

## Poverty Eradication for Sustainable Human Capital Development



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**ABSTRACT:** Six decades after the political independence of the Nigerian state, its government like many other governments across the third world has not been able to eradicate poverty within its borders. The prevailing situation has defied the introduction of different political structures, economic policies and even the deployment of foreign expertise and aids. This study therefore examines the causes, consequences and extant solutions proffered before now and concludes that for a nation to grow economically and rise above poverty level, there is need for human capital development since the poverty level in the country has negative impact on Gross Domestic Product (GDP) and Gross National Product (GNP). This study measures Human Capital Development (HCD) through per capital income and Human Development Index (HDI).

**KEYWORDS:** Poverty, Human Capital Development (HCD), poverty alleviation programmes, economics policies and Human Development Index (HDI)

### INTRODUCTION

Poverty has worsened in many countries of the world. The trend is especially notable in Sub-Saharan Africa (SSA) and parts of Asia due to massive corruption, population growth and fratricidal wars (Nduge, 2003:1). Nigeria, like every other African country, is facing the perennial problem of poverty. Despite its population the country has not been able to harness its human and capital resources for better condition of living. At the root of the worsening poverty is inequality in the distribution of wealth and natural resources, poverty, plurality of ethnic groups, border line politics, poor policing and policy implementation, over reliance on foreign aids and donors, mono-economy and corruption.

Since its political independence, Nigeria has been embroiled in one economic problem or another. The government has been unable to fill the gap between the policy statements and the implementation of policies geared towards Human Capital Development. Human Capital Development of any nation is expected to cover physical, psychological and moral upliftment of human resources in the country. Committed efforts at reducing poverty level in the country have corresponding positive impact on the Human Capital Development.

Poverty eradication and Human Capital Development should be seen as Nigerian project that need serious and committed contributions of everybody in the country. The Nigerian project will require of us that we bid farewell to the welfare state as we have known it from the time of Obafemi Awolowo, Nnamdi Azikiwe, Tafawa Balewa and Ahmadu Bello (Anthony and Akinwale, 2004:62). This suggest that every Nigerian should forget about euphoria of the past glories and excessive valorization of national heroes.

In most Nigerian agrarian society before the incursion of modern and non-subsistence economy, every individual catered for members of his/her family. Then, poverty level and corruption in the country was not as prevailing as it is today. This is so because most agrarian society recognized the import of subsistence and moderation to the growth of the primordial economic system they operated as a means of checking poverty and corruption in the society.

Williams I. (2007:32) explains thus

*Poverty has been in existence in every culture for centuries. It is increasing because very few families and communities care for their own. That is in our own case, the wider family social security system is collapsing fast. There is no safety net for those who are forced to retire or even those who retire normally. We must not allow that system to collapse. It is both a poverty and corruption minimizing mechanism.*

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It is there therefore apt to state that the poverty level in present day Nigeria is alarming not only because many households cannot afford qualitative meals that can sustain their families but also because we hardly practice any kind of subsistence agriculture nor have we been able to mitigate the increasing trend of corruption. This often results in hunger and malnutrition.

### POLITICAL ECONOMY OF NIGERIA

Like most colonized states, Nigeria got her political independence from the British Empire on October 1<sup>st</sup>, 1960. Since then, the country has been embroiled in different political and socio-economic problems despite becoming a sovereign state three years after its independence. The nightmares of Nigeria's political and economic problems began with the coup of January 15<sup>th</sup>, 1966. After the coup that claimed the lives of many Northerners, there was a counter coup on July 25<sup>th</sup>, 1966 in which lives of many Easterners were lost. The accumulation of the after-effects of the coup and counter coup of 1966 led to the Civil War that shook the country off its very foundation.

After the Civil War in 1970, the country has witnessed various cycles of leadership-military, civilian and the interim government. The common feature observable with these different administrations is the visible discontinuity of laudable national programmes supposedly geared towards human capital development. Each time a new government assumes office; it abandons or discontinues the programmes or projects of the previous government. Consequently, entrenching negative impact on the Gross National Product (GNP) and the Gross Domestic Product (GDP) of the country.

Various political and military leaders who were at different times, at the helms of affairs of the country have been accused of embezzlement and gross misconduct. This attitude influences their response to the outcry of millions of Nigerians cannot promote or enhances "self" for sustainable Human Capital Development. "Self" constitutes how an individual perceives an individual in a socio-cultural setting. Thus, "self" is a catalyst or propelling-force of Human Capital Development. Ogundowale (2007:24) observes the importance of self in personal and national development. He writes:

*The self then is that propelling life-force in the human that encompasses the socio-cultural material and immaterial spiritual possibilities, immediate and remote such that its absence reduces the significance, the actuality and the very essence of the human. Its presence increases, enhances the capability of the human to confront frontally his environment, historical or biogeospherical. It makes the human full, complete prototype human.*

Nigerian government has not promoted the "self" of the masses through various economic policies that are put in place. There is a class formation through improper economic policies that are constituted in the country. The masses have seen themselves as incapable of enjoying luxuries of good life.

Either military or civilian, it is expected of the Nigerian government to perform three essential economics. As observed by Ogunkola and Egwaikhide (2001:30), these roles are allocated of resources to the production of the services rather than private sector output, distributive role which involves the adoption of economic policies to bring about redistribution and the stabilization and growth functions of the government. Unfortunately for average Nigerian man, the government has failed in its national roles and thus, their history is "replete with exploitation by those in power" (Chukwuokolo, 2008:225).

Since the expiration of the Civil War and under different administrations, Nigerian economy is nothing but stories of unemployment, foreign debt, poor condition and standard of living, biting poverty and inconsistency in the political and economic policies of the country. This situation is a negation of the provision in the 1999 Constitution. In the Article 16 of the 1999 Constitution of the Federal Republic of Nigeria, it is stated that:

- a. The state shall, within the context of the ideals and objectives for which provision are made in this constitution-
  - i. Harnesses the resources of the nation and promotes national prosperity and an efficient, dynamic and self-reliant economy.
  - ii. Controls the national economy in such a manner as to secure maximum welfare, freedom and happiness of every citizen on the basis of social justice and equality of opportunity.
  - iii. Without prejudice to the right of any person to participate in areas of the economy within the major sectors of the economy, protect the right of every citizen to engage in any economic activities outside the major sectors of the economy.
  - iv. Without prejudice to the right of any person to participate in areas of the economy within the major sectors of the economy, protect the right of every citizen to engage in any economic activities outside the major sectors of the economy.
- b. The state shall direct its policy towards ensuring:
  - i. The promotion of planned and balanced economics development;

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- ii. That the material resources of the nation are harnessed and distributed as best as possible to serve the common good;
- iii. That the economic system is not operated in such a manner as to permit the concentration of wealth or means of production and exchange in the hands of a few individual or of a group; and
- iv. That suitable and adequate shelter, suitable and adequate food, reasonable national minimum wage, old age care and pensions, and employment, sick benefit and welfare of the disabled are provided for all citizens.

The present political and economic realities in the country are outright negation of the constitutional provisions. Wealth of the nations is concentrated in the hands of the few ruling elites. The largest percentage of Nigeria population cannot cater for the three basic necessities of life – food, clothing and shelter. The minimum wage of the workers cannot “take them home” while the support services for the unemployed, the aged and the old are not in operation in the country.

The improper implementation of the constitutional provisions has been affecting the economic growth of Nigeria. The rate of the economic growth is different from one country to another. The size of an economy is usually measured by a number of indicators, such as Gross Domestic Product (GDP) or Gross National Income (GNI) (Olaniyan and Lawrence, 2005:118). Conventionally as agreed among experts, the growth rate of Gross Domestic Product has been a reliable yardstick to measure the growth rate of a nation’s economy. The Gross Domestic Product (GDP) of Nigeria economy has been fluctuating as a result of inflation, mono-economic (or rather over-dependence on petroleum products) and poverty.

At the period of oil boom (1970 – 1975), the GDP of Nigeria economy rate at an average of 7-6 percentage. This led to an increase in public expenditure as a result of Gowon’s determination of reconciliation, reconstruction and rehabilitation of Nigeria economy after the Civil War. There was a downward turn in the country’s GDP between 1980 and 1985 because of the drop in value of oil products in the world market.

By 1986, Babangida’s administration introduced Structural Adjustment Programme to revamp the economy. The GDP of Nigeria economy rose by 3.7 percent between 200 and 2003. All this while, Nigeria has been practicing mono-economy by solely depending on oil products. Consequently, agricultural sector suffers reckless abandonment by the government and his agencies. Recently, government has been making efforts, through the provisions of loans for farmers, to improve agricultural sector. Olaniyan and Lawanson (2005:124) comment:

*With the introduction of democracy in 1999, the focus of agricultural development has been on the promotion of small-scale irrigation (Fadama Farming), merging of FEAP, FBN and NACB to become Nigerian Agriculture and Rural Development Bank and the increase in capital base of ACG SF’ to #1 billion while the minimum uncollateralised amount for individual farmers is raised to #20,000. The maximum loan that can be guaranteed is now #500,000 for individuals and #5million for corporate farms.*

Despite these policies, agricultural sector of the economy has not been able to produce food that is enough to feed the populace. For almost five decades and in an effort to eradicate extreme poverty in the country, the Federal Government of Nigeria has been embarking on various developmental programmes and projects. The first attempt by the Federal Government was made shortly after political independence of 1960. The developmental planning was put in motion in 1962 and ended in 1986.

The first post-independence plan was termed the *First National Development Plan* for 1962-1968 (Olaniyan and Lawanson, 2005:130). The primary objectives of this plan were to ensure the economic growth of the country and to ensure the improved living standards of Nigeria across levels. In order to achieve the stated objectives of the plan, Port Harcourt Oil Refinery, the Kanji Dam and the Nigerian Security Printing and Moving Plant were established. Unfortunately, the plan failed based on these reasons:

- a. Inadequate human resources to ensure that all machineries are in motion for the achievement of the plan. As part of this problems, majority of the economic abusers are foreigners.
- b. Political instability characterized by coup and counter coup. This situation reached its climax with the Civil War that began in 1967.
- c. Over-dependence upon foreign assistance and allies. The large part of the human and financial resources was expected from foreign countries that have their selfish motives. Infact up to 50 percent of the plan was to be financed by foreign allies (Olaniyan and Lawanson, 2005:130).

The failure of the first national development plan led to the inauguration of the *Second National Development Plan* that spanned four years (1970 – 1974). This developmental problem was inaugurated shortly after the end of the Nigerian Civil War. After the war, the Federal Government worked on the programmes of rehabilitation, reconstruction and reconciliation. For this reason, the plan has main primary objectives:

- a. A united strong and self-reliant nation,
- b. A great dynamic economy,

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- c. A just and egalitarian society,
- d. A kind of bright and full opportunity for all citizens, and
- e. A free and democratic society.

Various economic programmes were introduced and the country was unable to achieve the said programmes because of the oil boom. The only short coming of this is that the country failed to maintain a just and egalitarian society there was an economic gap between the rich and the poor in the country.

From 1975 to 1980, the country introduced the *Third National Development Plan*. The plan that was formulated during the period of oil boom could not achieve much because of the fall in oil revenue. There are seven points in the plan's short-term objectives. These are:

- a. Increase in per capita income
- b. More even distribution of income
- c. Reduction in unemployment
- d. Increase in the supply of high-level manpower
- e. Diversification of the economy
- f. Balanced development
- g. Indigenization of economic activity

The plan failed in achieving its stated objectives because of the national debt that the country incurred as a result of fall in the price of oil in the world market. Consequently, this led to poor capital development in the country.

The failure of the third national economic plan led to the formulation of the *Fourth National Development Plan (1981 – 1985)*. The objective of the plan was to promote economic growth and development in the country and social equity. The focus of the plan was on agriculture, education, manpower development, health, housing and infrastructures. The plan failed as a result of inflation and high volume of corruption in the country. Owing to the failure of the third development plan, the government introduced Structural Adjustment Programme (SAP) to restructure the country's economy. Since its formulation in 1968, the Structural Adjustment Programme (SAP) was still in operation till 1993. The aims of the programmes are:

- a. To restructure and diversify the productive base of the economy in order to reduce dependence on the oil sector and imports;
- b. To achieve fiscal and balance of payment viability over the period;
- c. To lay a basis for a sustainable non-inflationary or minimal inflationary growth; and
- d. To lessen the dominance of unproductive investment in public sector, improves the sector's efficiency and intensify the growth potential of the private sector.

All these plans failed to alleviate or eradicate poverty because of improper implementation and mono-economic practice of the country. Any economic measure taken by the government to eradicate poverty creates further economic problems.

### POVERTY IN NIGERIA: A CRITICAL DISCOURSE

As a major indicator of underdevelopment, the constant increase in poverty rate appears to be the most fundamental problem confronting the Nigerian state. By definition, it is a state of lack or inadequate access to basic necessities of life. It is therefore safe to state that poverty in the country is alarming primarily due to policy implementation and social stratification. Olaniyan and Lawanson (2005:111) identify two factors that determine the magnitude and level of poverty in a country and these are the average level of national income and the degree of inequality in its distribution.

Most developing countries, among which is Nigeria has low national income. Among economists, national income of a nation is always used to measure human development index of a nation through per capita income. In economic discourse, per capita income is the total national income of a country divided by total population. In Nigeria, low per capita income is affecting the GDP (Gross Domestic Product) of the country because of poor human capital development. The rate of poverty in the country is increasing daily as a result of poor political and economic policing.

Some factors that increased the extent of poverty in the country are personal, institutional and external. These factors are: poor income; large number of dependents; misplace of priorities and spending beyond income level; mono-economy or rather too much dependent on oil product with the neglect of agriculture; illiteracy and ignorance; foreign debts and debt servicing; political instability and internal strife; lack of continuity in government programme; corruption in private and public sectors and unemployment and under-employment of employable individuals.

In the contemporary Nigerian society, poverty has cause-effect outlook. Some of the effects of poverty are: increase in crime rate; prostitution; poor human capital development; fall in economic turn over; piracy of intellectual prosperity; poor condition and standard of living as evident in malnutrition and poor health and corruption. According to Adesuwa (2017), poverty is caused by

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government corruption, lack of economic infrastructure, poor access to education and poor access to health care. He is of the view that government officials pocket money meant for building roads, electricity and running waters, and that there is no access to micro-credit for the populace.

### RECOMMENDATION

In Nigeria, corruption has two folds relevance in any discourse. It constitutes the cause and at the same time, it is one of the end products of poverty. In an attempt to move out of perpetual poverty, Nigerians engage in various corrupt practices and at the same time, Nigerians see no moral laxity in their get-rich attitude.

For sustainable human capital development, government of Nigeria should do the following:

- a. Promotion of education: - Investing in girls' education (Muhammad, 2019). This will reduce the level of illiteracy and ignorance in the country. Individuals in the country will learn how to utilize their intellect to outgrow poverty.
- b. People's participation in Poverty Alleviation Programme should stop using top-down approach in its poverty alleviation programmes. Nigerian know what their felt needs are in poverty alleviation project. Rather, government is advised to use bottom-up approach in poverty alleviation. People show much and deep interest in programmes that emanate from them. This in return will help in human capital development. This was observed by Odunuga (2004:130) that areas where poverty alleviation strategies have had a medium of success are those in which the communities have been able to take the initiative themselves, though without necessary disregarding government policy.
- c. Diversification of economy: - Government of the country should diversify the economy since the country is blessed with abundant human, material and natural resources. A vibrant economy that can stand a test of time can only be built through diversification (Muhammad, 2019).
- d. Social security scheme: - Government should make social security scheme available to the citizenry since poverty is multidimensional in nature. This in return will reduce the number of dependents in an economy. The multidimensional nature of human capital has been commended on by Odunuga (2004:125) as he writes that 'human poverty is recognized as multidimensional phenomenon – it is defined as being based on a wide range of factors that include the lack of access to income – earning and productive activities and to essential social services – health, education and safe water. In monetary terms, a poor person is one who subsists on US \$1 a day or below.
- e. Continuity of national project: - Nigerian government is known for their notoriety in project abandonment when new government assumes office. In Nigeria, various programmes geared towards poverty alleviation have been adopted but later abandoned by new administration. Among these programmes is "Better Life for Rural Women".

Human Capital Development in the country can be attained when the government paid committed attention to poverty alleviation. The human resources of the country can deliver economically when they are physically, economically, morally and psychologically empowered to overcome poverty. The worrisome state of poverty in the country should be addressed for effective human capital development.

### CONCLUSION

The study dealt with poverty eradication and its implication on human capital development. Poverty has been institutionalized in Nigeria and it can take some decades before it can be alleviated. Some government programmes aimed at poverty eradication are politically-motivated. It is either aimed at campaigning for elective post or sustains the elective post that has been acquired. It is only when the government has genuine interest at eradicating or alleviating poverty that success can be attained. On the circulation between poverty alleviation and human capital development is seen in the aphorism "a hungry man is an angry man". It is when people are intellectually, physically, morally and psychologically enriched that the nation can attain sustainable human capital development.

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