to poverty (deprivation score between 20 and 30 per cent). Figures for Ethiopia and Democratic Republic of the Congo are also shown in the table for comparison.
TABLE 6: NIGERIA’S MPI FOR 2011 RELATIVE TO SELECTED COUNTRIES

<table>
<thead>
<tr>
<th>Country</th>
<th>MPI value</th>
<th>Head count (%)</th>
<th>Intensity of deprivation (%)</th>
<th>Population vulnerable to poverty (%)</th>
<th>Population in severe poverty (%)</th>
<th>Population below income poverty line (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nigeria</td>
<td>0.310</td>
<td>54.1</td>
<td>57.3</td>
<td>17.8</td>
<td>33.9</td>
<td>64.4</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>0.562</td>
<td>88.6</td>
<td>63.5</td>
<td>6.1</td>
<td>72.3</td>
<td>39.0</td>
</tr>
<tr>
<td>Democratic Republic of the Congo</td>
<td>0.393</td>
<td>73.2</td>
<td>53.7</td>
<td>16.1</td>
<td>46.5</td>
<td>59.2</td>
</tr>
</tbody>
</table>

Source: Human Development Report, 2011

4.3 POVERTY PROFILE AND THE FAILURE OF NEEDS

Using economic data and statistics, NEEDS reform program was not free of criticisms from different stakeholders of the Nigeria’s economy. Available evidences have indicated some shortcomings and failure of NEEDS. Instead of ameliorating poverty, NEEDS had aggravated it and had failed to improve the basic infrastructures that have direct link to poverty reduction. Nigeria remains a poor country with an annual per capital income of $300. Approximately 70 percent of the population still lived on less than US $1 a day, an indication of extreme poverty. Real GDP growth has remained sluggish averaging 3.5 percent per annum since 2000 (AFRODAD, 2006). Nigeria is among the 20 countries in the world with the widest gap between the rich and the poor. The total income earned by the poorest 20 percent is 4.4 percent while the total income earned by the richest 20 percent of the population is 55.7 percent.
In terms of Human Development Index (HDI) Nigeria is ranked 158th of the 159 countries surveyed in 2009 (CIA World Fact Book, 2010). Using selected World development indicators, the life expectancy at birth in 2010 for male and female in Nigeria was 46 and 47 years respectively. Between 2000 and 2007, 27.2 percent of children under five were malnourished. This is alarming compared to the figure of 3.7 percent between the same periods in Brazil, another emerging economy. Worse still, the mortality rate for children under five is given as 191 per 1000 births in 2009, and this is unacceptably high compared to the figure of 69 per 1000 births in South Africa, 108 per 1000 births in Togo and 120 per 1000 births in Ghana (World Bank, 2010).

The United Nations Development Programme (UNDP) using its Human Poverty Index (HPI) showed an increase in poverty from 34.0 percent to 38.8 percent during the period 2007-2010. The HPI ranges from 0 (for no deprivation) to 100 (for extreme deprivation). Recently, Nigeria ranks 114th with HPI-1 measures severe deprivation in health, education and standard of living. Similarly, in a research about how far the globe was doing on poverty and hunger reduction that included 81 countries of the world, it was found that Nigeria was seriously behind when measured against a new poverty indicators they called Poverty-Hunger Index. Specifically, they found that Nigeria had 0.156 values on matching towards achieving the Millennium Development Goals (MDGs) which interprets to mean low. More important revelation about the poverty situation in Nigeria in their research was the negative values of -0.392 and -0.355 on poverty and poverty gap composites repectively. The negative values on the two composites of the poverty and hunger index (PHI) were indicators of reversing trends in the Nigeria’s performance towards reducing poverty and poverty gap that formed part of PHI. In the 81 countries
included in the robust poverty study, Nigeria was ranked 73rd in terms of poverty and hunger index.

The reform measures have left much to be desired on the Nigeria’s local manufacturing sector. Harsh business environment has restrained the performance of local manufacturers in Nigeria. The sector confronts with myriad of constraints including acute power shortage, multiple taxations, insecurity of life and property, high interest rate, poor infrastructure, inefficient port administration, among others leading to more than 45 percent decline of industrial capacity underutilization and closure of more than 60 percent of industrial companies (Amanze, 2010).

The privatization process of Nigeria’s reform regime was marked by lack of transparency and institutional capacity, weak private sector, poor management and absence of popularly acceptable regulatory framework. The sales of public assets were mostly without competitive bidding and were largely sold off to the political class, politically well-connected individuals and family members of political elites (Adogamhe, 2007). Relative to lack of transparency and institutional capacity, Nigeria’s Senate investigations had revealed the corrupt involvement of the top two political power holders of Nigerian State in the privatization process. The sum of $145m was found to be diverted as loans to the friends of former Nigerian Vice President from the Petroleum Technology Development Fund (PTDF). Similarly, the investigations have indicted the former Nigerian President of diverting funds from same PTDF for purchase of public assets to the tune of $27m.

Specifically, privatization process in Nigeria was manipulated to generate new opportunities for rent-seeking and corrupt business practices, in a manner that
undermines rather than enhances economic efficiency (Daily independent editorial, 16/08/2010).

In spite of the reform structures and institutions established by the government to ensure economic efficiency, transparency and proper management, there is enough evidence that the forms did not achieve those noble objectives (Adogamhe, 2007). Critics and analysts have claimed the corruption is on the increase and could not allow any meaningful reform such as NEEDS to make impact on the economy. Tide (2010) reveals that US $16 billion was stolen between 2004 and 2007 on electricity projects alone. In a similar fashion, from 1997 to 2010 the EFCC puts the economic and financial crimes at an approximate sum of ₦1.2t. In the Corruption Perceptions Index (CPI) 2009 report by Transparency International (TI), a global anti-corruption watchdog, Nigeria received 2.5 out of a possible 10 marks, emerged 27th out of the surveyed 47 nations in sub-Saharan Africa, and 33rd out of the 53 countries in Africa.
CHAPTER FIVE: SUMMARY AND CONCLUSION

5.1 SUMMARY

This study examined: the National Economic Empowerment and Development Strategy (NEEDS) and the Challenges of Poverty Alleviation in Nigeria, 1999-2011. The following research questions were raised:

1. Has the implementation of NEEDS programme reduced the number of people living below the poverty line in Nigeria within the period under investigation.
2. Has poverty level continued to be increasing after years of NEEDS implementation in Nigeria?

The following hypotheses were drawn from the research question:

1. The implementation of NEEDS programme has not reduced the number of people living below the poverty line in Nigeria within the period under investigation.
2. The poverty level has continued to increase after years of implementation of NEEDS in Nigeria.

The above enables us to subdivide the study into five chapters. Chapter one dwelt on introductory and methodical issues. Chapter two examined the content and substance of NEEDS. Chapter three focused on the contextual analysis of NEEDS. Chapter four dwelt on NEEDS and poverty reduction in Nigeria while chapter five is for summary and conclusion.

For a sound and objective analysis of the study, the Marxian theory of post-colonial state was adopted as the framework of analysis. Data was collected from secondary sources like books, journals, government and other official publications, seminar papers, internet materials, newspapers and magazines as well as other related materials.
5.2 CONCLUSION

An analysis of National Economic Empowerment and Development Strategy (NEEDS) with its key target of poverty reduction in Nigeria, shows a disjunction between policy pronouncement and achievement. So far the reforms have not radically steered the economy towards economic growth. All the interventions of the government in the economy—privatization, deregulation of the downstream sector of the oil industry have only benefited the developed economies and rent-seeking elites within and outside the corridors of power.

The proposition raised in the curse of the work was that NEEDS, seem not to be adequate enough as a poverty reduction programme for Nigeria as it worsen poverty incidence instead of ameliorating them. This confirmed the fact that poverty appeared to be increasing after the implementation of NEEDS because it is another World Bank programme in Nigeria.

First, it was argued that NEEDS articulate neo-liberal ideology which is based on free markets price ownership, free trade, export led growth, drastic reduction in government social spending among others. This form of ideology, it was contested do not augur well in Nigeria since it left wealth on few hands while the masses continued to reel under the heavy yoke of abject poverty. Another reason is that the architects of the programme are in one way or the other affiliated with the World Bank.

It was contested that private sector driven economy might not be in the best interest of the economy. We maintained that Nigerian state must retain the capacity to allocate resources preferentially according to an overall plan of development that answers to national priority. Also argued was the lack of political will on the part of government
to carry out the goals which NEEDS target since the government focuses on lopsided implementation of annual budgets.

In conclusion, NEEDS can be likened to a new wine in an old wineskin or the proverbial resurrection of the phoenix from its ashes.

5.3 RECOMMENDATIONS

If Nigeria is to achieve any significant measure of success in her proclaimed effort to combat poverty, the following should be carried out;

1. Anti-poverty programmes should be enshrined in the law and their execution made mandatory for every administration. This implies that the programmes shall transcend the whims and caprices of individual administration. The programmes should be sustainable and thoughtfully articulated rather than episodic and stop-gap as seems to be the current vogue.

2. Strict legal and spiritual oath of office should be encouraged. Automatic death sentence for any embezzlement of public fund in order to improve sanity.

3. The targets of the programmes, the poor themselves should be active participants in the formulation and execution of anti-poverty programmes meant to benefit them. The notion that officialdom can think and act for the poor is fundamentally wrong and an insult on the afflicted. A man living in affluence can hardly understand the real problems of the poor.
4. A development strategy to generate employment in both rural and urban areas is also of great essence. New Jobs directed at the poor not at the middle or upper-class would go a long way to check poverty.

5. Effort should be made to address the problem of neo-capitalist formation of the Nigeria state which is the bane of development.
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