Review

Urban poverty in Nigeria and approaches to poverty alleviation: A review

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The menace of urban poverty though global is most devastating in Africa especially Nigeria. Human conditions have greatly deteriorated particularly during the last decade with real disposable income declining steeply, malnutrition rates have risen sharply, and food production has hardly kept pace with population growth and the quantity and quality of health and education services deteriorating. This present trend of socioeconomic conditions needs to be redressed as this 21st century begins. This paper will review urban poverty and approaches to poverty alleviation due to its multidimensional nature.

Key words: Nigeria, approaches to poverty alleviation, urban poverty.

INTRODUCTION

Urban poverty in Nigeria

There is no objective definition of poverty and no objective way of measuring how many people are poor. The numbers differ greatly according to different plausible definitions (Stein et al., 1995). The definitions of poverty vary widely among international agencies and countries, the most commonly used working definition for international poverty comparisons, and the poverty line is per capita expenditures of US $1 per person per day (adjusted for differences in purchasing power) (World Bank, 1990). While for some it is defined as US $2 per person per day, others calculate minimum caloric requirement as the poverty line. The United Nations has favored composite indices which take into account access to Education and basic health into the computation of poverty and human development measures. In the end, the choice of the poverty line is subjective. Most of the poor in the urban areas in Nigeria live in overcrowded, unsanitary slums and squatter settlements and often do not have access to basic infrastructure and services. They are forced to live in illegal and informal settlements because they cannot enter the formal land and housing markets. The fundamental national objective is to achieve development, central to the attainment of improved societal welfare. World Bank (1996) describes Nigeria's case as a paradox: the country is as rich as its citizens are poor.

Over the last few decades, cities in both developing and developed countries have emerged as the major form of human settlement. By the turn of this century, we will be witness to a ubiquitous scenario where more people will live in and around cities than in rural areas, Nigeria inclusive. In 1800, only 50 million people lived in towns and cities worldwide. By 1975 there were 1.5 billion, also by the year 2000; this will be three billion - more than the entire population on Earth in 1960. Cities have, in effect become a barometer of humankind's "progress" into the 21st century, whether this is an upward trend or downward. Concentration of economic, social, political and administrative organs of a nation or region in cities has made it a magnet for the rich as well as, poor households (Srinivas, 1999). Urban poverty has its roots in the profound inequalities that characterize our societies in a social structure which displays a disdain

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Table 1. Trends in poverty level (1980-1996) (%).

<table>
<thead>
<tr>
<th>Year</th>
<th>Poverty line</th>
<th>Estimated total population (M)</th>
<th>Population in poverty (M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>27.2</td>
<td>65</td>
<td>17.7</td>
</tr>
<tr>
<td>1985</td>
<td>46.3</td>
<td>75</td>
<td>34.7</td>
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<tr>
<td>1992</td>
<td>42.7</td>
<td>91.5</td>
<td>39.3</td>
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<tr>
<td>1996</td>
<td>65.6</td>
<td>102.3</td>
<td>67.1</td>
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Table 2. Incidence of Poverty in Nigeria, 1985-1992 (%).

<table>
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<tr>
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<tbody>
<tr>
<td>Extreme poor (998 Naira)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of poor (million)</td>
<td>10.1</td>
<td>13.9</td>
<td>1.5</td>
<td>4.3</td>
<td>8.6</td>
<td>9.6</td>
</tr>
<tr>
<td>Poverty incidence</td>
<td>12.0</td>
<td>13.6</td>
<td>4.9</td>
<td>10.9</td>
<td>16.1</td>
<td>15.4</td>
</tr>
<tr>
<td>Poverty depth</td>
<td>4.2</td>
<td>8.5</td>
<td>0.9</td>
<td>6.1</td>
<td>4.2</td>
<td>8.0</td>
</tr>
<tr>
<td>Extreme poor (395 Naira)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of poor (million)</td>
<td>36.1</td>
<td>34.7</td>
<td>9.7</td>
<td>11.9</td>
<td>26.4</td>
<td>22.8</td>
</tr>
<tr>
<td>Poverty incidence</td>
<td>43.0</td>
<td>34.1</td>
<td>31.7</td>
<td>30.4</td>
<td>49.5</td>
<td>36.4</td>
</tr>
<tr>
<td>Poverty depth</td>
<td>15.7</td>
<td>14.7</td>
<td>9.1</td>
<td>12.0</td>
<td>18.9</td>
<td>16.1</td>
</tr>
</tbody>
</table>


for things rural and in the exercise of economic and political power that appropriates other people’s goods and even their rights for private enrichment. The environmental problems of urban dwellers today reflect this heritage of polarized political development. Mabogunje (1990) stated that there are glaring evidences of urban congestion, slums, unemployment, disease and despair in Nigeria.

Abdalah and Engelhand (1993) quoting UNDP reports of 1991 have observed, the ratio between the incomes of the richest 20% went from 30 to 1 in 1960 to 59 to 1 in 1989. In assessing the world of poverty, the World Bank, in its report of 1990 is estimated as follows:

1. There were 49 really poor countries in the world with an annual average income per head of less than US $350.
2. 330 million urban residents or a quarter of the urban population were living in poverty.
3. 800 million people in the developing countries went hungry, and there were 100 million homeless.
4. 1.116 million people in the Third World countries were poor.
5. Nearly half of all deaths were child deaths because half of this population was absolutely poor.
6. Over 1.7 billion women lacked safe water; about 300 million did not have adequate sanitation, while 900 million could not read or write.

In Nigeria, a recent study by Onibokun et al. (1996) reveals that the proportion of households living below the poverty line in the four cities of Lagos, Ibadan, Kano and Onitsha were 63.7, 62.1, 35.02 and 87%, respectively.

Information from the Federal Office of Statistics (Table 1) showed that the incidence of poverty increased sharply both between 1980 and between 1992 and 1996. However, there was a decrease in poverty level between 1985 and 1992. The figures were 27.2, 46.3, 42.7 and 65.6% for 1980, 1985, 1992 and 1996 respectively. The 27.2% for 1980 translated to 17.7 million persons in 1985. Despite the drop in poverty level in 1992, the proportion in poverty was about five million higher than the 1985 figure and by 1996; the population in poverty had increased sharply to 67.1 million. Again the 1992 household survey indicates that the number of people who fell below the poverty line declined from 43% in 1985 to 34% in 1992. However, this translates into a small decline in the number of poor people from 36.1 million in 1985 to 34.7 million in 1992. This was mainly because a sharp increase in population growth has not enabled Nigerian’s to realize large reductions in the number of poor people as shown in Table 2.

Using reference poverty line of US $1 per day, result from Figure 1 shows the incidence of urban poverty in Nigeria which was (86.69%) 3 years ago but at 68.95%
Figure 1. Urban poverty incidence in Nigeria 3 years ago and now.

currently, which means a decrease of about (17.74%) over a three year time frame while the non poor among the respondents increase from (13.31%) 3 years ago to (31.05) currently.

THE CONSEQUENCES OF URBANIZATION IN NIGERIA

Though developing and developed countries undergo urbanization which is a dynamic process in all aspect of the society, occurring at faster rates with many unpleasant consequences in developing countries like Nigeria, in the 1940’s and 1950’s, the average annual growth rate of urban population in underdeveloped countries was 4.5%. With growth rate of 4.7% in seven African and fifteen Asian and twelve, 4.3% in Latin American countries. Between 1970 and 1983, the rate slowed to 2.4% in developing countries, still higher than those of the developed countries while Africa remains as the least urbanized region in the third world since it has one of the highest urban growth rates since the 1960’s.

Urbanization rate increased in Nigeria since the advent of colonialism, the southern parts of the country had urban centres before the colonial era, their growth and multiplication were enhanced by different government policies initiated during the colonial era and maintained by the indigenous successors. Such policies include creation of new towns along the major transportation routes, modernization of the physical structures of the existing towns, changing of the urban economic base, introduction of modern urban utilities and emergence of commercial centres (Onibokun, 1973). From 7.2% of the total population in 1921, the urban population now makes up 40% of the total population while the number of urban centres is close to 500, also the urban cities rose from zero in 1963 to 10 million naira cities in 1983. Apart from rural-urban migration, another factor that has been responsible for high rate of urban growth in Nigeria is decline in mortality rate due improvement in medical care as proceeds from the oil boom.

The quality of life in Nigerian urban centres was influenced also by economic situation with Nigeria experiencing considerable growth during the oil boom (1973 to 1980) when Gross Domestic Product (GDP) rose by 8.2% to reach $1,200.00 per capital in 1982. Per capita GDP later dropped to $1,050.00 in 1985, plummeted to $240.00 in 1992 and rose slightly to $320.00 in 1994, this nominal increase had a 50% fall in GDP per capita between 1992 and 1994 which in real terms, both capita income and per capital expenditure in 1994 were lower than in the early 1970’s before the oil boom (World Bank, 1996).

Poverty with its conceptual and theoretical issues

The problem inherent in defining poverty in itself makes the actual measurement of poverty an extremely difficult task. As there is no objective definition of poverty and no objective way of measuring how many people are poor. Poverty has been defined by developing a poverty line using the minimum wage/income concept like that developed by the Morgan Commission in Nigeria. Earnings below the minimum subjective could be affected by the improvements or otherwise in the economy, there will be changes in societal values and the general standards of living. Nevertheless, the concept seems to be the most commonly used one because it reveals the least income anybody in the society needs for decent
living (Yankson, 2000). Townsend (1962) defines poverty as the lack of material resources of certain duration and to such an extent that participation in normal activities and possession of amenities and living conditions become impossible or very limited. In similar vein, Olamejeye (1994) defined poverty as, the degree of difficulty encountered in making ends meet. Prado and Tobi (1994) observed that poverty is a multi-dimensional phenomenon with few commonly agreed definitions across the characteristics of the poor (particularly the urban poor) such as excessive labour flow, undifferentiated/unskilled persons who cannot readily be integrated into the production system, sub-culture of personalized ethical code in contrast to the norm of kindred or community behavior, scarcity of essential commodities (food, housing, clothing), growth of slums, unemployment and under-unemployment, and crimes or deviant behaviors.

Onibokun et al. (1995) perceives urban poverty as living in sub-standard and sub-human environments plagued by slums, squalor and grossly inadequate social amenities like health facilities, schools, recreational opportunities etc. Galbraith (1968), also diagnosed poverty as having limited and insufficient food and clothing; people living in crowded, cold and dirty shelters, and people living painful and comparatively brief lives. Aluko (1975) presents a simple, limited and materialistic concept of poverty by defining it as inadequate level of consumption, giving rise to insufficient food, clothing and/or shelter. Olowu and Akinola (1995) pointed out that poverty is characterized by the lack of or inadequate access to infrastructures among others, while the urban poor can easily be identified from the types of food they eat and the environment in which they live.

There is a general consensus that poverty is a relative term, and consequently its meaning, and parameters of measurement must vary from one location to another. Secondly, it is usual to speak of poverty in two levels, as absolute poverty and as relative deprivation. Absolute poverty describes a situation in which people barely exist largely because their incomes fall below a level necessary to satisfy the basic necessities of life. It is much easier to recognize and describe people in absolute poverty and a look at any of Nigeria’s urban centres will give an indication of how widespread it is.

Relative poverty, on the other hand, is a situation in which individuals are not poor in absolute terms, but have much less than others by way of income, property and other resources. Townsend (1962) describes relative poverty rather aptly when he argued that “individuals, families and groups in the population can be said to be in poverty when they lack the resources to obtain the types of diet, participate in the activities and have the living conditions and amenities which are customary or at least, widely encouraged or approved in societies to which they belong. Their resources are so seriously below those commanded by the average individual or family that they are in effect excluded from ordinary living patterns, customs and activities”.

However, Webster (1990) argues that the great strength of Townsend’s approach is that poverty is seen as a process of encroaching deprivation by which people gradually slip out of the mainstream of social life, almost unnoticeably, without being the stereotype paupers in rags and tatters. This approach captures clearly the situation of poverty in contemporary Nigeria. Gradually but surely, an increasing number of people are slipping unnoticeably into a situation in which their incomes are no longer adequate in catering for their basic needs and those of their dependants. And as many studies have shown among these relatively deprived people, humiliation and a sense of powerlessness is engendered and its extreme manifestation may give rise to certain attitudes and behaviors which further compounded their poverty. Urbanization resulting from migration of unskilled, uneducated or no well educated migrants from the rural areas hoping to secure employment in the urban centres is one of the causes of poverty. These migrants, by the time they get to the city would see the reality of life: unemployment, retrenchment and low income for those employed, and high cost of living. This often prompts them result to squatter living in squalor areas of the towns. Another cause is the demographic structure. A large family size without the necessary financial backing in most cases results in poverty (Olowu and Akinola, 1995). The two authors also argue that bad governance, mis-management of the country or city’s resources and people’s laziness could lead to poverty. Perhaps the most important demographic cause of poverty is parental status at birth; that is, if the parents are poor, invariably their children would be poor at least within the first few years of their lives. Actually, such children might not be able to liberate themselves until they start working. In order words, some people are poor because they were born to poor parents. This coincides with Lewis (1966a) idea of the “culture of poverty”.

There is a general conception that poverty results from interplay of many factors which compound the problem. This is often referred to as, the “cycle of poverty”. For instance, the socio-economic circumstances brought about by rapid urbanization, inappropriate development policies, marginalization and natural conditions and disasters, all push more and more people into marginalization under-employment and unemployment, which create low or no earning power, which in turn fuels food insecurity and malnutrition. The latter manifests in poor health, inadequate housing, by which the poor live in rags and tatters. This approach captures clearly the idea of the “culture of poverty”.

Approaches to poverty alleviation

Poverty may be chronic or transitional, which provide the
various contexts in which approaches to poverty alleviation are relevant as poverty alleviation approaches may be applicable to either urban or rural setting, regions of country, opportunities existing in each locality or resources available. The approaches to poverty are the strategies for poverty alleviation because they constitute the building principles for the choice and design of programmes. In this paper, the approaches are not seen as alternatives but as complimentary means for tackling the wide dimensions of poverty which can be categorized as the basic needs approach, the economic growth and the rural development approach. The fundamental reason for creating a nation-state is to improve the living conditions of its citizens; this makes development a basic national objective although what constitute development is debatable (Ohiorhenuan, 1984).

**Basic needs approach to poverty alleviation**

Poverty is seen in a broad perspective, policies and programmes are designed to tackle the wider causes of poverty under the basic needs approach. Firstly, is to identify the poor and their basic needs. These basic needs may be described as fundamental necessities which would, of course, differ for different types of poverty either chronic or transitional, for different parts of a country, and over different periods of time. But most components of basic needs would include all or some of such basic socio economic necessities as food and nutrition, health care, education, shelter, clothing, transport and employment. Under the prospective of the heterogeneous nature of basic needs, it is easy to see that policies and programmes for poverty alleviation under the basic needs approach also would specifically target the poor. They should also be broad-base, covering economic, social and other dimensions of poverty in an integrated fashion. The component of the basic needs programmes for poverty alleviation consists of:

1. Economic component, to promote broad-based economic growth and create employment and income generating opportunities for both poor and non-poor but, perhaps, with the poor receiving special attention. Employment-generating projects may include labour-intensive public works projects and support for micro-enterprises (for example, through credit) which are normally labour-intensive.
2. Social services component, to provide education, health and sanitation services, clean water, nutrition, physical and socio-economic infrastructure, power supply, transport and so on. These programmes are often targeted at the poor.
3. Safety-net component, to provide relief for the old, disabled and destitute and to provide targeted assistance to the transitorily poor.

Institutional arrangement for implementing basic needs programmes may involve the use of line ministries and other existing development institutions (appropriately reformed and strengthened to cope with the needs of poverty alleviation programmes), the creation of entirely new institutions, or combinations of both. The argument for using line ministries and other existing development institutions is that they are better adapted to operating large programmes that can reach larger population of the poor and non-poor is a more cost-effective manner than new institutions created to narrowly target the poor. The argument for creating new institutions is that most existing development institutions and line ministries are traditionally so insensitive to the needs of poor that it would be difficult to reform then sufficiently and within the time required to meet the needs of the poor. The arguments for using a combination of new and existing institutions is that basic needs programmes for the poor are often so heterogeneous that some would normally be best adapted to implementation by existing institutions while others would require new institutions specially created to meet their peculiar implementation needs.

**Economic growth approach to poverty alleviation**

The economic growth approaches focuses attention on macro- and microeconomic policies and programmes that would ensure the rapid growth of the economy as measured by rates of growth in real per capita gross domestic product (GDP) or per capita national incomes, rates of growth in sectoral indices of production, consumer price stability, rate of employment and others. Grindle (1980) agreed that political and policy analysis in the developing world has tended to focus on the national level rather than city level. The economic growth to poverty alleviation is based on the assumption that economic deprivation is at the root of all poverty and that non-economic causes. Major macroeconomics policies that are important in this respect are fiscal (budgetary and tax), monetary (money supply and credit), foreign exchange (exchange rate), trade (import and export) and wage and income policies. Important microeconomic (or sectoral) policies involve incentive pricing, input subsidy, technology development and transfer, credit supply, efficient commodity marketing and distribution, industrialization, employment generation, and so on. There are, however, serious controversies on whether or not economic growth alone, though necessary, is a sufficient condition for poverty alleviation.

Those of the view that economic policies and, hence, rapid growth are all that required for poverty alleviation (and, indeed, for poverty eradication), rely on the principle of the trickledown effect of economic growth. This principle holds that as economics growth continues, the effects will progressively trickle down to the core poor and the most disadvantaged in the society. In fact, many
policy measures have spin-off effects on the poor, even in the short run, according to this principle. For example, favorable tax measures would directly benefit the poor, favorable import tariffs would reduce the cost of imported basic necessities to the poor, and, above all, various economic incentives emanating from both macro- and micro policies would benefit both the poor and non-poor, although there is no assurance the most of the core can take advantage of opportunities offered by various economic incentives.

The argument that economic growth is not a sufficient condition though a necessary one for poverty alleviation is, however, corrects. It is argued that:

1. Economic growth is a long-term process, the benefits of which may take too long to trickle down to the poor, whereas the poor often require short- and medium-term strategies.
2. There is nothing inherent in economic growth that automatically guarantees poverty alleviation or poverty eradication.
3. Economic growth, even when it alleviates or eradicates poverty in some segments of the society, often creates new poverty or aggravates existing poverty in other segments of the society—a case of digging a hole to fill a hole.
4. The nominal tendency is for economic growth to be accompanied by increasing income inequality, a situation that requires additional strategies to correct.
5. Economic policies are often too untargeted to take care of the special needs of the core poor. The problems of targeting as a strategy for poverty alleviation are highlighted by Bamberger (2002).
6. Economic policies and economic growth are too inadequate to tackle the wider, non-economic causes of poverty;
7. The poor need adequate social preparation involving organization, education, health care, etc., to strengthen their ability to compete and take advantage of socio economic opportunities that may arise from economic policies and general economic growth (D'Silva and Bysouth, 1992).

Taken together, the foregoing strongly supports the view that economic growth alone, though necessary, is not sufficient for poverty alleviation. The corollary of this is that the alleviation of poverty in all its dimensions requires complementary approaches to support the economic growth approach. One of the complementary approaches is the basic needs approach.

**Rural development approach**

In matters of poverty alleviation, the rural sector is often given a distinct attention. In other words, the rural word is often treated as a distinct entity in terms of strategies for poverty alleviation. There are many reasons for this, first, in most countries; a disproportionately high percentage is poor live in rural areas. In Nigeria, the percentage is put at 73 (World Bank, 1995). The argument, therefore, is that a sector that has such a high percentage of the poor deserves special attention. Secondly, food is the first of the basic needs of the poor and food production is essentially a rural business. Thirdly, the types and mix of resources available for poverty alleviation interventions in rural areas are different from those in urban areas.

A rural development strategy can be described as a consistent approach designed to positively tinker with the factors responsible for rural poverty in all its ramifications (Olayide et al., 1976). The particular strategy that has received much attention is the integrated rural development strategy (IRDS) which involves a simultaneous, holistic and intersectoral manipulation of all cooperator variables to alleviate rural poverty. It is essentially like a basic needs approach in which simultaneous efforts are made to provide rural poor with basic necessities of life such as food, employment and income-generating opportunities, information, shelters, health services and other social services. Generally, therefore, the integrated rural development approach would call for poverty alleviation programs with three major components—economic, social services and social welfare (safety net) components.

Economic development in rural areas requires rapid growth in agriculture through the introduction of modern inputs and technology and the modernization of farming systems and methods of farm organization. But equally important is the need to diversify the rural economy by using rural resources to develop non-agriculture rural economy by using rural resources to develop non-agriculture economic activities, especially through rural industrialization. Social services and social welfare needs of the rural populace are not much different from these should be given adequate consideration in the design of rural poverty alleviation program.

**CONCLUSION**

Since urban poverty is all encompassing, tackling it should be a joint effort by all stakeholders in the national development through the stakeholders collaborative framework. These should involve priority policy formulations, public financing, social responsibility, implementation and monitoring processes. In approaching poverty alleviating in Nigeria, an experimental approach (process approach) should be
adopted in the design and implementation of poverty alleviation programmes from the learning process through the gradual build-up of programmes with the goal of integrating the poverty alleviation programmes with the national development programmes in other to ensure sustainability such programs and policies for the poor. Gulhatli (1990) remarks that public policy consists of actions taken to achieve certain goals.

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