



Poverty alleviation policy debate: Keke Napep, agricultural development and economic diversification in Nigeria

Salisu Ojonemi Paul ^{1*}, Adejumoke Ajibola Ojo ²

¹ *Department of Public Administration and Local Government, University of Nigeria, Nsukka, Nigeria*

² *Research and Public Policy Studies, University of Ibadan, Nigeria*

Abstract

Employment generation has been over the years considered as one of the major paths to socio-economic progress. Honestly, this has been in recent time part of the cardinal micro and macroeconomic objectives of most successive governments in Nigeria spanning through the pre and post independence. Conventional models of poverty eradication in Nigeria from the 1950s–80s and most of the 1990s were prominently models of National Development Plans, Rolling Plans and economic growth. However, poverty borders fundamentally on human deprivation and no meaningful development can take place where the people are poor. The paper discussed the disadvantage of KEKE NAPEP (Hire purchase) Programme as an alternative to poverty eradication, and advocates agricultural development as panacea to poverty alleviation and economic consolidation of Nigerian citizens. Through secondary data and descriptive research analysis, the study revealed that the initiation of KEKE NAPEP has made no difference in making the lives of the youths better as the policy was not only unsustainable and corruption-ridden but lacked the potential of lifting most of the youths from poverty. Conversely, resuscitating the Agricultural Development Programme (ADP) is seen as a sincere answer to poverty alleviation and economic diversification challenges in Nigeria. The paper majorly recommended the provision of enabling environment for the participants of all and sundry in agricultural business in Nigeria.

Keywords: Agriculture; Development; Economic Diversification; KEKE NAPEP; Poverty Alleviation.

Published by ISDS LLC, Japan | Copyright © 2017 by the Author(s) | This is an open access article distributed under the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.



Cite this article as: Paul, S.O. and Ojo, A.A. (2015), "Poverty alleviation policy debate: Keke Napep, agricultural development and economic diversification in Nigeria", *International Journal of Development and Sustainability*, Vol. 6 No. 9, pp. 1066-1085.

1. Introduction

Poverty has become a major problem widely acclaimed internationally as deserving of urgent attention, especially in the Sub-Saharan African countries, which include Nigeria. In these countries, abject poverty has increased, widened, deepened and has become ramified, engulfing an overwhelming majority of the population. It seems to have defied solution, in spite of the massive investment of resources and targeted programmes to deal with it. Hence it has become acute and chronic and it has been contributing significantly to the underdevelopment, generalized insecurity and instability... (Jega, 2007:271).

Nigeria as a country is blessed in the sense that it has been endowed with abundant human, material and natural resources. This can better be understood when Nigeria is compared with all the neighbouring countries. The resources notwithstanding, poverty is the most serious problem confronting the nation today. The foregoing position by Jega (2007:271), although alarming and unacceptable paints the picture of the prevailing situation in some parts of the world including sub-Saharan Africa. To corroborate this assertion, Nnamani (2005:32) observed that for sometimes now, some authorities, bodies and individuals have accepted that poor infrastructures, poor health, poor self-esteem, low intellectual development and lack of capacity to articulate social, economic and political environment and low per capita income are the measuring rods for the incidence of poverty. Mohammed (2004), in Ohize and Adamu (2009:47) said, despite the truth that Nigeria is positioned as the 6th richest nation in the world in terms of crude oil deposit and provision, and that the country is being blessed in terms of human and material endowment, her citizens are wallowing in abject poverty with little or no economic empowerment for the larger percentage of the populace.

Also, Teriba (2013:2) said, when measured against other countries of the world in Human Development, Nigeria currently ranked 153 below Gabon 106, South Africa 121, Namibia 128, Cape Verde 132, Ghana 135, India 136 and Swaziland 141. In the document of NAPEP (2001:1), it was generally agreed that many Nigerians experience poor standard of living compared to that of developed countries. In fact, Nigeria has been classified as one of the worst hit by poverty in the world. It further stated that, the low per capita income of an average Nigerian has reduced both in purchasing power. Kpakol (2004:10) posited that the challenge facing the Nigerian government is that of reducing or eradicating poverty and the income disparity between the rich and the poor that exist in their respective societies. Besides, Nigeria's poverty rating was estimated at 15%, 28%, 46%, 43% and 66% of the population for the years 1960, 1980, 1985, 1992 and 1996 respectively (Adu, 2013:195).

Following this development, the need to focus on poverty alleviation programme as Akinlo and Akinbobola (2003:346) asserted is rooted not only on the humanistic and altruistic aspects of development but also on the rational proposition that development has to be engineered and sustained by the people themselves through their full and active participation. Against this background, successive governments in Nigeria have demonstrated their commitment at improving socio-economic well-being of the urban and rural poor through various efforts. These efforts in the view of PAUL and Ogwu (2013:644) resulted in the formulation of rural development policies. However, the youth and children of the less privilege extractions

suffer the most marginalization in Nigeria because of policy hijack by the elite class. The country has had several development and poverty alleviation programmes which PAUL and Ogwu (2013:644) recognized to include: Directorate of Food, Road and Rural Infrastructures (DFRRI), 1986; Operation Feed the Nation (OFN), 1975; National Accelerated Food Production Programme (NAFPP), 1972; Peoples Bank of Nigeria (PBN), 1987; Community Bank (CB), 1990; National Agricultural and Land Development Authority (NALDA), 1991; Better Life Programme for Rural Women (BLP), 1987; Family Support Programme (FSP), 1994; National Poverty Eradication Programme (NAPEP), 2001. Others according to them include Nigeria Agricultural Co-operatives and Rural Development Bank (NACRDB); National Directorate of Employment (NDE), 1986; the National Youth Employment and Vocational Skills Development Programme; Structural Adjustment Programme (SAP); the National Economic Reconstruction Fund (NERFUND), 1989; Back to Land, Green Revolution, Family Economic Advancement Programme (FEAP), National Economic Empowerment Development Strategy (NEEDS), 2003, the 7 point Agenda, 2007 and the Transformation Agenda.

Despite these policies and programmes, the country has been bedeviled by high rate of unemployment amongst the youths. Many of the graduate youths in the country are underemployed, unemployed and underdeveloped. Kpakol (2004) posited that:

...the pains of poverty and particularly of unemployment and underemployment can threaten the stability of our society. We have violence and conflicts that the country had to contend with. What are the causes of boundary disputes, religious intolerance, political cleavages, elite instigations and ethnic problems, etc.? ...the root of it may be economic issues fears that resources are limited or misappropriated or improperly distributed.

To arrest unemployment among the youths, KEKE NAPEP (Hire purchase) Programme was birthed by way of providing micro-credit and empowerment in the acquisition of tricycle for the youths in Nigeria. Different people, however, hold divergent views about this Federal Government's measure towards employment generation and poverty eradication. It is observed that while some persons commended President Obasanjo's administration especially the multi-dimensional strategies at poverty issues and project, some are of the opinion that, Agricultural Development Programmes ought to have assumed a superior position basically because several poverty eradication programmes were just created to temporarily remedy poor condition of the youths and to serve as an avenue for siphoning public wealth.

The main objective of this study is therefore, to observe;

- i. the sustainability of KEKE NAPEP (Hire purchase) Programme in poverty eradication, and
- ii. how agricultural development is a panacea to poverty eradication and economic empowerment.

2. Re-examination of the Concept of Poverty in Nigeria

...poverty in Nigeria is evenly distributed across the country, rather than strong in specific geographic areas. In some areas in the North bordering the Niger, the condition is getting worse which is infertile, marginal to agriculture, environmentally damaged and densely populated

(Arhewe, 2014). The fishing communities living in the mangrove swamps and along the Atlantic coast are also part of the poorest in the country (PAUL, Agba and Chukwura, 2015:10).

In trying to understand the concept of poverty, the human elements involved can be depicted. They are popularly referred to as the “poor”. To this end Riddell and Robinnson (1995:11) classified them into three sub-groups: the chronically poor, the borderline poor, and the new poor. The chronically poor as they observed are those whose income levels remain continually below a given poverty-line, defined by minimum consumption standards: they suffer from acute deprivation. The borderline poor move in and out of poverty, often on a seasonal basis, according to the availability of food and work. A third group they highlighted includes those who are termed the new poor. They are those who were previously above the poverty line but have since joined the ranks of the poor as a result of economic recession or structural adjustment programmes. In the same way, Otukpokpo and Otulukpe (2012:45) conceptualized poverty from absolute or relative terms. They said, absolute poverty denotes a condition in which a person or group of persons are unable to satisfy their most basic and elementary requirement of human survival in terms of good nutrition, clothing, shelter, transport, energy, education and recreation while relative poverty occurs when an individual is underemployed. In another development, the term poverty, as defined by Geddes and Grosset (2013:374) is the condition of being poor. The state of existing in amount that is small. The Macmillan Encyclopedia described poverty as lack of goods and services necessary to maintain an adequate standard of living. According to Soubbotina (2004:33), poverty is pronounced deprivation of wellbeing. He succinctly explained that;

Traditionally poverty was understood primarily as deprivation, as living with low income and low consumption, characterized primarily by poor nutrition and poor living conditions. However, it is easy to observe that income poverty in most cases is associated with so-called human poverty –the low health and education levels that are either the cause or the result of low income. Income and human poverty also tend to be accompanied by such social deprivations as high vulnerability to adverse events (for example, disease, economic crisis, or natural disaster), voicelessness in most of society’s institutions, and powerlessness to improve one’s living circumstances. This multidimensional nature of poverty is revealed by interviews with the poor themselves and confirmed by special sociological studies. The broader definition of poverty as a multidimensional phenomenon leads to clearer understanding of its causes and to a more comprehensive policy aimed at poverty reduction...Poverty reduction strategies also must allow for the fact that different aspects of poverty interact and reinforce each other. For example, improving social security not only makes poor people feel less vulnerable, but also allows them to take advantage of higher risk opportunities, such as moving to another location or changing qualifications. And increasing poor people’s representation and participation not only helps them overcome the feeling of being excluded from society, but also contributes to better targeting of public health and education services.

In another submission, Nnamani (2005:63) said, poverty is the social situation personal to the individual or group in which he cannot undertake the funding of essential services to self or group and in which

participation in social development is lowered if not aborted for the lack of the major currency decimal applicable within the environment. Another version of it outlines the issues as concomitant with virtual exclusion where inclusion is based on capital affordability. Poverty has been a serious challenge to governments in Nigeria. Its effect, which includes lack and deprivation in the basic necessities of life, is worrisome. Poverty humiliates and dehumanises its victim. As Ukpong (1996), in Obadan (1996) rightly noted:

...poverty has earned recognition in the extent of its ravaging society and the affairs of humanity at the international, national and local levels...the need exists now for urgent actions towards its eradication and control...indeed, poverty is a snare. It is dehumanising...

In the World Bank Report (1999), in Kehinde (2013), poverty is hunger, lack of shelter, being sick and not being able to go to school, not knowing how to read, not being able to speak properly, not having a job, fear for the future, losing a child to illness brought about by unclean water, powerlessness, lack of representation and freedom. Poverty could be understood from subjective and moral points. For some, it is moral and measurable, and for others, it can be scientifically founded. According to Onibokun and Kumuyi (1996) in Onah (2006:67), poverty is a way of life characterised by low calorie intake, inaccessibility to adequate health facilities, low quality of education, low life expectancy, high infant mortality, low income, unemployment and underemployment, and inaccessibility to various housing and social facilities. In his own perspective, Onah (2006:72) boldly defined the concept as a state of deprivation of basic elements necessary for human survival in the society. Such basic elements he named are clean water, good shelter, health facilities, good food, clothing, education, economic empowerment, natural rights, political liberty, civil liberty, property right and right to good governance. Ravalliion and Bidani (1994), Elumide, Asaolu and Adereti (2006), in Ismaila Zango (2010:90) referred to poverty as lack of command over basic consumption needs leading to inadequate food, clothing and shelter. Therefore poverty can be described as low standard of living against the indicators of high standard of living.

Odoh (2012:25) revealed that statistical data available indicate that by 1960 the poverty level in Nigeria covers about 15% of the total population but by 1980 it grew to 28%. In 1985, the poverty level was 46% but dropped to 43% in 1992. By 1999, the Federal Office Statistics (FOS) revealed that poverty level has risen to 42.7%. The level presently is estimated to be higher. The data (in Table 1 below) clearly indicate high and varying poverty level among the States of the Federation. The data further showed that poverty in Nigeria sharply increased both between 1997 and 1999, and only ten States of the Federation have more than half of their population living in poverty. In 2011, all States with the exception of Bayelsa State have more than half of their population in poverty.

However, poverty incidence is higher among large households and those with lower levels of education. It is also pronounced among farmers and forestry operators. Female-headed households tend to be poor than male-headed households. This has been attributed to smaller household sizes and higher levels of education. From the table above in 2011 for instance, the highest poverty incidence is found in Katsina, Rivers, Rivers, Yobe, Bauchi, Gombe, Plateau, Ekiti, Kebbi, and Kogi States. Though Daily Trust (2006:19) identified Oyo, Osun, Imo, Bayelsa, Abia and Ogun as States with lowest poverty incidence, the table however, puts the States

with the lowest poverty frequency in 2011 to include Bayelsa, Enugu, Anambra, Ebonyi, Nassarawa, Kwara States and the FCT. Essentially in 1999, Nigeria's Human Development Index was only about 46.2% which in position of Adu (2013:195) puts the country among the poorest 25 nations in the world. This description of Nigerian poverty situation is in opposite with the abundance human and natural resources.

Table 1. Poverty level amongst the States of the Federation

S/No.	States	1997	1999	2005	2011
1	Abia	14.4	33.1	49.9	56.2
2	Adamawa	33.4	47.2	44.1	65.5
3	Akwa Ibom	10.2	41.9	45.5	66.9
4	Anambra	12.8	37.7	32.3	51.0
5	Bauchi	46.0	68.9	68.8	83.5
6	Bayelsa	7.2	44.4	43.4	44.3
7	Benue	23.6	42.9	40.8	64.2
8	Borno	26.4	50.1	49.7	66.9
9	Cross River	10.2	41.9	45.5	66.9
10	Delta	19.8	52.4	33.9	65.1
11	Ebonyi	12.8	37.7	32.3	51.0
12	Edo	19.8	52.4	33.9	56.1
13	Ekiti	24.9	47.3	46.6	76.1
14	Enugu	12.8	37.7	32.3	50.1
15	Gombe	46.0	68.9	68.8	83.5
16	Imo	14.4	33.1	49.9	56.2
17	Jigawa	37.5	54.0	38.7	71.0
18	Kaduna	44.7	58.5	32.0	67.0
19	Kano	37.0	55.0	38.7	67.7
20	Katsina	44.7	58.7	32.0	83.6
21	Kebbi	25.4	45.8	37.9	75.5
22	Kogi	33.3	39.3	60.8	75.5
23	Kwara	33.3	39.3	60.8	53.0
24	Lagos	26.4	46.6	48.1	62.7
25	Nassarawa	49.5	49.5	50.2	52.9
26	Niger	34.0	61.4	29.9	69.9
27	Ogun	20.0	56.0	36.3	71.6
28	Ondo	24.9	47.3	46.6	58.7
29	Osun	7.8	28.3	40.7	58.7
30	Oyo	7.8	28.3	40.7	62.7
31	Plateau	49.5	64.2	50.2	77.3
32	Rivers	7.2	44.4	43.4	83.6
33	Sokoto	25.4	45.8	37.9	65.5
34	Taraba	33.4	47.2	44.1	66.9
35	Yobe	26.4	50.1	49.7	83.6
36	Zamfara	33.4	48.8	37.9	53.6
37	FCT	35.6	50.2	27.6	53.0
	All Nigeria	28.1	46.3	42.7	65.6

Source: Federal Office of Statistics (2006), in Odoh (2012:25) updated

3. The KEKE NAPEP: A Description

The desire and commitment to tackle this deplorable high incidence of poverty prompted the Obasanjo's administration in another direction towards the introduction of effective and sustainable National Poverty Eradication Programme (NAPEP) under which there is the KEKE NAPEP programme. To effectively execute these mandates, NAPEP has programmed all relevant efforts and cluster of schemes mainly to ease identification, recording analysis and assessment. The multi-sectoral schemes have been condensed into the Youth Empowerment Scheme (YES) under which are these programmes: Capacity Acquisition Programme (CAP), Technical Entrepreneurial Development Programme (TEDP), Mandatory Attachment Programme (MAP), Credit Delivery Programme (CDP) and the KEKE NAPEP Programme. The programmes are implemented through the collaborative efforts of the Federal, State, Local Government, Non Governmental Organizations (NGOs), Community Based Organizations (CBOs) and International Donors Agencies (IDAs).

Abdussalam (2014:130) described KEKE as a commercial tricycle used for intra-city commuter transportation system in Nigeria. He noted that the reason of its birth is to assist the government to achieve its goal of eradicating poverty from the Nigerian society particularly, among youths. This initiative was informed by the fact that the credit needs of the poor are largely ignored by the formal financial sector and the fact that these needs have not been adequately addressed by the earlier efforts as a large percentage of the poor youth population has not significantly benefited from such efforts (Kpakol, 2004:11).

It is observed that the project offers series of economic advantages to the operators. It has powerful diesel engine and a fuel tank capacity of 10.5litres, capacity of four passengers, payload capacity of 320kg, adequate room for passenger luggage, with top speed up to 80km per hour. KEKE is suitable for intra-city commuting and commercial passenger carriage, and it also has a low fuel consumption of 38km per litre (www.nigeriafirst.org/, 2016).

Though the then federal government phased the programme into three, individual young people have engaged in the riding of the machine in major towns and cities in Nigeria. In phase one and two, 2,000 units each distributed to all the 36 states including FCT Abuja, of the federation in the years 2002 and 2004, respectively. 5,000 units are allocated to be distributed for phase three, out of which, 3,286 units had been completely distributed to the 36 states including FCT Abuja.

According to Kpakol (2004:11), the introduction of KEKE NAPEP by President Obasanjo's administration in 1999 can be said to represent a strategy aimed at meeting the needs of the young and unemployed individual within the society through the provision of KEKE tricycle in a sustainable manner as tool for self-employment. KEKE NAPEP emerged as a policy framework for poverty alleviation owing to the fact Obadan (2003:126) submitted that, Nigerian problems have been largely ascribed to domestic policy errors coupled with adverse shocks, some of which are internal, but for the most part, external. It is believed that the measure is not an appropriate strategy that will enhance capital accumulation and human potentials maximisation to the fullest. As a result of this situation, Obadan (2003:126) wrote that Nigeria has suffered serious economic and financial crises since the early 1980s. This is fundamentally due to the fact that KEKE NAPEP is a temporary measure to poverty reduction in Nigeria at large. There is no capacity building which Ake (1996) referred to as the incremental acquisition of capacities which entails the inculcation of

knowledge, skills and effectiveness to pursue and realize set goals efficiently in the riding of KEKE tricycle among the youths. As Obadan (2003:126) wrote, the human dimension of capacity building which relates to the development of knowledge, technical and management skills is neglected.

4. Agriculture and Poverty Alleviation

Diamonds may last forever, but oil does not. The future trajectory of earnings from crude oil does not look good, as other nations are finding shale oil and shale gas. We must free ourselves from dependency on crude oil. Agriculture is the sector where we have the greatest potential to achieve this – and now is the time (Adesina, 2013).

As Adu (2013:194) posited, agriculture is generally acknowledged as the then engine of economic growth and development of a nation given its central role in food supply, provision of employment, poverty reduction, production of raw materials for industries, generation of income, production of export commodities that earn foreign exchange, sustainable use of natural resources, enhancement of social stability and cohesion. Prior to the discovery of petroleum which has led the country into the present monolithic economy, Nigeria was mainly an agricultural economy for it has played an important role in Nigeria. This is against the backdrop of the opinion that only petroleum has done the country good. Supportively, Ike (2004:60) and Atule (2015:3) submitted that;

Nigeria never had it so good! In 2004 and 2011-2014, another oil boom enveloped the nation with crude oil price rising above \$50 to \$145 per barrel. Report had it that Nigeria earned some excess revenue of N1.5 to N2.5 trillion already shared by the Federal, State and Local Governments, as the lucky beneficiaries. As usual, the Nigerian citizens remain miserable and unlucky. Irony of Nigeria's wealth is that the richer the nation becomes the poorer and more wretched the people are. How? Nigeria earned excess revenue, some \$25 above the \$45 on which the 2004 and 2013 budget were based and Nigerians were slammed with several increases in the prices of the products from the same petroleum during the year... In 2014, transportation fares skyrocketed. Food prices jumped through the roof. The people got hungrier, poorer and more wretched... Basic food items were the most essential commodities needed by the hungry Nigerians.

According to the Federal Ministry of Agriculture and Rural Development (2016), Nigeria has huge agricultural potential. It stated that, with over 84 million hectares of arable land, of which only 40% is cultivated; a population of 167 million people, making her Africa's largest market; 230 billion cubic meters of water; and abundant and reliable rainfall in over two thirds of its territory, the country has some of the richest natural resources for agricultural production in the world. Not surprisingly, Nigeria used to be a major player in the global agricultural market in the past, as the world's largest producer of groundnuts and palm oil in the 1960s, and the second largest exporter of cocoa. The country was also self-sufficient in food production before the emergence of oil in the 1960s. It is pertinent to understand the fact that Nigeria in the

post-independence depended on agricultural revenue as the determinant factor for initiation of National Development Plans and programmes in order to fast-track the level of economic growth and high standard of living of the citizenry. In the same view, a thorough study and observation of the development of Nigeria in the pre-and post independence will point to agriculture as the mainstay of nation's economy. Within the aforementioned period, Premier Universities in Ibadan, Zaria and the Nsukka were created and developed. In addition, Lagos as the Federal Capital Territory and the regional headquarters which includes Kaduna (Northern Region), Ibadan (Western Region) and Enugu (Eastern Region) witnessed the emergence of critical institutions and infrastructures respectively. In a nutshell, the importance of agriculture cannot be underestimated. As Adesina (2013) wrote;

...nothing is more important than food. A nation that does not feed itself becomes a threat to its own sovereign existence. Growing our own food, processing what we produce, becoming competitive in export markets, and creating jobs all across our economy, are crucial for our national security.

Nigeria was food self-sufficient in the 1960s and was well known for its global position in major agricultural commodities. We found oil and became too dependent on it. Nigeria soon became a net food-importing nation, spending on average \$11 billion on importing wheat, rice, sugar and fish alone.

Therefore, agriculture apart from provision of food, employs a greater percentage of both the young, old, skilled and unskilled manpower. It can be seen as a tool for capacity and nation building which according to Ojo (1996) in; Obadan (2003:126) tells how a nation develops its citizens and define the socio-economic objectives. Akinsanmi (1978:7) cited by Odoh (2012:26) submitted that 75% of Nigerians are resident in the rural area which had the largest population and whose main occupation is agriculture (i.e. farming, hunting, fishing etc). The role of agriculture in developing countries thus need not be underscored. It is therefore evidenced by the fact that in the past agriculture provides food such as cocoa, groundnut, palm produce, rubber, and a host of other which earned the country foreign exchange after satisfying domestic requirement.

However, any honest survey of the country's current situation in the view of Idachaba (2004) will immediately reveal not only a progressive decline of the contribution of agriculture to the Gross Domestic Product (GDP) of Nigeria but also a statement in the country's ability to maintain its food independence. This also can be seen in the fact that food items such as rice and wheat are being imported from abroad. To this end, Ejunwa (2013:10) asserted that, agriculture which formed the backbone of the Nigerian economy at independence and some years after was generally believed to have been neglected in the oil boom era. Nigeria has the capacity to produce sufficient food enough to feed the nation and even export the surplus.

Nevertheless, one major factor has contributed to the sharp decline in agriculture. This factor can be identified as "outright neglect" which has brought general poverty. Agriculture which ameliorates or even eliminates poverty has been considered an unbecoming occupation which is only meant for the illiterates and rural dwellers. On this note, the NAPEP Document (2001) highlighted that, the Federal Government later established the Nigerian Agricultural and Cooperatives Bank Limited (NACB) which was transformed into Nigerian Agricultural Co-operatives and Rural Development Bank (NACRDB) to cater for the credit needs of

the farmers. This did not however solve much of the problems following the fact that not many peasant farmers were qualified for direct loan from the bank without going through an association or a co-operative society. The Government had introduced several economic measures aimed at alleviating the suffering of the poor farmers, the low income earners and the unemployed youth in the society but all proved vain. Consequently;

... the bulk of the work lies in the hands of the government and would be entrepreneurs to take advantage of the enormous benefit that is in the Agricultural Sector. The reason is simple, it will attract Foreign Direct Investment, it will reduce poverty, it will also reduce the country level of unemployment, it will reduce government reliance on crude oil, it will also help to strengthen the Naira against Dollar through Favorable Balance of Payment

(<http://escapadeng.blogspot.com.ng/2015>).

5. Economic diversification and its attendant challenges

Over the past fifty years, we have come to understand better, what development means. The experiences of a few countries confirm that development can be engineered. However, it has also become clear that, it is impossible to determine one approach as the way to development. In a somewhat perverse sense, the more we understand theoretically about the characteristics of developing countries, the less certain we are of how practically to initiate and sustain the process (Ohiorhenuan, 2003:4).

It has been generally debated that the deteriorating conditions in the Sub-Saharan African region is a function of inadequate capacity to anticipate development problems and to design (and implement) appropriate policies to match and counter fluctuations; and that Nigeria is one of the countries adversely impinged upon by this disability (Obadan, 2003:126). Unarguably, as noted by The Federal Republic of Nigeria at 50 Document (2010:662), the biggest challenge to doing any business in Nigeria today is the state of its socio-economic infrastructure, including power, telecommunications, ICT and water. Overall, the current infrastructure base is grossly inadequate in capacity and quality to cater for the anticipated population and economic growth. These result into poverty situation which constrains saving, investment, capacity utilization level, and productivity which indeed makes poverty alleviation a big challenge in the continent (Akinlo and Akinbobola, 2003:346). Therefore, UNDP Report (2001:65), in Onah (2006:68) showed that the inescapable picture of Nigeria as one of the poorest countries in the world is not in doubt...she is worst off today than in the 1980s. He pictured further with the World Bank Report (1996) which holds that greater percentages of Nigerians are living below the universal poverty line of US\$1 per day and the UNDP Report (2001); Nigeria Human Development Report (2001), that poverty in Nigeria has been heightened due to the structural imbalance of the economy, inappropriate development agenda and debt burden. This is because, Toyo (2000:47), in Garba (2003: xxxvi) observed that Nigerian policy making since 1960 has been part massive hypocrisy (and deception) and part leap in the dark that policy making from the

aforementioned period has been basically served as parasitism and has been borne in a vehicle of misguided theories and prescriptions – misguided when judged from the standpoints of basic social and national interests and of authentic social science. Therefore;

The failure of National Development Plans to engender sustainable growth and development in Nigeria is reflected in the profound crisis that has gripped the social and economic structures. All the major economic and social indicators show that Nigeria economy is typified by a vicious interaction between excruciating poverty and abysmally low levels of productivity, in an environment marked by serious deficiencies in basic economic and social infrastructures. This pervasive gloom, from our observations, is not necessarily due to lack of good development plans, but arguably, by a combination of such factors as dependent character of the Nigerian state and leadership on international capital, political instability, ideological disposition of the leaders, distortion of plans, erratic and conflicting state policies, indiscipline and lack of political will, exclusion of the masses from plan formulation and implementation processes, and non-involvement of the private sector in plan formulation and implementation (Onah, 2006:63,64).

At independence in 1960, there were eight (8) million poor in Nigeria which number constituted approximately 15% of the pre-independence and forty-five (45) years later, the number of the poor has ballooned to over eighty-nine (89) million which formed 70.2% of the estimated current population of over 160 million (Adesina, 2004). The country has therefore acquired the unenviable reputation as having the highest concentration of people living in extreme poverty in the world. According to the United Nations Report (2003), in PAUL (2006:19), Nigeria's Human Development Index (HDI) was only 0.416 which places the country among the 25th poorest nations in the world. He asserted further that, Nigeria's life at birth was 51; literacy rate was 44 and 70 years respectively. The rural population does not have access to portable water, health care facilities and electricity despite several development programmes. Jemibewon (2004), in Nnamani (2005:68) reviewed the rise in poverty to the failure of the system to raise the programme of human development to enhance the capacity of each individual to realize his inherent potentialities and to effectively cope with the changing circumstances of life.

Nigeria's experience in the struggle for poverty alleviation and youth development has clearly shown that efforts towards expanding the economic base of the youths approximately record failure because of scarcity and restrictive access to funds. In addressing this problem, past administration has relied exclusively on development and micro-credit banking. It was however observed that the sophisticated mode of operation of the banks, their insistence on high collateral and their very limited geographical coverage rendered them inadequate or incapable of dealing with the less privilege in the lower strata of society. Micro-credit therefore, is not really available to the youth population and urban low income earners. To this end, Momodu (2009:1) noted that, Nigeria is theatre of war as a whole and one major reason should be held responsible; mass unemployment which is the largest in Africa to an extent that;

No one knows the figures. Since our data collection is actually inaccurate and wishy-washy. I pity the workers in the Ministry of Labour and Productivity. They must be very frustrated about the lack of productivity in the country. Many able-bodied men and women now roam our streets like

zombies. And our governments seem incapable of doing anything about this unmitigated disaster.

Hence, the major concern is how to mobilize the youths in some cases to become economically buoyant in order to enhance their productivity and standard of living. This is in consonance with the remark of Akinlo and Akinbobola (2003:346) that, development should be organic outcome of a society's value systems, perceptions and endeavours. Nevertheless, people have benefited little from most of the development programmes in Nigeria (Olayiwola and Adeleye, 2005:91; PAUL and Ogwu 2013:644). The reasons for this situation as noted by Ajakaiye (2002:4, 5), in Jega (2007:275, 276) include;

- i. policy inconsistency and poor governance,
- ii. ineffective targeting of the poor (leading to leakage of benefits to unintended beneficiaries),
- iii. unwieldy scope of the programs resulting in resources being thinly spread among projects,
- iv. overlapping of functions which ultimately led to institutional rivalry and conflicts,
- v. lack of mechanisms in various programs and projects to ensure sustainability, uncoordinated sectoral policy initiatives,
- vi. lack of involvement of social partners and other stakeholders in planning, implementation and evaluation, and
- vii. poor human capital development and inadequate funding.

It is an accepted fact that inconsistencies in policies, strategies and programmes have been responsible for the poor performance of poverty alleviation efforts over the years. In agreement, the pain and agonies of poverty, particularly while pertaining to unemployment/under-employment among the youths as opined by Omakeji (2014:54), formed part of the threats to the stability of Nigeria. The question then is; why is there poverty in Nigeria despite the abundant material resources in the country? The reasons are not fear-fetched as we identified. They ranged from;

- i. lack of political will and poor management of poverty alleviation programmes/plans,
- ii. absence of critical infrastructure like power, rail, road network, etc.,
- iii. low contribution of development programmes to human capital development as a result of excessive political interference, and to
- iv. lack of collateral security to access micro-credit loans from the financial institutions in order to boost economic self-reliance of the young people.

6. Methodology

This is descriptive research. The KEKE NAPEP and Agricultural development programmes are being studied in order to determine the valuable contributions each has made towards poverty eradication and an alternative policy framework. In carrying out this study, secondary data was used. These include relative literatures-text books, Journals, Magazines, Newspapers and Pamphlets. The researcher visited the KEKE

NAPEP Riders garages in major towns like Ikeja–Lagos, Area I–Abuja, Television–Kaduna and Bata–Kano for observations.

7. Findings

7.1. KEKE NAPEP (Hire purchase) Programme is not a sustainable poverty eradication strategy

In Nigeria, the threat of unemployment and poverty challenge cannot be overemphasized. This twin problem has plagued the country especially from the mid-1980s to date (Ogwumike, 2013:167). He noted further that the collapse of oil market in the early 1980s brought the Nigerian economy under serious macroeconomic problems which evidently included pronounced open employment and high incidence of poverty. Throughout the 1990s, beginning with the response of the Bretton Woods institutions to its critics, and through the various United Nations (UN) conferences, Ohiorhenuan (2013:15) wrote that the notion of growth with poverty eradication as opposed to growth leading to poverty reduction—which KEKE NAPEP programme encourages, has become acceptable amongst most development practitioners. This deemphasizes unsustainable measure to poverty eradication by the government, stakeholders and development partners. There is consensus today that well-being and poverty involve much more than just immediate spending power and that the process of growth may exclude and dislocate large sections of the population (Collier, Dollar and Stern, 2000, in Ohiorhenuan, 2013:15).

Consequently, the quantum number of men and women who are now KEKE riders impose a great danger on Human Sustainable Development and Empowerment which emphasizes both intra-generational and inter-generational equity and deems the integrity of the Nigeria's natural and social capital as fundamental. It is dreadful to jeopardize human capacity of a nation. Human capacity as stated by Ojofeitimi (2000), cited by Obadan (2003:126) referred to the stock of trained, skilled and productive individuals capable of performing key tasks required for a country to achieve its development objectives, or for organisation to realise its corporate goals.

7.2. Agricultural Development is a panacea to poverty alleviation and economic diversification

Agriculture...will...massively reduce poverty...it has proven to be uniquely powerful for that task. With the last World Development Report on agriculture completed 25 years ago, it is time to place agriculture afresh at the centre of the development agenda, taking account of the vastly different context of opportunities and challenges that has emerged (World Bank, 2007).

There are many success stories of the role that agriculture played in the growth of early economic buoyancy and as a major force for poverty reduction in the present developed economies of the world. Most recently, China's rapid growth in agriculture and technological change—has been largely responsible for the decline in rural poverty from 53 percent in 1981 to 8 percent in 2001 (World Bank, 2007:26). Comparatively, the history of England is clear evidence that agricultural revolution preceded the industrial revolution. For

instance, in USA and Japan, agricultural development has helped to a greater extent in the process of these nations industrial growth. Also, World Bank Report (2007:1) noted that rapid agricultural growth in India and China manifested in technological innovations together with institutional advancement which resulted in rural poverty reduction. More recently, in Ghana, rural households accounted for a large share of a steep decline in poverty induced in part by agricultural growth. In the same way, various under-developed countries of the world engaged in the process of agricultural practices are attaining higher per capita income.

From the foregoing, it is identified that agriculture is an important vehicle for poverty eradication, economic diversification and national development. According Johnson (1960), agriculture can become a leader in economic growth by providing labour-intensive employment for rapid increases in food production. PAUL, Agba and Chukwura (2014:3) wrote that the wealth which built modern Nigeria in the era of dominance of agricultural commodities, or petroleum, was derived from the rural areas where food production is the mainstay of economic activities. It is very obvious that before the oil-boom, Abutu (2014:18) noted that agriculture apart from the contribution to employment creation, poverty and hunger reduction as well as reduction in rural-urban drift was also a source of major foreign exchange earnings of Nigeria and a major contributor to economic development in the early colonial days up to the time of attainment of political independence 1960 through to 1970. This in the perspective of Adu (2013:194) pictured a situation where agriculture becomes productive, the income of the farmers increase from the both on-farm and off-farm activities in the trading and processing of agricultural produce. The resultant effect of this tells on a situation where farmers will develop the standard of their living. The spending of the additional incomes by the farmers adds to the income of the people within the economy thus increasing the demand for goods and services. The increased production and supply of goods will force down prices to affordable levels for many more people to join the chain and the circles continue.

In World Bank Report (2007:25), there is growing recognition among governments and development partners that agriculture must be a prominent part of the development agenda, whether for delivering growth in the agriculture-based countries or for reducing rural poverty and addressing the environmental agenda everywhere. Therefore, if Nigeria wants to achieve food security, significantly reduce poverty and bring about economic development, the necessity lies in her for increase in productivity of agricultural and food production methods. As Ofana, Efeiom and Omini (2016:1) viewed, in spite of the various agricultural programmes and policies initiated by different administrations for the development of Agriculture in Nigeria, there has not been any phenomenal growth in agricultural output since the 1970s. However, the following are majorly identified as the potential challenges associated with the proposed agricultural development plan. They include:

- i. presence of poverty, ignorance and illiteracy,
- ii. lack of agricultural scientific and mechanisation.
- iii. poverty of critical infrastructure like access road, pipe-borne water, power supply, ICT facilities, health care centres and security of life and property,
- iv. lack of leadership and neo-colonialism,
- v. the challenge of global warming, and
- vi. absence Lack of food storage or processing facilities.

Nonetheless, if these challenges are tackled, agriculture can work in concert with other sectors of Nigerian economy to produce faster growth, alleviate poverty, and bring about environmental sustainability. According to the World Bank Report (2007:2), agriculture contributes to:

- i. Agriculture can be a source of growth for the national economy, a provider of investment opportunities for the private sector, and a prime driver of agriculture-related industries and the rural nonfarm economy.
- ii. Agriculture is a source of livelihoods for an estimated 86 percent of rural people. It provides jobs for 1.3 billion smallholders and landless workers, “farm-financed social welfare” when there are urban shocks, and a foundation for viable rural communities.
- iii. It is also a major provider of environmental services, generally unrecognized and unremunerated, sequestering carbon, managing watersheds, and preserving biodiversity.
- iv. Agriculture transforms countries. Ninety-eight percent of the rural population in South Asia, 96 percent in East Asia and the Pacific, and 92 percent in the Middle East and North Africa are in transforming countries.
- v. Agriculture is a major source of growth, accounting for 32 percent of GDP growth on average – mainly because agriculture is a large share of GDP – and most of the poor are in rural areas (70 percent).

8. Conclusion and recommendations

Hunger is the most extreme manifestation of poverty and arguably the most morally unacceptable (Soubbotina, 2004:38). Hence, agriculture has a significant input in the economic prosperity of highly developed countries and its role in the economic development of less developed countries cannot be over-emphasised. This perception mandated successive governments in Nigeria to address the problems of poverty alleviation, agricultural development and food production which have largely been unsuccessful not for the reasons of good policies and programmes but to the factors Aduh (2013:202) researched to include administrative instability, lack of political will, indiscipline as well as a compromised and corrupt bureaucracy to faithfully implement agricultural policies and programmes.

Several poverty alleviation programmes have emerged at various times in Nigeria. Indeed, many successive administrations in Nigeria have instituted different methods of these strategies but with little achievement. If nothing is done about fighting grinding poverty, then lasting peace, economic stability and development are but a distant dream (Wolfensolhn, 2003:83, in Jega, 2007:271). This is because; there is no future for the country and youths in the KEKE NAPEP Programme based on the fact that Nigeria as developing country is in need of building human and institutional capacity that will anchor policy and development management.

According to Oyebode (2014:7), this situation of threatened state failure, massive corruption, impunity and rising incidence of self-help, enlightened self-interest warrants recognition by all concerned of veritable

threats to individual freedom and national survival which need to be met by the adoption of requisite, well-considered measures to salvage the situation. In order to tract the shortcomings of the failed approaches; it is fundamental to advocate the adoption of the following recommendations. Therefore;

- i. There is need to further formulate appropriate policies in order to enhance capital accumulation and to ensure that human potentials are tapped to the fullest. This is essential due to the fact that KEKE NAPEP policy has been seen as a temporary measure to poverty reduction in Nigeria. It is not a career and there is no skill acquisition attachment.
- ii. The governments and development partners at different levels should collaborate in the building of basic infrastructure like roads, water, education, and transportation and health, access to commercial credits and other inputs in the rural and agricultural settings.
- iii. Government should create an enabling environment for the private individuals to massively go into agricultural sector. Opportunities should be made available for the stakeholders input into the activities of the sector. These involve depoliticising of the implementation of major agricultural development programmes as well as serious commitment to the implementation. It also involves the provision and enforcement of law and order, national security in the midst of the current security challenges, appropriate and mild tax policies and incentives for farmers.
- iv. The government at all levels should increase public spending to agricultural development programmes because it will have a direct bearing on sustainable development and empowerment and food security needs and the environment of the poor.
- v. Highest premium must be attached to the development of capacity building in agriculture and Vocational and Technical Education (VTE). They are the sure way to capacity building and economic self-reliance.
- vi. The government should provide an adequate environment for the private sector to take over and resuscitate the ailing public industries/corporations – the Ajaokuta and Alaja Steel Company in Kogi and Delta States, Nigerian Railway Corporation, Greater Alade-Ajaka Palm Oil Refinery in Kogi State and others in South Eastern Nigeria, Okaba and Enugu Coal Mining Company, etc.

References

- Abutu, O.P. (2014), "Challenges of Agriculture in Nigeria economy: A bane to food security", *Journal of Agriculture and Veterinary Science*, Vol. 7 No. 5, pp. 18-21
- Adesina, F. (2004), "Federal Government Strategy against Poverty", *Daily Sun Newspaper Lagos*, September, 20, p.6
- Adesina, A. (2013), *Transforming Nigeria's Agriculture*. A Speech at the Inauguration of the Seminar: The Nexus of Agriculture, Environment and Livelihoods in Agriculture and Food Security Center of the Earth Institute of Columbia University, New York, USA, September 10, available at: <http://agriculture.columbia.edu/events/past-events>.

- Ake, C. (1996), "Rethinking Capacity Building for Development in Africa", A paper presented at the CASS National Conference on Capacity Building in Africa: Trends, Tasks and Challenges held in NICON Hilton Hotel Abuja, March 28–29, 1996.
- Akinlo, A.E. and Akinbobola, T.O. (2003), "Good Housekeeping and the Return to Rapid Economic Growth: Africa into the 21st Century", in: Garba, A. (ed.) *Development Thought, Policy Advice and Economic Development in Africa in the 20th Century: Lessons for the 21st Century*, Ibadan: Nigerian Economic Society, pp.335-356.
- Akinsanmi, O. (1978), *Certificate in Agriculture*, Ibadan: University Press.
- Adu, I.F. (2013), "Agriculture and Food Security in Nigeria, in Akinkugbe", in: O.O. & Ibidapo-Obe, O. (ed), *Olusegun Obasanjo: The Presidential Legacy, 1999–2007*, Vol. I. Ibadan: BOOKCRAFT.
- Daily Trust (2006), *UNDP's Panacea for Poverty in Nigeria*, 14(4)19 Thursday June 8,
- Daniel, E.I.G., Moses, M.D. and Bankole, O. (2013), *Poverty Alleviation in Nigeria: Which Way Nigeria?*, ADONIS & ABBEY Publishers LTD.
- Ejunwa, O. (2013), *The Fall of Nigerian Agricultural Sector*, Bauchi: Unana Books Ltd.
- Federal Ministry of Agriculture and Rural Development (2016), Federal Ministry of Agriculture and Rural Development, available at: <http://fmard.gov.ng>.
- FRN at 50 (2010), *The Challenges of Growth*. Abuja: National Planning Commission.
- Obadan, M. (2003), The Contribution of National Center for Economic Management and Administration (NCEMA) to Economic Knowledge and Policy in, Garba, A.G. (ed), *Development Thought, Policy Advice and Economic Development In Africa in the 21st Century: Lessons for the 21st Century*. Ibadan: University Press.
- Ogwumike, F.O. (2013), Employment; Job Creation and Poverty Alleviation, in Akinkugbe, O.O. & Ibidapo-Obe, O. (ed) *Olusegun Obasanjo: The Presidential Legacy, 1999–2007*. Vol. I. Ibadan: BOOKCRAFT.
- Orji, S.C. (2013), Major problems of food and agriculture in Nigeria, *The Nigerian Voice online newspaper*, Retrieved on 31/7/2017.
- Geddes and Grosset (2010), *Webster's Universal Dictionary & Thesaurus*, Glasgow.
- Idachaba, F.S. (2000), *Desirable and Workable Agricultural Research System Policies for Nigeria in the First Decade of the 21st Century*. Ibadan: Topical Issues in Nigerian Agriculture.
- Ike, A. (2007), "Capacity Building for all Nigerians", *The News Magazine*, Vol. 25 No. 7, pp. 60-61.
- Ismaila Zango, M. (2010), "A Discourse on the Relationship between Social Problems, Poverty, Inequality and Unemployment in Nigeria", in: Radda, S.I., Lawan, M. & Mukhtar, M. (ed.), *Issues in Nigeria's Social Problems*, Kano: Benchmark Publishers Ltd.
- Abdussalam, O.I. (2014), "Contribution of KEKE-NAPEP to Poverty Alleviation in Kwara State Nigeria", *International Journal of Research in Social Sciences*, Vol. 4 No. 2, pp. 129–139.
- Jega, A.M. (2007), Public Service and the Challenges of Managing Poverty Eradication in Nigeria, in Jega, A.M., *Democracy, Good Governance and Development in Nigeria: Critical Essays*. Ibadan: Spectrum Books Limited.

- Johnson, S.E. (1960), "Potential contribution of agriculture to economic growth in less-developed countries", *The Annals of the American Academy of Political and Social Science*, Vol. 331, pp. 52-57.
- Kehinde, O.J. (2012), *Poverty Alleviation in Nigeria: Marketing Concept as Pathway to Better Quality Living*, Ota: UniECWA.
- Kpakol, M. (2004), "Sustainable and Focused Job Creation: A Veritable Tool for National Poverty Eradication", presented at the 9th Annual Conference on State Manpower Committee (SMC), Abuja, April 28-29,
- Momodu, D. (2009), The Army of Unemployed Nigerians, *Thisday African News*, available at: <http://www.thisdayonline.com>.
- NAPEP (2001), *The Blue Print of NAPEP*, Abuja: Government Printers.
- Nnamani, C. (2005), Perspectives on Poverty in Nigeria, *The News Magazine*, Vol. 25 No. 7, pp. 62-69.
- Odoh, G.O. (2012), *An Evaluation of National Poverty Alleviation from 2008-2011*, An HND Project submitted to Department of Public Administration, Kogi State Polytechnic, Lokoja, July,
- Ofana, O.G., Efeiom, E.C. and Omini, E.E. (2016), "Constraints to agricultural development in Nigeria", *International Journal of Development and Economic Sustainability*, Vol. 4 No. 2, pp. 1-15.
- Ohize, E.J. and Adamu, M.J. (2009), "Case Study of Youth Empowerment Scheme of Niger State, Nigeria in Poverty Alleviation. School of Technical Education, College of Education, Minna, Niger State, Nigeria", *Technical Report*, July, Vol. 13 No. 1, pp. 47-52.
- Ohiorhenuan John, F.E. (2003), Evolution of Development Thought, in Garba, A.G. (ed), *Development Thought, Policy Advice and Economic Development In Africa in the 21st Century: Lessons for the 21st Century*, Ibadan: University Press.
- Omakoji, U. (2013), "The Youth and National Leadership: A Reawakening", Presented on Kogi Annual Youth Conference, at the Kogi Youth Centre, Lokoja. November 26-28,
- Onah, F.O. (2006), *Managing Public Programmes and Projects*, Nsukka: Great AP Express Publishers LTD.
- Otukpokpo, A. and Otulukpe, O. (2012), *Rural Nigeria: Settings of Abject Poverty*, Imararaba: OJEBE-EJULE Publishers.
- Oyebode, A. (2014), *Building Institutional Capacities as A Pathway to Good Governance: The Importance of a Legal and Regulatory Framework*, A Paper presented at the Annual National Management Conference of the Nigerian Institute of Management (Chartered), held at the Green Tulip Hotel, Effurun-Warri, September 22,
- Paul, S.O. (2006), *A Review of Public Policy on Poverty Eradication: A Study of NAPEP from 2001-2005 in Kogi State*, An unpublished B.Sc Project submitted to Department of Public Administration, Kogi State University, Anyigba, Nigeria.
- Paul, S.O. (2012), *The Millennium Development Goals and Community Development in Kogi State*, A M.Sc. Research Work Submitted to the Department of Public Administration and Local Government, University of Nigeria, Nsukka, August, 2010 and Published by LAP LAMBERT Academic Publishing GmbH & Co.KG Saarbrucken, Germany, July, 2012.

Paul, S.O. and Ogwu, S.O. (2013), "Rural Development Policies and the Realization of Millennium Development Goals in Nigeria", *Mediterranean Journal of Social Sciences, Rome*, Vol. 4 No. 2, pp. 643-648.

Paul, S.O., Agba, M.S. and Chukwurah, D.C. Jr. (2014), "Rural Development Programmes and Rural Underdevelopment in Nigeria", *International Journal of Public Administration and Management Research*, Vol. 2 No. 4, pp. 1-14.

Riddell, R.C. and Robinson, M. (1995), *Non-Governmental Organisations and Rural Poverty Alleviation*, Oxford: Clarendon Press.

Soubobotina, T.P. (2004), *Beyond Economic Growth: An Introduction to Sustainable Development*, Washington, DC: The World Bank.

World Bank (2007), *World Development Report*, Washington, DC: The International Bank for Reconstruction and Development.

APPENDIX I: Farmers in Agricultural Practice



Source: <http://escapadeng.blogspot.com.ng/2015/02/the-importance-of-agriculture>

APPENDIX II: Example of KEKE NAPEP Tricycle



Source: Field observation (2015)-Television Garage, Kaduna, Nigeria