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**AFRICA´S LARGEST ECONOMY, WORLD´S POOREST PEOPLE:  
PARADOX OF THE NIGERIAN STATE IN A DEMOCRACY**

**Abstract:**

Nigeria's 1999 transition to civilian government culminated a long, turbulent period of military rule and failed democratic experiments. At the time of the political handover, many Nigerians expressed hopes for a "democracy dividend" that would expand political liberties, improve the performance of government, encourage accountability among leaders, and revive the ailing economy. However, the anticipated benefits of democracy have been slow to emerge, and the new dispensation has failed to fulfill the expectations of many Nigerians. This essay examines the poverty situation in Nigeria in relation to what democracy, as a people-centered system of government, should offer the citizenry especially in a country regarded as rich in human and material resources. It traces the interface between democracy and the poor while analyzing the trends, patterns and causes of poverty in the country. The failure of the present democratic government to alleviate the alarming level of poverty is also brought into focus. It suggests ways of reversing the unpleasant trend.

**Keywords:**

Poverty, Democracy, Economy, State, Government

## Introduction

Nigeria possesses Africa's largest oil and gas reserves. For instance, it exported US\$86.2 billion of petroleum products in 2011. When the country gained independence from British colonial rule in 1960, such resources led many Nigerians to be optimistic about the future of their country (HRW, 2012:24). Nigeria is oil rich, but nearly all the revenue is diverted to only one percent of the population (CFR, 2010). In other words, despite her significant natural and human resources and its considerable economic potential, Nigeria's economic performance, human development and overall social transformation do not match its potential. Its size, wealth and diversity generate high expectations but it remains "a rich country with poor people" (NBS Poverty and Income Distribution Report, 2012). Poor investment in the nation's critical infrastructure and under-investment in health care, education, science, and technology are all leading to a "brain drain" in which Nigeria's most talented and educated citizens are leaving the country (CSAT, 2011:vii).

Over the past few decades, poverty has increased, and key public institutions have crumbled. Several hundred billion dollars of public funds have been lost due to corruption and mismanagement. Despite the federal government's "war on corruption," graft and corruption remain endemic at all levels of government (HRW, 2012:24). According to Abati (2006): Democracy for a people such as Nigerians who have long been beaten by military mis-governance, maltreated by thieving rulers, can only mean concrete transformation in their lives. This is why the average Nigerian speaks of democracy in terms of dividends. The people think of democracy in empirical terms. They want a democracy that they and their children can see, feel and touch. But on the average, there have been no far-reaching transformations in the social sector. Human life in both the cities and the rural areas is on the edge of despair.

With about 170 million inhabitants, the country has long been the most populous in Africa, but it is only now being recognized as the continent's largest economy. In April 2014, the government began to release "rebased" data that showed a gross domestic product of \$510 billion in 2013, compared with \$354 billion for South Africa. Under the revised data, Nigeria now estimates that its GDP is nearly \$510-billion (U.S.), a jump of 89 per cent from the previous estimate. The rebased data also revealed an economy

that was far more diverse than previously understood and that, with the right reforms and investments, could become one of the world's leading economies by 2030. The surge in its newly calculated GDP, nearly double the previous estimate, helps to reveal Africa's hidden wealth. The new data include fast-growing sectors, from telecommunications to manufacturing and even the Nollywood film industry, which were never properly counted in the past. Yet, the most recent poverty survey by the World Bank reported that 61 percent of Nigeria's 170 million people live on less than a dollar a day -The irony that necessitates this essay.

### **Conceptualising Poverty**

According to the United Nations (cited in Tribune, 2011) poverty, fundamentally, is a denial of choices and opportunities, a violation of human dignity. It means lack of basic capacity to participate effectively in society. It means not having enough to feed and clothe a family, not having school or clinic to go to; not having the land on which to grow one's food or a job to earn one's living, not having access to credit. The World Bank defines poverty to include "low incomes and the inability to acquire the basic goods and services necessary for survival with dignity. Poverty also encompasses low levels of health and education, poor access to clean water and sanitation, inadequate physical security, lack of voice, and insufficient capacity and opportunity to better one's life" (ibid). Poverty is not only inadequate income; it is also the lack of access to basic services and amenities, the lack of security and exclusion from community life (IFHE, 2003).

There are three major things to be noted about poverty as identified by Adejumobi, (2006:6). First, it is a structural phenomenon that has multidimensional perspective. It manifests in economic, social and political arenas. The second is the process nature of poverty. Poverty is not a natural state of affairs nor is it a specific event. It is usually the result of a constellation of forces that undermines the capacity and living conditions of a people. Third, is the relative nature of poverty; poverty has cultural relativism. Apart from the general standards, there are socio-cultural variations to the issue of poverty. What a society considers to be a feature of poverty may not be

so for some other societies. This is why caution is necessary in understanding the issue of poverty on a global scale. Thus, the poor are described in the following words:

The poor are those who are unable to obtain an adequate income, find a stable job, own property or maintain healthy living conditions. They also lack an adequate level of education and cannot satisfy their basic health needs. As such the poor are often illiterate, in poor health and have a short life span. They have no (or limited) access to basic necessities of life such as food, clothing, and decent shelter. They are unable to meet social and economic obligations. They lack skills and gainful employment and they have few (if any) economic assets and sometimes lack self-esteem (Osinubi and Gafaar, 2005).

However, there are other approaches that define poverty in a more multidimensional way. These approaches include the basic needs approach, the capabilities approach and the human development approach. Their acceptance is reflected in the widespread use of the United Nations Development Programme's (UNDP) Human Development Index (HDI), which is a composite measure of three dimensions of human development: (i) life expectancy, (ii) educational attainment and (iii) standard of living, measured by income in terms of its purchasing power parity (UNDP, 2006 cited in Handley et al, 2009:1). It is also reflected in the Organisation for Economic Co-operation and Development's (OECD) conceptualisation of multidimensional poverty, defined as interlinked forms of deprivation in the economic, human, political, socio-cultural and protective spheres (OECD, 2006).

### **Democracy and Poverty Reduction: Any Link?**

Much has been made of the impressive spread of procedural democracy in recent decades. This change has been welcomed because of the positive economic and social benefits attributed to democracy, the association of democracy with civil and international peace, and also the intrinsic normative value of democratic governance (Marshall and Gurr, 2005). The number of democracies around the world has doubled over the last couple of decades. Overall, democracies have been slow and steady but

not spectacular in reducing poverty. Hence, despite normative assumptions about democracy, it is unclear whether mobility strategies out of poverty and the experience of economic freedom and choice vary significantly across political and governance systems. A review of the economic literature based on household surveys, cross-country regressions, and panel studies confirms that the cluster of factors that are most often associated with growth that benefits the poor are: household endowments; geography; economy-wide factors including macroeconomic volatility and trade policies; and initial levels of inequality in assets, land, and education and literacy (Narayan, 2004:1-2).

Spicker (2012:8) avers that the idea of democracy is as complex and varied as that of poverty, but for practical purposes, it might be summarised in three main classes. Some views of democracy are normative; they are based in democracy as a principle, such as rule by the people, the popular will, government by consent, or republican government. Some views are based in prescriptions for governance, such as accountability, participation, the representation of interests or the primacy of laws. And other views of democracy are institutional, based in the mechanisms and structures of government - the elected legislature, the separation of powers, contested elections, the political parties, the media.

A new demand for public policy monitoring and assessment indicators has been created by the consideration of governance and democracy issues in development policies, and especially in poverty reduction strategies, and the acknowledgement of the crucial role played by the political economy as a factor for successful reforms. The implementation and quantification of these new policies' pertaining to accountability, ownership, participation, voicing and empowerment – pose a formidable challenge to the national statistical systems, which are poorly equipped to meet the challenge in many developing countries (Razafindrakoto and Roubaud, 2006:47). Varshney (cited in Nna and Igwe 2010:138) contends that democracies are not capable of eliminating poverty. He argues that democracies by themselves do not eliminate poverty, but economic strategies do, pointing out that in one practical respect, policies towards the poor can emerge from the same source in democratic and authoritarian politics, both of which can align themselves with the poor if the political elites have a consistent

commitment to them and they force the state structure, particularly its bureaucratic institutions to translate that commitment into an equally consistent policy implementation. Diamond (2003:1) however, argues that:

When the poor are able to sustain their lives and health, raise their skills, educate their children, finance their productive activities, transport their crops and goods to markets, register their property and enterprises, and protect their rights without discrimination on the basis of gender, ethnicity, religion, region, or other extraneous considerations, they are well capable of producing their way out of poverty. However, in every nation where much of the population remains trapped in absolute poverty, circumstances conspire to prevent them from doing these things. These circumstances are invariably political, in that they involve powerful actors at various levels of the society and political system who benefit from the “disabling environment” for poverty reduction and use their power to perpetuate it.

Narayan (2004:3) opines that the strong normative stance about the value of democracy is reflected in the fact that a majority of the world’s population currently lives under some form of democratic regime. However, the seeming failure of many formal democracies to provide freedom of choice and action to their citizens has led to a more sophisticated discussion about variants of democracy, the need to look beyond the presence of multiple political parties and open elections, and the need to understand how freedom and governance are experienced at the local level and how this relates to economic freedom. In his contribution, Ross (2006) argues that the claims that democracy benefits the poor are misplaced: they have not taken account issues that distinguish certain countries, or differences within countries; they have not looked at the importance of particular trends, such as health and mortality; and they are based on biased data, often excluding information from authoritarian governments because the data are missing.

The Multiple Dimensions of Poverty module as explained by Razafindrakoto and Roubaud (2006:56) proposes new poverty tracking indicators to evaluate, and enhance the content of poverty reduction policies. Particular attention has been paid to

household perceptions of their living conditions and their own subjective assessment of their level of well-being. The Governance module focuses mainly on the running and efficiency of the public institutions, objectively and subjectively, and the role of the State. The Democracy module addresses three classic subjects in the field of political surveys: support for democratic principles, the actual practice of democracy and the nature of the link between citizens and polity. Vedeld (2003:166) explains that poverty reduction depends, perhaps, first and foremost on the capacity of the poor to gain access to productive capacity and to demand a higher share of total social surplus-through organised civil action. This requires sufficient representation in political parties and the state to ensure government transformation of power, institutions and resources to initiate mobilisation and promotion of poverty reduction on a large scale.

Diamond (2003:8) identifies three ways by which democracy should provide a corrective to the powerlessness of the poor: First, when competitive elections are truly free and fair, they provide an instrument to remove bad, corrupt, unresponsive, or merely ineffectual leaders. They thus provide an incentive for political leaders to govern more effectively in the public interest, and to be attentive to citizen needs and concerns. This structural incentive should work at the regional and local level as much as the national one. Second, democracy provides non-electoral means for citizens- through their NGOs, informal associations, community-based organizations, interest groups, social movements, and mass media- to articulate and defend their interests, and to participate in the making of public policy. Third, democracy enables all these actors in civil society, as well as elected representatives at various levels of government, to monitor the conduct of public officials, and to seek redress in the courts and administrative processes. Thus, leaders in a democracy also have more incentives (and more institutional means and obligations) to explain and justify their decisions, and to consult a broad range of constituencies before making decisions.

### **The Poverty Situation in Nigeria**

Poverty appears to be an enabling environment, which can become volatile when combined with other factors, such as the presence of clear ethnic and confessional

identities in a geographically inter-mixed settlement patterns within which separate groups remain distinct, inequality, contested control over resources, and failure to achieve or maintain a system for the distribution of resources and adjudication of disputes (Glinkina and Rosenberg, 2003:8). The democratic process in many developing countries is largely telescoped between periodic general elections. The needs and views of the poor are seldom factored into policy making and only those with access to the government or political powers have benefited and done extremely well. Even those welfare schemes that were specifically designed for the poor, like subsidized electricity, water, fertilizer, and credit facilities were usurped by the marauding elite. Many of the services that citizens can legitimately expect from their governments – schools, hospitals, irrigation, public transport, water, and sanitation – have been non-existent in much of the rural areas and therefore not available to most of the poor (Rizvi, 2007:105).

The serious challenge that poverty poses to the country has not been genuinely approached with a view to providing the desired results just as the poor are getting poorer. Nigeria's persistent poverty points to a fundamental failure in national and local governance and exposes the corruption that defines Nigerian life. Odunuga (2012) opines that: "beyond the peripheral gestures where government after government scratch the surface, there has never been any concerted effort to truly address the poverty cancer in the country. In fact, in most cases, the rich have further mastered the art of stealing from the poor in grand style and with impunity. It is apparent that sizeable proportions of our budgets as well as huge potential national incomes end up in the hands of our *kleptocratic* elites". Nigeria's 1996 figure of 67.1 million citizens living in "absolute poverty" with less than \$1 a day has now risen to over 100 million (National Bureau of Statistics, 2011). The 2014 Global Hunger Index (GHI) of the Food and Agricultural Organisation grouped Nigeria among the countries with a high level of hunger threat, with an index of 14.7 compared with Ghana's 7.8. Higher index scores, the report said, indicate higher levels of hunger threat in the rated countries.

Since independence in 1960, the overarching goal of Nigeria's economic development has been to achieve stability, material prosperity, peace and social progress. But a variety of internal problems have persisted in slowing down the



country's attainment of these growth and development objectives. The problems have included inadequate human capacity development, primitive agricultural practices, weak infrastructure, uninspiring growth of the manufacturing sector, a poor policy and regulatory environment and abuse of resources (UNDP, 2009:28). As noted by the New Partnership for African Development, NEPAD (2008: 7), "the greatest challenge confronting Nigeria is how to transform and manage its enormous wealth from oil and gas to achieve socio-economic development". For example, the Governor of the Central Bank of Nigeria, Lamido Sanusi, alerted the country to the impending collapse of the economy. Threat to the economy, according to him, include slowdown in domestic output; especially sharp decline in oil and gas output as a result of crude theft and the decline in agricultural output, imminent increase in the electricity tariff and bomb attacks in the country (The Punch, 2012:15).

At the macro level, Nigeria's economy is problematic. Poverty levels are high, and individual and national prosperity has been hindered by rampant corruption, underdeveloped and insufficient human services and industrial infrastructure, overreliance on a single commodity (oil), a poor education system, and an ever-growing youth bulge (Gordon, 2011:39). Nigeria's persistent poverty points to a fundamental failure in national and local governance and exposes the corruption that defines Nigerian life (Jaquish, 2011:28). In Nigeria, widespread and severe poverty is a reality. It is a reality that depicts a lack of food, clothes, education and other basic amenities. Severely poor people lack the most basic necessities of life to a degree that it can be wondered how they manage to survive. This gory picture remains a paradox in a country regarded as the sixth largest producer of crude oil in the world as rightly captured by the New Partnership for Africa's Development (NEPAD) report on Nigeria:

Nigeria presents a remarkable paradox of an enormously wealthy country both in potential and real terms, serving as home to the third largest concentration of poor people in the world. The country annually makes substantial revenue from oil and gas but has apparently failed to provide basic services for its people (NEPAD, 2008: 33).

Many factors account for this situation, such as; corruption, mismanagement of resources, unemployment, lack of manpower, low standard in the educational system, low income distribution, low Gross Domestic or National Product (GDP, GNP), rural poverty, brain drain, marginalization, deprivation and human degradation, poor performance of sustainable policies and programmes and bad leadership (Otu, et al, 2011:176).

In a report released in 2010 by the National Bureau of Statistics on Nigeria's Poverty Profile, it was shown that in 2004, Nigeria's relative poverty measurement stood at 54.4 per cent but has increased to 69 per cent by 2010. Using four different approaches in the computation of the data, including relative poverty measurement (reference to the living standards of majority in a given society by separating the poor from the non-poor); absolute poverty measurement (based on a general outlook of minimal requirement necessary to afford minimal standards of food, clothing and shelter and healthcare); dollar per day (with reference to the World Bank's Purchasing Power Parity Index, which defines poverty as the proportion of those living on less than 1 US dollar per day poverty line); and Subjective Poverty Measurement (based on self-assessment and the sentiments of respondents), the National Bureau Statistics estimates that 112,518,507 Nigerians qualify to be categorized as poor and in dire need of help (The Nation, 2012:25). Poverty is especially severe in rural areas, where up to 80 per cent of the population lives below the poverty line and social services and infrastructure are limited (IFAD, 2009:2). Nnoli (1989:40) chronicles the basic elements of the poor in Nigeria:

The poor in Nigeria live under very harsh existential conditions. They cannot afford three meals a day. In any case the nutritional content of these meals is very low... The caloric content of the meals is usually below the minimum recommended by the United Nations Organisation. In addition the poor cannot afford a reasonable shelter for self and family, and usually live in very unsanitary environments... Similarly, they lack access to elementary social amenities and basic needs such as adequate transport facilities, pipe-borne water, social security insurance, consumer goods, adequate provision

for old age... The poor man never has any reserves; he lives from hand to mouth.

In the 2009 Human Development Report released by the UNDP (2010), Nigeria was ranked 158<sup>th</sup> out of 182 countries: Human Development Index-0.511 (158<sup>th</sup>) below Uganda (157<sup>th</sup>) and Lesotho (156<sup>th</sup>) and just ahead of Togo, Malawi and Niger who were ranked 159<sup>th</sup>, 160<sup>th</sup> and 161<sup>st</sup> respectively; Life Expectancy of 47.7 years (ranking 167<sup>th</sup>); Adult Literacy Rate of 70% (ranking 112<sup>th</sup>); GDP Per Capital of 1969 dollars (ranking 141<sup>st</sup>); Human Poverty Index of 36.2 (ranking 114<sup>th</sup>) just ahead of Mauritania and Burundi (Vanguard, 2011). Nigeria's infant mortality rate has been estimated to be currently 99 per 1000 births, which implies that Nigeria has the thirteenth highest infant mortality rate in the world (CIA Factbook). The infant mortality of children under the age of 5 was 189 per 1000 births in 2007. These high mortality rates are mostly due to mothers not having enough money to take care of their children. Aderounmu (2007) captures the poverty situation in Nigeria and its consequences succinctly:

The overall consequences of poverty are diverse. Some of these things have spiral effects and these have obviously spun down to the upcoming generations. For example as a result of the range of extreme want of necessities and the absence of material comforts, the children of the masses no longer have access to quality education. They do not have adequate recreational facilities and their social orientations are falsely modified by various things around them and those that they are unduly exposed to... It was not even that bad 10 years ago... Mass poverty in Nigeria is further displayed in the health schemes... The cost of getting good treatment at the hospital is prohibitive and the access of modern health facilities is greatly hindered... The Nigerian masses and elites cannot travel on safe roads. The masses are more affected because there is constant chaos in the public transportation methods... Food, water and housing are 3 important parameters to measure the values of our lives and these things have become elusive to the masses in Nigerians.

It has been observed that the profligacy in the three tiers of government constitutes a major problem of economic stagnation. The wastage of budgetary allocations every year, without commensurate development; the huge cost of running governments, where the Federal Government alone has 42 ministers and the same number of permanent secretaries, directors and countless special advisers and special assistants are clear evidences of this profligacy. The 469 federal legislators spend about 50 billion Naira annually in a country where the minimum wage is 18,000 Naira per month (The Nation, 2011:19). There are about 500 ministries, departments and agencies (MDAs) of government, many of them having overlapping functions while quite a number have no direct impact on the economy. A recent attempt to prune the MDAs through mergers and outright scraping has been futile as the Goodluck Jonathan administration has been unable to carry out such radical change. The result is that what is supposed to be annual budget is mere annual binging on Nigeria's commonwealth by a handful of the population.(The Nation, 2014:19) as the report by the Nigeria Extractive Industries Transparency Initiative (NEITI) for 2007 to 2011 reveals that Nigeria earned N30.09 trillion in the four-year period under review, yet there is hardly a visible impact on the wellbeing of the citizenry and social infrastructure.

While discussing some of the ironies that characterise the largest economy in Africa in comparison with South Africa, Enwegbara (2014) affirms that Nigeria is the most populous nation with highly unproductive youthful class. Nigeria is Africa's largest economy and the 26th largest in the world but it is yet to be an industrial economy and it has virtually all its consumables imported, including from South Africa. Is it not ironical that become the largest economy in the region with mere 4,500MW of electricity against South Africa's 43,000MW? While South Africa's economic competitive advantage is dependent on its high industrial and financial sectors which are driven by the country's world-class infrastructure, Nigeria's economic competitive disadvantage is caused by moribund industrial and financial sectors because of equally moribund infrastructure

As argued by Bayley (1966), in a society where corruption seems to have been embedded in the socio-political and cultural system and may have become institutionalised, those constitutionally appointed to oversee public office may see diversion of public resources to their private ends as sign of political acumen rather than political corruption, thereby creating poverty in the society. Oyebode (2012) however, observes that the misplaced priorities of the ruling class, conspicuous consumption lifestyles embraced by the elite, the ever-widening gap between rich and poor and a dysfunctional and counter-productive disarticulate economy have forced many of our best and brightest including the youth to vote with their feet, having lost any hope that there could be a turn-around in the nation's destiny. While the jury is presumably still out regarding whether Nigeria was a failed or failing state, it is an inescapable fact that all is not well with the country as it is constituted and run today.

### **Concluding Remarks**

In Nigeria, those in power have practically ignored other sources of income, and today, the country depends heavily on exporting oil. This dependency on natural resources is often referred to as "Dutch disease", whereby natural resources make a country less competitive. Excluding the few working in the oil sector, the majority of the people have been impoverished as their products have become irrelevant. The agricultural sector, which was their major means of income before the discovery of oil, is considered almost useless (Ucha, 2010:52). Although a society's security, welfare, and development are more than an agglomeration of its economic activities, it is the economy that is the foundation for social, demographic, political, and material gains. A country's economy provides the funding for new wells, clinics, schools, ballots, and the income to buy life enhancing goods and services (Bouchat, 2010:47). In a research on poverty alleviation, Obi (2007:4) recommends some policy options:

Nigeria now faces three inter-related development challenges that are key both to welfare improvements for the general population and to poverty reduction in particular. First, it has to establish a viable and stable

macroeconomic framework and to streamline the incentive regime. Second, it needs to downsize the public sector and establish an enabling environment with accountability and transparency. Third, and most importantly, it really must adopt sectoral policies and rearrange priorities in public expenditures to promote efficient economic growth, increase productivity and target the poor. These challenges point to the need for Nigeria to make a fundamental shift away from policies and institutional arrangements that promote rent-seeking and towards policies, programmes and institutions that promote efficiency, sustainable, and broad based growth and job creation

In order to promote and sustain political and economic reform, the government needs to substantially reduce the endemic corruption that permeates the public and private sectors. The government needs the revenues lost to corruption, and financial transparency is essential for increased foreign direct investment in the country. Fighting corruption in emerging markets, Heineman (2003) argues, is surpassingly difficult. It involves displacing those with malign power. It cannot be initiated and led by outsiders. It was a primary cause of the popular uprisings in the Middle East and elsewhere. It remains a huge issue in the emerging markets of Africa and Asia and, especially in failed and failing states. It is a pervasive obstacle to legitimate and transparent economic globalization. And it undermines a key goal of current counter-insurgency military strategy- the building of a civil society. In spite of these challenges, as sufficiently demonstrated in Nigeria, the various anti-corruption institutions established by the government should be politically and legally strengthened so as to be able to effectively combat the social phenomenon. This issue has been persuasively dealt with by other scholars.

Investment in physical and social infrastructure has also been identified as a source of the success stories of the developed world. Ukaegbu (2011:22) asserts that: modernizing physical and social infrastructure (roads, bridges, electricity, water works, rail, air and sea ports, educational and health facilities) has several advantages. It is a sure source of creating jobs in the country. The developmental state can use it as avenue to broaden, deepen, and strengthen the skill capacities of indigenous technical

manpower and the scale and scope of production of firms that supply construction inputs. The items of infrastructure facilitate the movement of goods and people. And good infrastructure is a powerful pull of foreign investments.

Good governance and political will are also required to support human development in terms of health and education, legal rights for private enterprise and political freedoms, and the construction and maintenance of a basic physical infrastructure. Such good governance also enhances other economic endeavors (Bouchat 2010:79). Sulaiman (2005) points out that working with ridiculous ratios will not help the country in tackling issues of unemployment, poverty and low productivity:

The teacher – student ratio in the educational sector, doctor- patient ratio in the health sector, police- citizen ratio, etc are ridiculous when compared to our abundant human and material resources. We can never be efficient unless we adopt ratios that are at least close to what developed nations use... Nigeria has 27 doctors per a population of 100,000 people but Egypt and South Africa have 212 and 69 doctors respectively per 100,000 people. Our primary schools contain 100-150 pupils in a class depending on where they are located. Ridiculous ratios indicate that workers are over-worked, resources over- stretched; and there is artificial unemployment in the midst of a lot of vacancies in the economy. When we reverse this trend, efficiency and productivity will increase.

A successful poverty reducing strategy in Nigeria, as suggested by the World Bank (1996) will require a strong and focused emphasis on regional aspects of economic growth, increased access to social services and adequate infrastructure and targeting. Nigeria faces three inter-related development challenges.

1. It has to establish a viable and stable macro economic framework and to streamline the incentive regime.
2. It needs to establish an enabling environment in the civil society that encourages delivery of quality services to the population. This will require emphasis on accountability and transparency.

3. It needs to adapt sectoral policies and rearrange priorities in public expenditures to meet needs identified in the PPA and promote efficient economic growth, increase productivity and target the poor.

These challenges point to the need for Nigeria to make a fundamental shift away from policies and institutional arrangements that compete with the private sector, and focus instead on policies, programs and institutions that promote efficient, sustainable, and broad based growth and job creation. The government needs to make a firm commitment to place poverty alleviation at the forefront of its development strategy, to provide effective resource management and policies that can support a stable and growing economy, thus enabling Nigeria to take its place in regional leadership.

If governments are going to make an effective commitment to the poor, their policies have to engage with the issues of poverty more directly. It is important to consider the distributive implications of policy, and the impact of growth on poor people in different circumstances, but much more is needed: governments have to accept a degree of responsibility for developing systems of support for those who are poor (Spicker, 2012:20). In Nigeria, as posited by Asiodu (2012:21), the degradation in the quality of governance and unresponsiveness to the real needs of the people seem to be accelerating and must be reversed in order to avoid disaster. He argues that what the ordinary man desires is shelter, food, educational facilities to ensure his children's advancement in life and of course adequate and improving availability of power, health and transportation infrastructure. The ordinary man is really not interested in the power struggles among politicians.

As noted earlier, Nigeria is rich in land, people, oil and natural gas resources. If more of this wealth had been channeled to the development of its people and to the productive use of its land and other resources -- then Nigeria could have been poised for a promising future. How Nigeria now addresses its economic and social problems will not only determine its own fate but will also have a major impact on the success or failure of the region. Nigeria should take the lead in demonstrating how growth with poverty reduction can be achieved in Africa.



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