



# Government And Poverty Alleviation in Ondo State, Nigeria

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## Abstract

Poverty is a household name most especially in the Third World Nations. However, it is a plague that affects all people across the globe. Governments at all levels had embarked on policies and measures at different times to eradicate this menace to no effect. Thus, the phenomenon 'poverty alleviation' emanated.

This paper therefore examined different measures embarked upon by governments in Nigeria in general and Ondo State in particular with special attention on government activities since the inception of Democracy in 1999. Efforts were made to engage in descriptive comparative analysis of the efforts by successive governments in the state, using econometric analysis of simple ratios and percentages. Most importantly, an in-depth examination of the policies of the present day government (the Dr Olusegun Mimiko-led administration) was carried out. Not only this, the extent to which these measures had affected the lives of common man on the street was also examined. It was thus found out that the present day administration was able to achieve so much in poverty reduction in the state basically as a result of its grass root (house-to-house, door-to-door) policies implementation.

The paper therefore recommends that for a government to achieve its set goal of affecting the lives of her people, such people-based (see-and-buy) policies of the present day administration in Ondo state must be the main stream of such an administration. The type of unmonitored delegation; "money-must-pass-hands" policies where governance is maladapted and hide and seek; corruption laden governance prevail in the administration of a state must be totally jettisoned as this aid diversion of public funds, breeds corruption and enhances poverty.

**Key words:** Poverty Alleviation, Econometric, Corruption, Economic Growth, Infrastructure

## 1. Introduction

Poverty is a common plague afflicting people all over the world especially in the less developed countries and Nigeria, despite being a resource-rich country is not left out. The fact about poverty in Nigeria boils down to the point that many Nigerians are living below the normal standard of living and are lacking basic needs and necessities. A record from the CIS World Factbook 2012, showed that Nigeria is ranked No.7 in the world's most afflicted countries in terms of poverty, with approximately 70% of her population living below standard- poverty level. Since the attainment of independence in 1960, the National Development Plans (otherwise referred to as Rolling Plans) hinge on the provision of the network for the pursuit of development objectives of which the attainment of rapid increase in the nation's productive capacity with a view to improving the living standards of the people stands as a priority. This idea of improved standard of living suggests an element of concern for poverty

alleviation. This also manifest in the commitment of successive governments in rural development as it is believed that the poor are predominantly located in the rural areas. Against the background that these poor engaged mainly in agriculture in virtually all the National Rolling Plans, up to the Structural Adjustment Programme (SAP), agricultural production was always accorded the highest priority (Obadan, 2002).

For instance, in 1973, the Federal Government created Agricultural Credit Guarantee Scheme Fund (ACGSF) with Nigerian Agricultural and Cooperative bank (NACB) saddled with the responsibility of implementing the scheme. In addition, the Basins Loan Scheme, the National livestock Development Project (NLDP) and the National Directorate of Employment (NDE) were established in 1987. Among other initiatives were the introduction of Directorate for Food, Roads and Rural Infrastructure (DFFRI), Better Life for Rural Women, and Family Support Programme (FSP).

A worrisome version of the idea is that despite all the aforementioned and the most recent programmes, it seems the level of poverty is increasing on daily basis. The idea of CIS above thus corroborates Obadan (2002) that put the incidence of poverty in Nigeria to have risen to 70 percent at the national level as at 2000. He thus posits that the increasing incidence of poverty in the nation suggest that the successive programmes and schemes were ineffective and inefficient. This ugly phenomenon hashowever spread over the states of the nation, with Sokoto state having the largest share of about 81.2% of her citizens living under immense poverty (National Bureau of Statistics: March, 2013).

Ondo state, like other states shared a proportion of this gruesome economic challenge, as the statistics from the NBS (National Bureau of Statistics) in 2013, indicated that about 45.7% of the inhabitants of the state is suffering from poverty.

The main objective of this study is therefore to overview some poverty alleviation programmes in Nigeria since the inception of the third democratic settings in 1999. A dynamic approach is adopted by examining the pace of poverty reduction policies in Ondo state of Nigeria. An on-the-spot comparative, descriptive analysis is conducted.

## **2. Conceptual and Empirical Literature**

It is essential to attempt to define the subject-poverty as an economic phenomenon of lacking both money and basic necessities needed to successfully live; such basic necessities as food, water, education, healthcare and shelter (CIA world Factbook, 2012).

There are many working definitions of poverty, with considerable debate on how best to define the term. However, lack of income security, economic stability and the predictability of one's continued means to meet basic needs, all serve as absolute indicators of poverty.

The economists perception of poverty as seen above lives much to be considered. In the words of Adawo (2011), it is the thinking of the poor that reveals to him " I am poor" or "I am not poor". Here the idea of contentment and discontentment stands out. However, contrary to the material measurement of poverty as well as economists idea, the question is, what happens to a perceived wealthy individual who lacks adequate contentment in all what he has. Thus, Ekong (1991) refers to the phenomenon as a state of mind rather than the expression of life situation.

The poor, in the words of McConnell (1975) are heterogeneous and that they cut across geographical regions and are found in all sectors of human endeavour.

Different empirical studies have revealed that poverty is a global phenomenon to the extent that the United Nations Development Programmes (UNDP) and the World Bank reported that more than one billion people or one-fifth worldwide lived in extreme poverty and that such poverty has a leading cause of mortality (UNDP, 1994).

However, poverty may be defined as the economic condition of lacking predictable and stable means of meeting basic life needs. The above definition of poverty actually justifies the true position of many Nigerians who are living below the normal standard of living (1 Dollar per day).

With the idea of people living in the rural areas as being vulnerable to poverty, Adawo (2011) in his study advocated a clear and unambiguous identification of the poor and opined that poverty alleviation policies should be directed to them. In accordance to the prevalence of agriculture in the rural areas, he advocated Agricultural Revamp Centres (ARC). In his words, these should be created at clans of each local government where agricultural extension officers should be available to direct and interact with rural farmers for optimum results.

One major setback in this programme is that the benefits of agricultural growth have been unfairly skewed toward richer farmers leading to increasing inequalities and inequalities in the countryside (Agarwal, 1986; Epstein, 1973; Frankel, 1971). To the extent that the mindless accumulation of public funds at the expense of the poor makes the target of the agricultural funds difficult to identify and satisfy; such that even the women who produce 63% of the food consumed in Nigeria (Adawo, 2010) are not involved. Thus, making the absolute number of the poor in Nigeria frightening. The level to which micro credits are expended towards poverty alleviation in Nigeria is commendable. Fasoranti (2008), with the aid of questionnaire and descriptive statistics found that micro credit scheme in Ondo State had positive influence on respondents' major macroeconomic variables such as savings, income, consumption, expenditure and assets acquisition.

Poverty can be categorized as case poverty and insular poverty. Case poverty is the kind of poverty seen in every community – rural and urban with features such as “junk – filled” yard and dirty children playing in bare dirt, families affected by mental deficiency, bad health, inability to adapt to the discipline of modern economic life, excessive procreation, alcohol, insufficient education e.t.c. Insular poverty on the other hand manifest itself as an island. In this imaginary island, everyone or nearly everyone is poor. There is also relative poverty and absolute poverty. Insufficient resource base, lack of income, narrow margin, high risk of failure, hunger, disease, malnutrition and the like all characterized absolute poverty. While relative poverty manifests in irrelevant comparison of one's material position with others, mostly age groups and peer and experiencing deviational outcomes from expectations.

Burkey (1993) posits that lack of modernization tendencies, physical limitations, bureaucratic stiffing, dependency of Third World Countries and exploitation by local elites account for poverty in a nation.

However, more often than not, the developing nations (including Nigeria) manifest some other factors that cause poverty. These can be endogenously oriented, such as illiteracy and laziness (Adawo, 2011) or exogenously caused.

In general, corruption, low productivity, exploitation, drought, flood and water logging, earthquakes, illiteracy, increased population, indebtedness, poor management and lack of credit facilities can be identified as major causes of poverty in Nigeria with the menace of corruption as integral. No institution can stand in an environment where corruption prevails. Corruption deprives the populace the necessary amenities and infrastructure to develop. To the extent that when good road network, health facilities, electricity and portable water are not provided, poverty is endemically spread. The level of corruption in Nigeria has reached an alarming stage such that the gap between the political class and the common man is widening day-in-day-out.

As said earlier, successive governments in Nigeria had embarked on several programmes at alleviating this menace without success. What Obadan (2002) refers to as embarrassing paradox of poverty in the midst of plenty in Nigeria. However, one should not look away from the side of the unwillingness of the government to clearly identify personally those who are to benefit from such programmes. This constitutes a major draw-back in government's implementation of poverty alleviation programmes. To the extent that programmes that are geared towards poverty alleviation are planned, yet information to that effect does not reach the affected people. Such include the agricultural programmes and the rural people (Adawo, 2010).

In the light of the above, government at all levels still show deep concern for the widespread of poverty and embarked on measures to ameliorate the menace. Different approaches are adopted from time to time with a good number of them yielding fruits. It is on this premise that this paper focus on Ondo State of Nigeria as a case study. This is borne from the fact that the researcher has an on-the-spot assessment of the situation in the state. This is not to say that other states are not on their toes. Of course, the issue of poverty alleviation programmes in Nigerian states is a matter of competitiveness.

### **3. Poverty Alleviation and the Nigerian Economy: The Case of Ondo State, Nigeria**

Guntur (2007), says that poverty is an unacceptable human condition that can and must be eliminated by public policies and action. To this extent, frantic efforts have been made by government in Nigeria in the past to combat poverty at various levels. A cursory look at the measures and

programmes embarked upon by the Federal Government have featured programmes as mentioned above such as Directorate of Food, Roads and Rural Infrastructure (DFRRI), Better Life Programme (BLP), Family Support Programme (FSP), National Directorate of Employment (NDE), Family Economic Advancement Program (FEAP), Peoples Bank of Nigeria (PBN), Federal Urban and Mass Transit Programme, National Agricultural Land Development Authority (NALDA). Despite the laudable programmes outlined above and the huge scarce resources devoted to poverty alleviation, the level of unemployment and the general well-being of many Nigerians have failed to improve, all as a result of poor implementation of these programmes vis-a-vis corruption and misappropriation of resources.

This is what Samuelson (1976) refers to as unnecessary poverty in the midst of plenty and poverty due to uneven and bad distribution of income and affluent total Gross Domestic Product (GDP). Thus, the World Bank (1996) description of Nigeria as a paradox.

Obadan (2002), opined that the paradox has continued to be confirmed by events and official statistics in the country. According to him, the paradox is that the poverty level in Nigeria contradicts the country's immense wealth. The level of poverty in Nigeria is astronomously great to the extent that it becomes worrisome.

With this awareness, successive governments in Nigeria since independence in 1960 have attempted to alleviate poverty among Nigerians through various sectoral programmes in agriculture, health, transport, housing and financial sector.

Some multi-sectoral programmes were also introduced as mentioned above. Furtherance to these, Community Action Programme for Poverty Alleviation (CAPPA) and the Family Economic Advancement Programme (FEAP) 1997 were also instituted.

### **3.1. The Case of Ondo State, Nigeria**

The advent of civilian government in 1999 in Nigeria ushered in the first civilian governor of the state in the third republic. The first effort made by the administration led by Late Chief Adebayo Adefarati was the full implementation of the National Poverty Eradication Programme, even though it was then a federal government Programme.

The National Poverty Eradication Programme (NAPEP) was established in 2001 which has the goals of training youths in vocational trades, support internship, micro-credit supplies to small and medium scale enterprises and creation of employment in the automobile industry. These goals were to some extent accomplished and poverty level seemed to be reduced in the state at the end of the Administration in 2003.

In addition, the Oil Producing Areas Development Commission (OSOPADEC) was inaugurated by the then Administration in 2002. This was done to alleviate poverty in the oil-rich communities of the state. This, however brought succor to the hitherto neglected communities. The commission was charged with the mandate to manage 40% of the 13% mineral derivation accruing to state from the federation account for the development of the oil rich communities. It has been providing infrastructures and empowering the people. It is involved in the provision of school buildings, health centres, roads, canal dredging, construction of jetties, construction of foot bridges, award of scholarships and bursary. These roles were performed well under the said administration.

Another administration took over in 2003 with late Dr. Olusegun Agagu as the governor. The administration embarked on some community development programmes which however on the long run were not able to make a significant change in the poverty level of the state. This probably might be due to high level of poor programmes implementation. The programmes embarked upon during this administration include Critical Care Unit (CCU), Micro-Credit Schemes, Skill and Manpower Acquisition Programmes, provision of water (i.e. Boreholes), maternal and child health care. Some, if not all these achievements under the administration seemed to have positive impact on the well-being of the indigents, however, such projects have faded away in recent times. Nonetheless, some performed poorly below expectation. Even the FADAMA programme aimed at promoting agricultural development could not rise to expectation. Thus, during the second administration in the state, programmes aimed at alleviating poverty could not be said to have achieved excellent success. With this, the dividends of democracy eluded majority of the poor class citizens.

The programmes under this administration were implemented top-down. The concerned rural populaces who are the targeted beneficiaries were never involved nor their opinions sought. Even though the administration did commendable work in some areas such as intra-townroad constructions,

the programmes that would have added to the standard of living of the populace were poorly implemented. As in the words of Idacheba (2000), the benefits are hijacked by the non-targeted people while the illiterate poor in the remote areas are not adequately touched.

However, this is the area where the present Olusegun Mimiko administration outperforms the previous administrations. The much talked about Rural Participatory Appraisal (RPA) programme as a means of identifying and capturing the targeted audience is adopted by the administration. The government in Ondo State in tandem with the overall national goal of vision 20:2020 has embarked on a number of integrated programmes to ensure purposeful and sustainable poverty alleviation in the state. It has therefore evolved a wealth creative agenda.

On assumption of office in 2009, the team leader (Dr. Mimiko) made known to the people of the state, his intentions and plans to transform and rescue the state from the menace of poverty and backwardness it had suffered in the time past. This commenced through his “*A Caring Heart*” transformation Agenda, which cuts across all sectors of the state and lives. He however started the transformation process through the “*KaadiIgbe Ayo*” which was designed to enhance the standard of living of the people of the state; to know the areas to be focused or that requires quick attention. This is a Personal Interactive System Syndrome (PISS).

In its quest for alleviating poverty in the state and enhancing standard of living of her citizenry, the administration have embarked on the following poverty alleviation and relief programmes, the aftermaths of which have better the lives of the people and drastically reduced the level of poverty in the state.

1. ***Abiye Safe Motherhood and the Mother and Child Hospitals.*** These have helped a lot in reducing the maternal and infant mortality rate to the barest minimum, which was not the case in the recent time;
2. ***The concept of MegaSchools and free transport for students.*** This was done to bridge the gap between the poor and the rich in the state, so that everyone (child), will have equal access to primary school education and this has worked well over the years to the extent that each of the 18 local government areas has her own mega school.
3. ***Ultra-Modern Markets.*** This administration provided new markets with modern facilities to all communities in the 18 local government areas of the state. This have helped to reduce the slum development in market place of many communities. Market women now buy and sell in a comfortable, modest and clean environment. More so, the special Auto-mart buildings have helped in reducing cost of automobile, most especially in the state capital, and as well caught attention in the international scene. This had added value to lives of the citizenry.
4. ***Micro-credit Schemes and Youth Empowerment Programmes.*** Over the years, credits have been granted to small and medium scale entrepreneurs to promote their businesses and reduce unemployment. These programmes had been carried out without partiality or preferential treatment and many people in Ondo state can boast and testify to this. In addition, youths have been empowered by rendering assistance to them both in cash and in kind and sponsoring them in their technical careers. These altogether have helped to reduce social vices and shun societal unrest over the last four (4) years. This is what Dr. Olusegun Mimiko termed as “*the investment in peace*”. In fact, Security Agencies have had lesser work to do, due to the effectiveness of this programmes;
5. ***Agric Villages and Centres.*** These have helped in the generation of employment for the unemployed youths and increase in agricultural produce in the state. Over 2,000 youths have been employed through these means in the 3 centres located in the 3 senatorial districts of the state.
6. ***Tourism and Sport Development.*** The present administration over time has helped enough to promote tourism in the state. A living testimony of this is the “*mare*” festival in IdanreHills which has now caught attention from the international scene. Not to mention sport development, in which Ondo state became the first state to own an Olympic-Standard swimming pool, and for the very first time the state football team, the “Sunshine Football club” reached the semi-final of the last African Champions League, therefore making football and other sports fascinating and so many youths, now clamouring to partake in sporting activities; thus jettison social vices.

However, the overall summary of estimated costs by the administration on programmes that aid poverty alleviation in the state is presented in the table below:

#### Summary of Estimated Costs on Poverty Alleviation Programmes in Ondo State.

Sector	2010			2011 Capital Recurrent Total			2012 Capital Recurrent Total			2013 Capital Recurrent Total			Total
	Capital	Recurrent	Total	Capital	Recurrent	Total	Capital	Recurrent	Total	Capital	Recurrent	Total	
Agriculture	3,908.77	231.61	4,140.36	3962.69	250.92	4,230.60	3,870.65	256.12	4,126.77	3,919.56	256.64	4,176.19	16,646.94
Education	5,291.42	2,787.90	8,079.32	5,263.25	1,299.07	6,552.32	3,153.54	1,826.08	4,979.62	5,233.97	1,972.40	7,206.37	26,817.62
Industry	5,883.90	32.50	5,916.40	5,138.66	1,502.50	6,641.16	4,249.80	250	4,252.30	3,451.30	250	3,453.80	20,263.66
Health	4,071.00	920.08	4,991.08	6,794.80	1,738.66	8,523.46	6,385.40	2,345.08	8,730.48	1,788.50	2,752.58	4,540.58	26,786.60
Infrastructure	18,105.83	551.06	18,656.89	24,938.60	557.56	25,496.16	36,368.80	563.56	36,932.36	48,414.77	672.76	49,087.53	130,172.95
Culture and Tourism	21.80	20.40	41.58	21.18	20.40	41.58	21.18	20.40	41.58	21.18	20.40	41.58	166.30

Source: Ondo State vision 20:2020

The table and figures above show the various estimated costs incurred by the present administration in her quest to ameliorate poverty in the state. It was that Infrastructure receives highest expenditure with ₦130.2billion (58.9%) over the years, followed by Education sector with ₦26.8billion (12%); Health received ₦26.8billion (12%), Industry with ₦20.2billion (9.2%) and Agriculture with ₦16.6billion (7.5%); Culture, Sport and Tourism received the least expenditure with ₦166.3million (0.075%) over the four years. This attest to the great concern accorded poverty alleviation in the state by the present state administration.

Other programmes embarked upon by the present administration in the state include provision of solar water supply in many communities, road construction and rural electrification, which have also helped to raise the wellbeing of the people of Ondo state. These programmes are however inexhaustible and no single study could capture the areas of involvement of the government in poverty alleviation in the state as both qualitative and quantitative approaches are employed on daily basis.

Our tertiary institutions in the state were rated the best, paying the lowest tuition fees, admitting students on purely merit, thereby given the same opportunity to both rich and poor. This is coupled with the high level of infrastructural development in the institutions of higher learning in the state.

#### 4. Conclusion and Recommendations

The consequence of poverty and the inherent effect on both the state and her citizens account for the reason why it is been avoided as a plague. Nonetheless, with the level of its spread in most sub-Saharan African countries and Nigeria in particular, there is need to harmonize efforts in tackling the menace. No effort will be too much if it is geared towards the issue of poverty alleviation.

Having examined the subject matter of poverty in Nigeria and Ondo state in particular, its causes, effects and various measures that have been employed to combating it in the recent past, and the effectiveness of these measures and programmes, one can conclude that poverty is a phenomenon which cannot be eliminated, but reduced.

However, reviewing the efforts of the present day administration in the state, with various approaches as outlined above, one could conclude that the extent to which these measures had affected the lives of common man on the street cannot be overemphasized. Thus, there is the need for a strong political will and commitment to the poverty reduction agenda as could be seen in the present day administration in Ondo State Nigeria. Political will, coupled with guided delegation will do the wonders. The need to de-politicization of poverty alleviation programmes and projects as advocated by Obadan (2002) cannot be overemphasized. In his words, 'it is important to give expression to poverty alleviation objectives in national development plans with the strategies and measures integrated into the country's overall development/policy management framework. This is of course not negotiable if poverty is to be reduced at all. In general, there is no government that could strive in the face of corruption. The endemic nature of corruption plaguing the nation Nigeria lives much to be considered. Corruption as an household phenomenon an endemically entrenched in the political cycle

had been the bane of growth and development in Nigeria since independence. For meaningful development to thrive, this menace must be dealt with not with lip-service as it is now in the nation but with all sense of seriousness.

Moreover, the government should continue to provide an enabling environment that would attract and retain local and foreign investors and spur economic growth, which would lead to more jobs, increase in goods and services, improvement in the health of citizens and reduction in the poverty profile of the state and Nigeria as a whole benefiting. Not only this, people-based, grass root, house-to-house programmes should be re-evaluated and re-engineered to have better impact on the lives of the entire citizenry of the state.

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