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STRATEGY FOR GROWTH-LED POVERTY ALLEVIATION IN NIGERIA

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The economic growth process of a country is determined by a number of factors among which is technological change. Increased output/performance permitted by this goes a long way in alleviating poverty. Rapid and sustained economic growth utilizing a new industrial strategy calls for proficient use of the natural advantages of modern infrastructures which further serves as a poverty-reducing strategy.

The author states that the most credible option by which the poor can receive a fair share of the benefits of development is by subjecting the economy to the full discipline and rigours of market forces for a poverty-reducing growth. Government's annual budgets should also lay emphasis on the improvement of the rural poor, and grant them special funds to address their basic needs.

I. INTRODUCTION

POVERTY describes in part, the terrible state of the 'economic man', and is as old as man himself. It exposes the inadequacies that characterize the distribution methods applied in sharing the scarce resources, first between nations and then, between the citizenry within each sovereign nation, taking into account locational and social prejudices.

In more specific terms, poverty can be described as the level of deprivation that encompasses a shortfall and inadequacies in basic human needs which prevent people from achieving internationally acceptable levels of well-being. At the extreme is what is called absolute poverty, which reflects the condition of people who live below the poverty line or are too poor to obtain a calorie-adequate diet and thus do not have enough energy to earn a living. This is a situation that is characterized by disease, low life expectancy, and physical and mental retardation.

There is visible evidence of the disparity that exists between the economic well-being of countries of the northern part of the globe and those of the south, where poverty is prevalent. One incontrovertible fact is that the economic state of the developing countries depends heavily on the conditions prevailing in the economies of the developed countries. The huge development assistance which they have received over the years from the more advanced economies and the direct influence which the economic conditions of the developed countries have on their

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welfare. are proof of this assertion. This explains why the global recession of the 70s has accelerated the process of economic decay in the developing economies of Africa, Asia and the Middle East, such that the proportion of people in poverty in these countries has been on the increase, in spite of the adoption of structural adjustment policies in various forms at different periods. Even within the affected continents, there is the problem of 'duality' of economic existence, a situation in which poverty subsists with affluence.

The measurement of the level of poverty raises the fundamental problem of what constitutes absolute poverty and the question of whether Africa (and indeed Nigeria) is as poor as international reports would want us to believe.

The rest of the paper is divided into four parts. The theoretical framework and review of related literature is given in section II. In the belief that economic growth and poverty reduction are different aspects of the same process, the paper calls for a change in the current strategy of redistribution of income to one of growth with special efforts to involve the poor people in the growth process. This is contained in section III. In addition, the policy of a market-driven economy is believed to be the catalyst for the achievement of the type of economic growth that will lead to poverty alleviation. Section IV addresses how the societal value system should be tackled in order to have an enduring economic revolution; and section V gives a summary of the paper and its conclusion.

II. Theoretical Framework and Review of Related Literature

It has been established that economic growth can only progress in a stable macroeconomic environment and with the right combination of factors of production. Basically, in the neo-classical model the factors are usually labour and capital. The distinction between the two factors is, however, blurred in certain circumstances when human capital is involved. The attraction of the neo-classical model is the assumption of a non-fixed variable factor in the long term. Thus, the model explains production management in most countries because its relevance has not been faulted by the new growth theory.

The standard neo-classical model begins from the premise of a fixed technological coefficient and elasticities of labour and capital that can be altered depending on the combination of the two factors. The state of evolution of technology alters the value of the constant coefficient at any point in time. The capital component is made up of the stock of human and physical capital. The more the output, given the right combination of the basic factors of production - capital and labour - the more the possibility of extending supply beyond he frontiers of the economy. The production function in the neo-classical growth model is given as:

$$Y = Ae^{\mu} K^{\alpha} L^{1-\alpha}$$

where:

Y = gross domestic product
K = the stock of human and physical capital
L = unskilled labour used in production
The two parameters represent technology:
A = constant, reflecting the initial static endowment of capabilities
μ = the rate of evolution of technology

Higher technological capabilities will permit greater amount of output from any given level of input. In all, much of the theoretical modelling in the new growth theory has focused mostly on the industrialized countries with the result that empirical studies have centered mainly on expenditure on research and development, and investment in human and physical capital as the determining factors of technological change. However, in the less industrialized economies, it is more useful to assess the technology in a broader perspective. This is because it relates to knowledge embodied in new equipment as well as a host of other technological efforts that can aid production to reach its optimal levels since the technologies and the intensity with which industrial technologies already used are changed by continuing adaptation and incremental improvement (Biggs et al., 1995).

The increased output permitted by improved technology goes a long way to reduce absolute wants and, therefore, alleviates poverty. Apart from determining the level of income, productivity growth is the major determinant of the country's ability to buy and sell goods in the international market. Thus, it helps to sustain income levels by keeping the country competitive in the world market. It has been established that economic growth cannot be sustained if it gives rise to trade deficit that cannot be financed. Poverty becomes accentuated when current resources are being used to finance past obligations. This is the reason why heavily indebted countries have a high poverty level, and the income that would have been spent on the provision of basic infrastructures, etc., is used to service external debts.

Furthermore, the need to adopt a growth enhancing strategy (export-led growth strategy) goes beyond the need to alleviate poverty. It is, in fact, at the heart of the growth process of developing economies. For instance, after much experimentation and the failure of the Import Substitution on Industrialization Strategy (ISS) and the concomitant outflow of foreign resources, emphasis gradually shifted to export-led growth. This was the only reasonable option, since the trade gap can only be reduced through enhanced exports. In addition, imports which are necessary for the development effort of the developing countries need to be financed by foreign reserves that can only be realized through the promotion of exports.

Empirical evidence has shown that export growth and the magnitude of trade balance reflect a country's competitiveness. The emphasis on export-led growth is in the pursuit of international competitiveness which makes it possible for a country to control its domestic production processes, increase productivity and generate surpluses which are transmitted across its national borders in return for foreign exchange. The maintenance of the tempo in addition to the development of adequate human capital helps to accelerate and sustain income level, and enables man to take control of his environment and pave the way for sustainable poverty reduction.

III. Problem of Appropriate Measurement Criteria for Poverty Assessment

The nations of the world are all knit together through international trade, capital flows, and transfers of technology. However, the paradox of this economic interrelationship is that most of the globe is still seriously handicapped economically, in spite of past efforts to redistribute scarce and inequitably located resources through development assistance such as donations and grants and transfer of capital and technical knowhow. Official development assistance has been declining dramatically over the decade because donor governments have redirected their foreign aid away from development abroad to their own national security and to the middle income developing countries in which they have greater commercial or political interest. Thus, the outcome of the inequity is that different levels of poverty manifest between and within countries of both developed and developing economies, but more especially in those of the latter.

III.1 Poverty as a state and poverty as a process

In order to properly appreciate the enormity of the issues involved in poverty analysis it is important to situate and locate discussions around the two major dimensions of the concept.

A distinction can be made between these two dimensions of poverty so that a proper interpretation will evolve for a better understanding of the condition of poverty on the one hand, and the causes and mechanisms that generate and transmit poverty on the other. Thus, it will aid policy to have a sharper focus.

Poverty as a state is a static concept describing the conditions of the poor. At its most stringent, it can be defined as physiologically-determined levels of survival which are genuinely independent of social and cultural contexts. A more inclusive definition would encompass satisfaction of culturally-defined levels of basic physical needs (physical well-being, housing, clothing, sanitation, etc.). A still broader definition results if the state of poverty is stretched to cover social and qualitative forms of deprivation (e.g., powerlessness, dependence, isolation) as well as more tangible and physical types.

Poverty as a process describes the causes and mechanisms of the generation and transmission of poverty. In other words, the process of poverty can be described as a deterioration in the value of the two basic parameters - endowments and exchange entitlements - which make up the household's or individual's capacity to function at acceptable levels of well-being and achievement. This is because people's claims on the social product are determined by a complex system of entitlements, which are in turn shaped by the social relations and practices which govern possession, distribution and use in a particular society. Among different possible entitlement relations are those based on trade and exchange, those based on production or sale of one's own resources or labour power, those based on inheritance or benefaction or those based on the state distribution system. The main idea behind the theory of poverty as a process is to reflect on problems of poverty as not simply one of absolute deprivation, but also of structurally generated inequities, and to advocate for alleviation measures that take note of the political as well as the economic environment.

Closely related to this dimension of the concept of poverty is the one given by Chambers (1983). Chambers presents the idea of a hierarchy of needs among the poor: a hierarchy that shows that as a first level of priorities is satisfied, the next level becomes relatively more important, viz: basic survival, security and autonomy and self-respect. However, those living precariously on the margins of physical survival cannot afford to let the pursuit of less tangible goods such as autonomy, self-respect and propriety interfere with the struggle to stay alive. Yet, these other intangible goods assume importance in the weight of priorities for determining how to improve the welfare of the poor.

III.2 Problems of Measurement

III.2.1 *Problem of general applicability*

A definition of poverty that has wide acceptance is that which relates poverty to subsistence levels of living and is tied to the lack of minimum income needed to acquire the minimum necessities of life such as food rich in minimum calories, primary health care, minimum literacy level and basic infrastructures. However, there has been a strong case among experts, for moving beyond the narrowly defined monetary measures of poverty to look more explicitly at class and gender biases in the provision of state welfare and the related effects on living standards. This is especially so because the traditional measurement of poverty has always concentrated on average incomes and income distribution to the exclusion of other equally important factors. This method has many flaws which are highlighted here. First, it assumes that the proportion of the population below the poverty line in a country have an equitable distribution of income and allowance is not made for dispersions around the mean. For instance, average per capita income in Latin America is higher than in the developing countries of East Asia; yet, the incidence of absolute poverty in Latin America remains disproportionately high. Second, the same assumption as that made above is extended to income distribution within the household, with the same danger of allocating equal poverty levels among the individual members of poor households without taking cognizance of biases in access to consumption resources for certain categories within households, such as women and children.

Martin Rein in his article on 'Problems in the Definition and Measurement of Poverty', published in the book, The Concept of Poverty by Peter Townsend, described the issue of measurement of poverty, thus:

> To understand the poor we must then study the affluent. The study of the poor then depends on an understanding of the level of living of the rich, since it is these conditions relative to each other that are critical in the conception of inequality.

In this regard, there is a broader measurement of poverty which looks beyond the lack of income to the wider concept of the dimensions of well-being, to include inequalities in the distribution of power, education and legal justice; these in turn have an impact on the level and alleviation of poverty. This new awareness informed the new theoretical concepts about poverty (poverty as process) given earlier in this chapter.

There have been attempts to adduce other approaches to the measurement of poverty borne out of the need to gain a clearer understanding and better apprecia-tion of the economic problems involved. There is the Relative Poverty Approach which was promulgated by The World Bank researchers. The approach gives a figure in constant dollars which is considered as the absolute income received by the poorest 40 per cent of the population or some other pre-determined percentage. In this approach, economic growth is thought to raise social welfare when the average income of the poorest - 40 per cent is higher. The limitation of this approach is that only some of the poor population benefit from economic development and as such the measurement will be insensitive to the rate of movement out of poverty of the proportion of the poor that is above 40 per cent or whatever is the predetermined percentage. The absolute poverty measurement, on the other hand, is derived in the United States by ascertaining the amount of money needed to purchase a nutritionally adequate diet consistent with the food preferences of the poorest group in the population, and then multiplying this figure by a factor of three, because it is assumed the poor spend about a third of their incomes on food. Again, this definition has its limitations. These include, the lack of a consensus on the appropriate internationally acceptable per capita income to apply for all countries in view of widespread and different costs and standards of living in the countries, as well as determining the appropriate unit of measurement, whether for the family or for the individual.

It is recommended that, as much as possible, the two measurements should be incorporated in determining the poverty line for a country. In this wise, the poverty line should bear a reasonable relationship to living standards and the level of economic development in the country in question rather than being a mere relative income measure of poverty. In the same vein, relative poverty measures such as the average 40 per cent or a given proportion of the population with incomes less than half the mean are not suitable, at least for most countries. This is because, for instance, by US standards, virtually the entire population of some countries would be classified as poor, whereas by Indian standards, virtually no one in the United States would qualify as absolutely poor.

III.3 The specific case of developing countries

In addition to the problems of measurement spelt out above, there are yet other problems that are peculiar to developing countries which raise the question of whether, they are as poor as the applied measurements show. Inconsistencies between household income or per capita income and actual economic welfare of people in the developing world, are likely to arise from a number of misconceptions. First of all, the market is not the only source of goods and services in these economies which are partially unmonetized. Depending on their location in the socio-economic arrangement, households may rely on self- provisioning or barter to provide some proportion of their basic needs and requirements. In essence, there are always genuine difficulties in evaluating either this sort of production or services rendered, which are done for own consumption, particularly in agrarian set-ups and other identical rural areas. Some monetary values will need to be applied to such activities, to include in the general level of income for the purpose of relative poverty measurements and then to ask the question, 'Are their basic needs not met by these activities?', to satisfy the absolute poverty measurement. In the end, poverty measurement in developing countries, either in terms of relativity or absoluteness may not be as acute as we are made to believe after all. Nonetheless, the fact that the poverty situation in developing countries still assumes an alarming proportion cannot be denied, neither can it be wished away by the factor of incomplete or inadequate evaluation of economic welfare in those countries. Let it be said at the onset that current concern for poverty alleviation in developing countries, especially for the African region, should focus more on reducing the factors that may precipitate a worsening of the situation as at present. Such factors as, population explosion and the ravaging effects of war with the attendant problem of refugees may make nonsense of all economic antidotes that may be recommended for solving the poverty issue, since no country can make economic progress during a war-time situation.

IV. Revolutionizing the Production System as the Basis for Poverty Alleviation

IV.1 An Overview

Although, it has been recognized that the redistribution of wealth has helped to reduce poverty in some middle income countries, it is acknowledged that only rapid and sustained economic growth would be the solution to absolute poverty in developing countries. Any development effort could have some meaning only if it specifically involves low-income people in the growth process. The inclusion would entail developing methods of raising the incomes of the poor through improvements in productivity and efficiency and establishing projects focused on poverty. There is no more powerful force for progress against poverty than the initiative of the poor themselves. Agriculture, however, which is the economic base of a majority of the people in developing countries will still co-exist with any new development initiative. In this regard, a lot more will need to be done to expand the production of peasant farmers by way of improved seeds, a good extension service and public investments in rural roads and irrigation. Although, some efforts appear to have been made in these areas in most developing economies, a lot more could be done to give a fillip to the targeted objectives. This is especially so, because the poorest 10 to 20 per cent of the population in developing countries, are landless labourers, or the sick and handicapped who need official support.

Massive importation, as is the practice in many poor countries, cannot reduce poverty but will rather subjugate the people to beggarly conditions and endless indebtedness. It is only through improvement in local inputs for the production of food for local consumption that the desired objective of cutting back on imports and thus, being less dependent, can be achieved. Local production can serve this purpose when there is a revival of international investments by commercial banks and private corporations of industrial countries and also through official channels such as The World Bank. In addition, lower interest rates are also of vital concern to the heavily indebted developing countries to enable them access international loanable funds more easily and more cheaply.

A peculiar problem which the theory of poverty process addresses, is the need to identify the social restriction placed on the poor in maximizing his capacity to function at an acceptable level of well-being. One such restriction is the total lack of or minimum level of government presence in most poor settlements. Where government is present at all, there is little evidence of an increase in government expenditure for social services for the poor and neither is there any effort made to ensure that the reduction in public services have minimal impact on same. In like manner, government action in public education, health and family planning services are spread in favour of the urban centres, so that for most parts, it is only through communal efforts in rural settlements that these social services are provided.

These conditions are as prevalent in Nigeria as they are in most developing economies. In the next section, an attempt is made to relate in more detail, aspects of these and other identified problems or issues in the Nigerian context.

IV.2 Nigeria's Poverty Alleviation Efforts and Policy Option

Before the commercial mining of oil in early 1959, the Nigerian economy was mainly dependent on agricultural products for its domestic food supply and foreign exchange earnings. This was soon to change with the advent of the oil boom which led to the neglect of the agricultural sector. This neglect, coupled with bad weather for food production, led, since the 1970s to massive importation of food. Many attempts have been made to correct this distortion, through agricultural programmes such as Operation Feed the Nation (OFN), and the Green Revolution, but they have not achieved the desired objective of food security for the masses.

In addition, the oil boom of the mid-seventies to the early eighties did not reveal the vagaries of the international oil market with the result that Nigeria's economic policies of that period witlessly neglected other viable areas of the economy, such as agriculture and the non-oil export sector. The country depended heavily on oil for meeting her international commitments and executing domestic economic programmes. By 1992, when the volatility of the oil market became a stark reality, the economy was already caught in the throes of a depression. To reverse this condition, the Structural Adjustment Programme (SAP) was adopted in 1986. The most important of the various policies under the programme was the restructuring of the production as well as the export base of the economy with a view to restructuring the ailing economy and breaking the mono-product nature of her export sector. The programme was plagued by a lot of distortions that inhibited its full implementation and was abandoned after six years. Its haphazard implementation brought problems of greater dimension; that of a debt overhang and its attendant rescheduling and forgiveness proposals, which have in turn put the economy into more hardship of shortages, low productivity, unemployment and slow growth.

When an economy undergoes a depression, the most affected are the rural poor, who in any event were neglected in the first place, even during the period of buoyancy. For any developing economy, a more realistic consideration would suggest that the poor and rural economy should be the centre of attention, especially if the depression was extremely induced by the vagaries of the international commodity market, outside the control of the affected country. A cutback on imports to be substituted by local sourcing would be the more reasonable option than borrowing for consumption. In this way, the poor would benefit from the adjustment process and would have ample opportunities to improve their welfare.

To properly address the issue of poverty alleviation in Nigeria, therefore, there is a need to formulate economic strategies which ensures national food security, that is, economic growth that outpaces population growth; that ensures that the growth is rapid and sustained, not transient; and that the growth process involves more of the poor and is largely targeted at the poor, i.e., growth that is in favour of equitable distribution and emphasizes the access of the majority of Nigerians to the wealth of the nation. The policy thrust which would achieve these goals should include the following:

IV.2.1 *A change in the economy's production base and structure*

Nigeria can learn a lot of lessons from the success experience of the Asian countries, in fashioning the type and focus of not only her economic growth strategy but also of the desired growth that will induce poverty alleviation. For one, the Nigerian poor have been left out in the development process because the country's production system, which was borrowed and was largely dependent on foreign exchange is inequitably distributed to favour the modern sector to the total exclusion of traditional rural investments. A new industrial strategy targeted at the poor would not find it particularly easy to cope with the established production system and may need to de-emphasize the use of existing industrial technology and inputs. There is, therefore, a strong case for a production system that should be based on local technology that is proficient and fully adapted to the use of local inputs and which relies to a lesser extent on modern infrastructure but improvises to its natural advantage. It should move in the direction of higher and higher levels of local technology, output and human resources utilization at least within the medium-term, without too much dependence on government provision of services. In other words, where there is insufficient or no official supply of electricity, water and good rural roads, there should be a gradual and phased transition of the industrialization process from a simple labour-intensive system that suits the local environment at the time, to a sophisticated skilled labour-intensive process in the medium term and from there to the higher capital-intensive production level. The rural poor need the presence of the agents of the growth process through government action in reversing the reckless expending of exhaustible resources and the according of higher priority to investments with maximum returns. These can best be attained through private sector small-holding arrangements in place of bogus white elephant projects or the production arrangements that drains foreign exchange and benefits just a minority.

The modernization of the agricultural and service sectors should co-exist with the traditional processes and complement each other. This should also apply to industrial production. For instance, government should re-introduce the old policy of farm plantations and settlements to bring government support closer to the rural population. The support should also include agricultural support/extension services to aid rural production which would in turn assist poverty alleviation efforts. The prototype industrial establishment should also provide for the lack of rural electricity and roads by establishing enterprises that use coal, solar energy or any other local source of energy. Government can help in this direction by not only offering tax rebates for the provision of such infrastructure as has currently been the practice since the 1993 budget but should make the capital outlays on them deductable from the profits of the investing companies.

The proposed industrial network should have linkages such that output of some farms can serve as the inputs to some others within the rural setting and also to the bigger industrial concerns outside. The oil industry should also be made to have backward linkage with the traditional rural sector by way of devoting an appreciable proportion of the industry's earnings specifically to the execution of the programme of rural industrialization, apart from its role in tackling the ecological problem in its area of operation.

Export emphasis must shift to the processing of perishable rural-based agricultural products such as vegetables and fruit, tropical beans and nuts, cattle hoofs and horns, and animal offal. The lifting of the ban on some exportable food products seems to have partially achieved this, but a lot more could be done in this area. This offers an opportunity for the realization of the much desired value added to agricultural produce for exports. There are still lots of mineral resources, other manufactures and handicrafts which are rural based but which have not been fully utilized.

Recent past policy measures to address the problem of poverty through rural development have been by establishing government agencies like the Directorate of Food, Roads and Rural Infrastructure (DFRRI), the Nigerian Agricultural Land Development Agency (NALDA) and the latest which was introduced in the 1997 fiscal budget was the Family Economic Advancement Programme (FEAP). Some of these agencies have failed to reach their targets because of haphazard implementation and corruption of some of the officials. One commendable and very relevant aspect of the latest addition (FEAP) is the proposal to mobilize the exportable products of the rural populace for the export market through the Ministry of Commerce. The largest proportion of output from the new industrial setup should be that which provides the basic needs of the average Nigerian and ensures national food security. The local technology should also develop new processing equipment that would improve productivity and efficiency and the incomes of the poor. Small and middle-scale enterprises should act as catalysts in this direction for the next decade with emphasis on the growth of cottage industries with a bias for labour-intensive means of production to provide job opportunities for the local people. These units should expand vertically and horizontally and lead to the establishment of strong and cohesive industrial linkages.

This industrialization philosophy which should concentrate on utilizing local inputs in place of imported ones should not be difficult to achieve in view of the commendable efforts of the Raw Materials Research Council. The Council currently has information on available raw materials that are waiting for utilization in diverse investment projects. Some of them have been subjected to manufacturing process tests and have been found viable. In many instances, machinery and equipment have been locally fabricated by industrial research institutes and development agencies for the commercial production of the manufactures. The success of the new industrial take-off would depend on how effectively the relevant institutions can harness the results of these research efforts, disseminate information on their investment potential and mobilize the investment sector to maximize the opportunities presented.

IV.2.2 *Production system for the export market*

The production system should not only be import-saving it should endeavour to earn foreign exchange through export promotion. In other words, the economy should faithfully implement an industrial master plan that relies on export-led growth. While the structural adjustment programme lasted, some long-standing inefficiencies were eliminated in Nigeria's economic profile which led to the shifting of resources into export products. Farmers were encouraged to resuscitate their cultivation of Nigeria's erstwhile main export cash crops such as cocoa, rubber and palm oil as a result of the various incentive export promotion measures, including an appropriate pricing mechanism through exchange rate deregulation. A large measure of success was achieved, in terms of the appreciable inflow of foreign exchange through this source. The economy would need to sustain and step up these measures during the proposed industrial era. However, in addition to the export of agricultural raw-materials which are affected by the vagaries of the international market, this paper advocates the development of semi-manufactures and manufactured products.

V. Market Economy and Social System Reforms as Catalyst for Poverty Alleviation

V.1 Market Economy

If the proposed growth-induced poverty alleviation strategy in Nigeria is to have meaning, the production system must have incentives that include realistic prices that cover the production process costs and create an efficient marketing system for equity in distribution. So, the revival of Nigeria's economic growth depends on her ability to relate to and emulate the industrialized countries who have less government intervention and are maintaining their own economic expansion by resisting protection. The Nigerian economy would need to be subjected to the full discipline and rigours of market forces for the actualization of a poverty-reducing growth. The movement to a free market economy must be accompanied by a dismantling of outdated laws, rules and regulations that were designed for earlier control eras. This would mean continuous productive deregulation that would give the private sector a commanding height in the nation's economy. This is seen as the most credible option by which the poor can receive a fair share of the benefits of development.

The process of the emancipation of the proposed local technology-induced production system would need genuine international investment support, coming more significantly through foreign private investment. A competitive and market-determined exchange rate regime would set the appropriate price for the products of the poor who are the targets of the production and growth process, while it will at the same time set the stage for increased inflow of foreign private capital.

Shifting more economic resources to the production of poverty reducing goods will eliminate inefficiencies prevalent in the urban economy and may also lead to short-term adverse effects on the urban sector but will end up rekindling growth in the entire economy in the medium to long run. In essence, the growth phenomenon should be one that quickly adapts to changing patterns of supply and demand and competition.

Since there is no one factor which will induce growth, the adjustment in economic structure being recommended will, therefore, involve emphasizing export products through exchange rate incentives. Inflation may rise in the short-term because of envisaged supply shortages for domestic consumption, but the short-term setback may be the necessary sacrifice to make for renewed diversified economic growth for the sake of the less privileged.

Domestic and international trade have to be liberalized so that labour-intensive industries would thrive and jobs will be created for the poor. The provision of public goods that had been highly subsidized by the government for the not-so-poor should be discriminately priced at economic rates for the middle and high income earners while social considerations should be applied in determining the price of those goods that would improve the welfare of the poor. For instance, the recent policy of contracting the maintenance of the Federal highways to the private sector is a move in this direction. Money realized from such an arrangement should be diverted to providing good roads in the rural locations and maintaining them at minimal cost to the rural users. Recent tax rebates to industries set up in rural because of the lack of basic infrastructures like water, telephone, electricity and good roads should be increased to further encourage the establishment of industries in these areas and enhance employment opportunities for the rural populace.

V.2 Reforms of the Social and Value System

Too often, policy makers make the error of focusing poverty alleviation efforts solely on those dimensions of poverty which are observable and measurable. Yet the oversight of these unquantifiable parameters of poverty has serious implications for the way in which poverty is interpreted and understood for the purpose of policy application. It also carries the danger of leaving unattended those dimensions which arise out of deep-rooted deprivations in the social structure. This much was the idea enunciated in the theory of poverty as process or process of poverty discussed in section 3.

Efforts to address these dimensions of poverty would likely be more successful than straightforward welfare programmes in transforming the social inequalities which are most often the bane of poverty in many developing countries. At the same time they are likely to be more difficult to implement precisely because they threathen the social order and age-long tradition.

For Nigeria's poverty-reducing growth strategy to record the desired success, it must consider the debilitating impact of the social condition and the problem of the value system of the targeted poor. In this instance, Government has a great role to play in ensuring this growth by official interventions as well as the provision of an enabling environment to improve the human resources and entrepreneurship development efforts of the Nigerian community. First, the investment proposals for the take-off of the production strategy recommended should be environment friendly. For instance, the activities of oil mining and prospecting development companies notwithstanding, Government needs to play more active role in environmental monitoring and development. Most of the ameliorating programmes either from the government or the mining companies to the communities do not get to the targeted people, at least judging from the official reports which have been made public. A strategy for satisfying the basic needs of the people through the creation of job opportunities and the supply of materials that relieve the area of hardship directly would be more preferred to capital projects that are not directly relevant.

The investment and growth strategy should also be women friendly, to the extent that women in poor communities are as entitled to securing the means of livelihood and investment opportunities as their male counterparts. This is in view of powerful beliefs and practices sanctioned by many communities in Nigeria which have established unfair traditional sanctions against women with regards to access to inheritance or inherited property, access to the labour market and investment opportunities through marital and family arrangements. As a consequence, assessment of the impact of poverty is less obvious in the case of women and women-headed households. It would, therefore, make economic sense to pay special interest to policies that make women more relevant in the growth process, especially since they constitute more than a cursory proportion of the Nigerian population, as attested to by the recent population census. If their involvement in economic activities is enhanced, it could make a world of difference in the welfare of their households, and indeed in that of the country as

moved while husbands should be educated on the complementary role of their women in the economic welfare of their families.

Marginalization of the middle-class in Nigeria's economic growth process, especially since the introduction of SAP has disrupted the traditional economic link between the middle-class and the low-income group by which the former complement the economic resources of the latter. The new philosophy should be to reinstate this role by ensuring that the quality of life at this level is enhanced through wage reforms that discriminate in favour of the middle income group and those at the lower-rung of the ladder. In a similar vein, labour wages in the rural areas could be made higher than those in urban establishments in order to achieve the dual purpose of discouraging urban migration and congestion, as well as compensating for the lack of the facilities made available in the urban centres. After all, tax rebates are given to investment outfits which are set up in rural areas where similar infrastructural facilities are not available.

Government annual budgets should genuinely emphasize improving the lot of the rural poor by way of regularly granting special funds to address their peculiar needs and official help should be rendered not only during natural disasters.

The problem of the urban poor is somewhat of a lesser and different perspective because of the advantage of proximity and relevance to the existing social arrangement. But of the upmost importance is the issue of housing and infrastructure in their localities. There is a need for relaxation of the unrealistic and sometimes harsh building regulations being imposed on the residents of the urban poor. Demolition of settlements considered as ghettos has never helped nor solved the housing problem of these underprivileged urban residents and neither have the various low cost housing projects been genuinely meant to address their peculiar needs.

Finally, if government's political philosophy is to seek the common good of its citizenry with acceptable quality of life and transparency as the watchword, it behoves the leadership, especially at the centre, to create the enabling environment for a private-sector led economic growth strategy with minimum intervention in the economic and political units within the country, including the states and local governments. They are better placed to decide the structure, nature and strategies for meeting the aspirations of their poor.

VI. Conclusion

The state of poverty in developing countries has been acknowledged to be alarming in spite of the problem of appropriate measurement. The theory of poverty which also derives from its measurement opens up the pertinent issue of looking at the solution to poverty from a wider perspective. At the end of the day, it is discovered that the problem of inequity in income distribution and access to economic opportunities results from orchestrated self-inflicted deprivation of the poor through social and cultural inhibitions.

Nonetheless, it is believed that there are genuine difficulties in evaluating the level of poverty in Nigeria and indeed in developing countries, generally. This stems from the partial barter arrangements and production for consumption situations in many rural settings, thereby raising the question of whether poverty is as acute in some developing countries as it appears.

It is advocated that the production system in Nigeria should be revolutionized to emphasize labour-intensive and rural-based production activities for the purpose of achieving the desired objective of growth-led strategy for poverty-alleviation. In addition, the production strategy must largely target the export market while at the same time provide national food security. All of these can only be actualized through a private-sector-led and market-driven economic development strategy. So, further deregulation and subjection of the Nigerian economy to the full discipline and rigours of market forces is recommended.

However, social and value systems have to be revolutionized to enable women participate in the growth process, while a more conducive environment would need to be created to, not only improve the lots of rural communities whose resources are being devastated as a result of exploration activities, but also to attract the right foreign private investments - which are the engine for growth in Nigeria. Government should also intensify its role in providing the necessary political, economic and social impetus for the actualization of the goal of poverty-alleviation in Nigeria.

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