Poverty alleviation with economic growth strategy: prospects and challenges in contemporary Nigeria

S.I. OLADEJI AND A.G. ABIOLA

ABSTRACT

There has been a high and growing incidence of poverty in sub-Saharan Africa in the last two decades or so. Over time what can be discerned in the various approaches to poverty alleviation in these countries is that they are determined largely by making a choice between growth-promoting policies and poverty-focused strategies. The reality, however, is that the two approaches are not, after all mutually exclusive: they are complementary to the extent that the former serve only as a long-term solution while the latter constitute an immediate and direct shot at the poverty itself.

This paper deliberates on the rationality of adopting the so-called "poverty alleviation with economic growth" strategy. The strategy brings to the fore the necessity of tackling poverty through a broadly-based growth process with an explicit orientation to employment generation, supplemented by massive investments in human capital of the poor. The prospects and challenges of this strategy in the context of the Nigerian situation are articulated and the conclusion of the paper is that poverty alleviation in contemporary Nigeria requires both economic policy and educational reforms. To enhance the human capital of the poor in particular, the priorities for educational reforms should be in the areas of basic education, vocational education and training.

Introduction

FROM THE initial orthodox view of development in terms of the growth of gross national product (GNP), economic development has now come to be redefined comprehensively in terms of attacking widespread absolute poverty, reducing inequalities and removing the spectre of rising unemployment within the context of a growing economy, (Olopoenia1983:23). Such redefinition has found expression in the "redistribution with growth" strategy and a strong support in the "basic needs" strategy. The former strategy highlights the redistribution of economic opportunities in a more egalitarian direction while the latter emphasizes the need for development to provide and guarantee a decent livelihood to the largest majority of the population. The basic needs to be met include adequate food, shelter and clothing; access to health facilities and education and greater employment opportunities. Lack of fulfillment of these needs is both a symptom and a cause of absolute poverty (Olopoenia *ibid.*).

The opinion and attitude of policy makers over the poverty issue has been one of oscillation between the adoption of growth-promoting policies and poverty-focused strategies. The former held sway in the 1950s and 1960s with the assumption about the trickle-down effects of growth on poverty. The swing of the pendulum favoured poverty-focused strategies in the 1970s. The change was prompted by the notion of basic needs and the premium accorded to distributional objectives generally. The "basic needs" strategy, however, lost ground in the 1980s as the world moved into recession and the imperative of structural adjustment programmes came to be acknowledged globally. The primary policy focus came to be on the achievement of sustainable economic growth while the issues of distributional objectives and poverty alleviation dropped out of sight.

In the present decade the issue of poverty alleviation is once again back in the international limelight. To the International Labour Organization (ILO), poverty is not a new agenda. Since 1944 the ILO has held fast to its Philadelphia declaration that "poverty anywhere is a threat to prosperity everywhere", stressing the importance of poverty alleviation to world attention. A number of other international bodies are now paying much more attention to poverty; for instance UNCTAD and the World Bank. The Inter-American Development Bank has, in fact, actually adopted a policy that half of its loans have to contribute directly to poverty reduction, Courier (1994: 50). The recent multiplication of non governmental organizations (NGOs) constitutes a yet more visible force in the poverty alleviation campaign in most developing countries lately.

Against the background of economic adjustment policies which are largely growth-focused, the question to be addressed is what prospects and challenges there are for poverty alleviation in a developing country like Nigeria. The specific objectives of this presentation are:

- To provide background information on the incidence of poverty in developing countries, including the salient features of the phenomenon in Nigeria;
- To examine critically the approach to poverty alleviation in Nigeria;
- To highlight the essence of the "poverty alleviation with economic growth" strategy and the rationality of investing in people and
- To highlight policy implications, prospects and challenges of the "poverty alleviation with economic growth" strategy in contemporary Nigeria.

2 Poverty in the developing countries

2.1 Background Information

A DEVELOPING NATION is characteristically identified by low levels of living. These are manifested in the form of low incomes (poverty), inadequate housing, poor health, limited or no education, high and rising levels of unemployment and underemployment. The 1960s and 1970s marked two decades of great economic growth all over the world, extending to the developing countries as well. Table 1 shows the trends in the real growth rates in the developing world. Sub-Saharan Africa recorded a 2 per cent per annum improvement in real growth rates of per capita GDP, as against 3.4 per cent average for the developing countries. The 1980s, described as a lost decade as far as development was concerned, witnessed an economic down-swing in most parts of the developing world. Excepting the Asian countries, all other regions experienced deterioration in growth up to the magnitude of 1.2 per cent and 2.4 per cent per annum in sub-Saharan Africa and North Africa, respectively.

The sorry economic performance of the 1980s meant increased poverty in most of the developing world. Inequality between them and developed countries also widened. Table 2 shows breakdown of poverty

TABLE 1: TRENDS IN REAL GROWTH RATES OF PER CAPITA GDP (AVERAGE % P.A.)

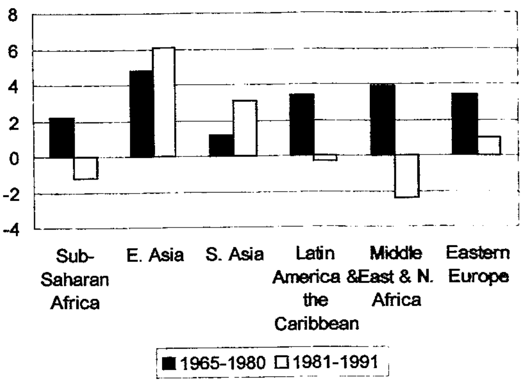
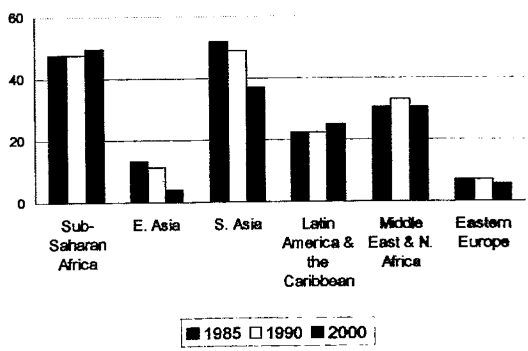


TABLE 2: BREAK-DOWN OF POVERTY BY REGION (AS % OF ALL DEVELOPING COUNTRIES)



by region. Asian countries had disproportionately higher figures than sub-Saharan Africa. According to the World Bank almost a third of population of the developing world were living below the breadline of the $370 per annum needed to cover basic food and other requirements

TABLE 3A: POPULATION BELOW THE BREADLINE (%)

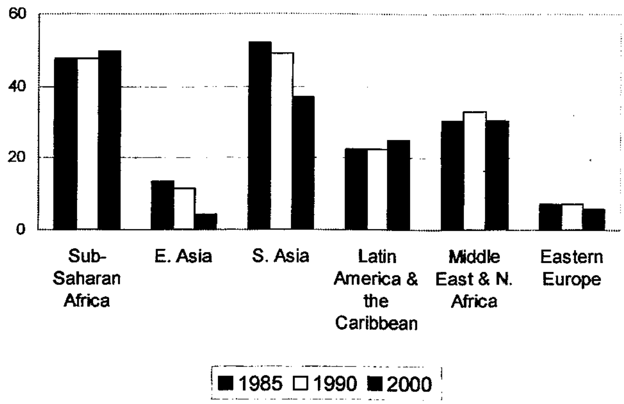
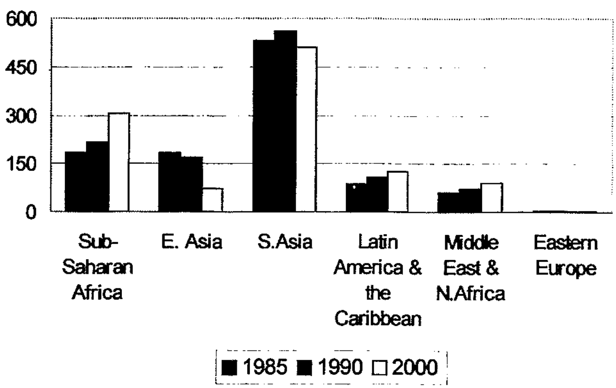


TABLE 3B: NUMBER OF POOR (MILLION)



(1985 prices). Given the breadline, Tables 3a and 3b present the poverty situation in the developing countries from 1985 to 2000. In both relative and absolute terms the incidence of poverty increased in sub-Saharan Africa while it declined in East Asia. In terms of prospects for poverty reduction, according to the World Bank, East Asian countries show the greatest promise while the sub-Saharan Africa the least. These prospects for poverty alleviation hinge on the economic growth forecasts for the year 2000. In all, by the turn of the present century, both South Asia and sub-Saharan Africa are to remain the regions with the biggest poverty problems. The latter is supposed to be at one end of the world poverty scale while East Asia is at the other end.

2.2 Poverty in Nigeria

THE ABOVE broad picture of problems of poverty in sub-Saharan Africa may well reflect the incidence of poverty in Nigeria. It may be difficult to ascertain the degree of bias of the data but a reasonable degree of confidence can be accorded to the rising trend. Notwithstanding the obvious arbitrariness in using the sum of US $370 per annum as a yardstick of the breadline, the fact remains that contemporary Nigeria is witnessing a high and rising incidence of poverty. As shown in Table 4, irrespective of the measure of poverty and practically conceivable poverty threshold used, the per capita GDP statistics in the period 1990–1995 exemplify a situation of abject poverty for most Nigerians. The growth rate was low and declining while the inflation rate was on the high side and rising.

TABLE 4: SELECTED SOCIO-ECONOMIC INDICATORS, 1990–1995.

	1990	1991	1992	1993	1994	1995
Real GDP (Growth Rate %)	8.3	4.7	3.0	2.7	1.0	2.2
Inflation Rate (per cent)	7.4	13.0	44.6	57.2	57.0	72.8
GDP Per Capita (N)	1042	1069	1066	1069	1060	1063
Life Expectancy at Birth (Years)	51	54	51	52	52	52
Adult Literacy Rate (%)	52	54	54	55	55	55
Human Development Index	0.322	0.328	0.348	0.389	0.384	0.384

Source: Central Bank of Nigeria (CBN): Annual Report and Statement of Accounts for the years ended 31st Dec, 1994 and Dec. 1995.

Conceptually, the Human Development Index (HDI) is concerned with poverty (or wealth) and a broad concept of human development. It incorporates longevity, measured by life expectancy and knowledge and uses the literacy rate while retaining adjusted GDP per capita statistics as the basic standards of living indicator. Table 4 shows that there were no appreciable change in the HDI statistics, which ranged between 0.32 and 0.39. Since these figures are nearer 0 than 1 the level of human development is considered low and is symptomatic of the poverty situation in the country.

In view of the fragmentary and limited amount of statistical information in Nigeria a proper assessment of the poverty situation in terms of its incidence and depth will be difficult. Defining absolute poverty as income levels that are insufficient to provide adequate nutrition, Ahluwalia, Carter and Chenery (1979) put the poverty incidence in 1975 at 27 per cent and projected it would reach 30 per cent by the year 2000. Lately Demery and Squire (1996), utilizing household data from the Federal Office of Statistics (FOS) in 1985 and 1992, put the incidence at 43 per cent and 34.1 per cent respectively. Given the comparability of data from the two studies, it would seem that there has been an increased incidence of poverty in Nigeria in the period 1975–85 and a decline of about 9 per cent between 1985 and 1992. Since the latter period coincided with the adjustment period, the question of immediate concern is what impact the adjustment programme has had on poverty alleviation in Nigeria. More convincing data are needed to check the authenticity or otherwise of the declining trend in poverty incidence in the country. This has become necessary given the commonly-held held view that macro-economic adjustment has a negative impact on income distribution and poverty.

Painting a broad picture of poverty may not be as helpful as having specific knowledge of the characteristics of the groups in poverty. This is particularly necessary for formulating effective policies and programmes to tackle poverty at its source. A generalization in the literature is that the incidence of poverty is greater for rural dwellers and women (Todaro (1985: 154–156), particularly given the limited access of the groups to social services (such as education) and economic opportunities (notably credit facilities and employment). While this fact is true for Nigeria, the case of growing urban poverty should be acknowledged, including increased marginalization of the middle-income class. Middle-income workers in the formal employment sector have had their wages and salaries held down, becoming impoverished in the process by the continuous *naira* depreciation and inflation (Ukwu 1995:530). Worse still, they have had to contend with incessant threats of retrenchment and loss of jobs following nationalization in the private and public sectors.

2.3 Poverty alleviation in Nigeria.

POVERTY ALLEVIATION is a task for economic policy and, to reach the poor effectively, antipoverty programmes are vital. In Nigeria the claim is often made that development policy must be directed at three fundamental objectives:

- economic growth and development
- price stability and
- social equity

(See 3rd National Development Plan, 1975–1980: 33; 4th National Development Plan, 1981–85: 40)

Specifically, the overriding purpose of these national development plans (NDP) is bringing about an improvement in the real income of the average citizen; an equitable distribution of income and a reduction in the level of unemployment and underemployment. Such a policy stance should doubtless have implications for poverty alleviation.

However, disproportionate attention has been accorded to economic growth in both policy design or implementation. Evaluation of the plans has often emphasized the growth criterion with limited consideration for social equity in general and the poverty issue in particular. In fact, in the context of the structural adjustment programme implemented since 1986 in Nigeria, social questions appear to have dropped out of sight. The emphasis of the adjustment programme has thus far been the pursuit of non-inflationary economic growth and the achievement of a short to medium term fiscal and balance of payments policy.

Programme	Year established	Target Group	Nature of Intervention
Directorate for Food Roads and Rural Infrastructure (DFRRI)	1986	Rural areas	Supply and rural electrification
National Directorate of Employment (NDE)	1986	Unemployed	Training, finance and youth guidance
Better Life Programme (BLP)	1987	Rural women	Self-help and rural development programmes, skill acquisition and health care
People's Bank of Nigeria (PBN)	1989	Underprivileged in rural and urban areas	Encouraging savings and credit facilities
Community Banks (CB)	1990	Rural residents; micro enterprises in urban areas	Banking facilities
Family Support Programme (FSP)	1994	Families in rural areas	Health care delivery, child welfare, youth development, etc
Family Economic Advancement Programme (FSP)	1997	Rural Areas	Credit facilities to support the establishment of cottage industries

Apart from the fact that the adjustment policies could not achieve steady economic growth the poverty problem has become acute. The weight of poverty incidence fell most heavily on both rural and urban poor. The exigencies of the adjustment programme have, right from its inception, made it necessary for government to intervene to ameliorate the plight of vulnerable groups. As shown in Table 5, the antipoverty projects of the Federal Government are targeted at the rural and urban poor, with emphasis on the women and unemployed youth. The interventions included providing basic infrastructure to enhance rural development; the provision of credit facilities to improve the lot of the rural women and the underprivileged and micro-enterprises in the cities and training programmes for unemployed youth.

The programmes were appraised by Ogwumike (1995) who has examined the impact of macro level policies on rural development and poverty alleviation since independence, with particular emphasis on the SAP period from 1986 to 1992. He focused upon the activities of the Directorate of Food, Roads and Rural Infrastructure (DFRR1), the National Directorate of Employment (NDE) and the Better Life Programme (BLP) in the light of their impact on poverty alleviation. His conclusion is that these programmes have had some positive impact on agricultural productivity, unemployment and infrastructural development. Much more basic in the paper is the caveat that rural development and poverty alleviation warrant much more than welfare measures. According to him, they require among other things asset redistribution and even the redistribution of employment opportunities. More facts are still needed on these antipoverty programmes concerning their design, the extent of their implementation and their cost effectiveness.

Nevertheless, it is worrying to note the apparent proliferation of these antipoverty programmes, when they lack co-ordination among themselves as well as integration with the country's overall development policy. Related problems of continuity and sustainability that are a result of the instability in government and the political climate have continued to undermine their potential contribution to reducing poverty. The latest government effort to tackle poverty in Nigeria was the pronouncement in the 1997 budget on the Family Economic Advancement Programme (FEAP). The programme is meant to:

- boost the productive capacity of the rural areas;
- enhance the establishment of productive cottage industries in the rural areas and
- develop and harness locally designed and fabricated machinery and equipment for the cottage industries.

Although more facts are still needed on the FEAP, there are some striking features about the programme. First, it is intended that the funding will be by the Federal Government through other antipoverty projects, namely the people's banks and community banks. This could help not only to enhance the success of the programme, but equally to enliven and make more functional the moribund people's banks and community banks. Secondly, with a genuine political commitment, coupled with proper monitoring and implementation, the FEAP stands a good chance of turning out to be a fruitful means of promoting economic opportunities for rural families. Thirdly, however good the programme may appear and however relevant it seems to economic growth, its sustainability and effectiveness will depend on the level of education of the target group. As will be underscored in section 3.3, when investing in people, especially rural families and the poor, it is necessary to enable them to grasp and seize expanded opportunities that could arise from such programme.

Towards poverty alleviation

IN A DEVELOPING country such as Nigeria it is instructive to have insight into the available approaches to poverty alleviation. Against this background this section will proceed to articulate and rationalize an alternative strategy for poverty alleviation.

3.1 Perspectives on poverty alleviation

Three main strategies are identifiable in the process of tackling poverty, namely:

- Exclusive reliance on the natural forces of economic growth;
- Specific programmes to increase earnings opportunities of the poor and
- Social programmes targeted at the poor (Psacharopoulos 1990:17)
- Each of these proposals holds varying prospects for poverty alleviation.

Targeting the poor by means of social programmes is the most direct approach, followed by the adoption of specific programmes to enhance the earning capacity of the poor. Both of these select the particular groups to be reached and therefore, presumably, reduce poverty immediately within these groups. The problem with these strategies in practice is the possibility of leakages of benefits to unintended groups.

Administratively, they can be expensive to implement, inefficient in operation and outcome and lack sustainability. Furthermore, any redistribution of income from the non-poor to the poor probably takes place at some cost, for instance the limitation on savings, thus retarding economic growth (Onah 996:211).

An economic growth strategy is an indirect approach to poverty alleviation. This method involves an untargeted general increase in incomes in which, invariably, the average poor are lifted above the poverty line. In the short run income distribution may be positively skewed but the proposition is that in the long-run, through trickle down effects, poverty will be reduced both in the absolute and the relative sense. The approach is rooted in the economic efficiency criterion and therefore inclines towards sustainability. And, in as much as it relies on the natural forces of economic growth, the strategy can be said to be devoid of any extensive administrative machinery and therefore probably costs less in terms of implementation.

Poverty alleviation through growth has not gone unchallenged concerning its effectiveness ever to tackle poverty both in the short and long-run. The growth strategy, according to Onah (*ibid.*) would take more than three decades to achieve its intended objectives: a period considered too long and therefore too expensive a policy option to adopted by any government. In the 1970s when the basic needs approach held sway, there was widespread disillusionment with the trickle-down effects of growth on poverty. And since the second half of the 1980s when most African countries find themselves implementing a growth-centred macroeconomic adjustment programme the view has become commonplace that the programme disproportionately hurts the poor.

However, a conclusion reached by Denmery and Squire (1996) from their empirical evidence on African countries is that the apparent ineffectiveness of the adjustment programme in tackling poverty lies actually in the sphere of policy implementation. To them, effective reform programmes are associated with reduced overall poverty while inadequate policy implementation would give rise to worsening poverty. In the same vein Chinsman (1997) is of the view that poverty in

Nigeria has been aggravated by the absence of an enabling policy environment and sudden changes in macroeconomic policies in recent times. It must, however, be remarked in passing that how policy reforms in Africa affect poverty, even when they are properly implemented, will remain a subject of vigorous debate. The fundamental issue in this respect is the kind of structural adjustment programme put in place, especially as it relates to its main objectives, policy thrusts and packaging. The appraisal which the foregoing warrants falls outside the scope and intentions of the paper: suffice it to say that discussions on the structural adjustment programmes in Africa are over the fact that they are incomplete, mechanistic and of too short a time perspective. They are therefore limited in scope when it comes to addressing the concerns of the human situation, including improved income distribution and poverty reduction, (Adedeji *et al.* 1990).

Of much concern in this paper is the prospect of the economic growth strategy in poverty alleviation. To Chinsman (*ibid.*) the contemporary growth process in Nigeria does not hold out much prospect for this. According to him:

> Nigeria has clearly demonstrated that the hitherto held view that poverty could be tackled by raising general economic standards through "trickle-down" effect of economic growth is faulty .... It is now clear that there is little sense in maintaining "growth" while allowing the bulk of the population to remain impoverished, jobless, handicapped and excluded from development process [Chinsman 1997:2].

This perspective approximates to Kuznet's immiserizing-growth hypothesis; an extreme view that risks throwing out the baby with the bath water. For practical purposes growth-promoting policies do have as much place in the pursuit of poverty reduction as poverty-focused strategies do. In fact, they are better seen as complementary, providing the problem of poverty with both a long-term and a short-term solution. This is an eclectic view which has found expression in the "poverty alleviation with growth" strategy. Greater prospects for poverty reduction are envisaged in this strategy.

3.2 *The poverty alleviation with growth strategy*

This approach blends growth-promotion policies with poverty-focused strategies, aiming deliberately at mainstreaming the poor in the country's development process. The basic characteristics of the strategy, after Ahluwalia (1995: 42) are exemplified in the following desiderata:

- It is unnecessary to make a choice between growth and poverty.
- The pursuit of growth does not mean any kind of growth, but a growth process that increases the incomes of the average citizen, including the poor.
- The pursuit of employment-generating growth, supplemented by specific programmes must be aimed at increasing the earning capacity of certain target groups, notably the poor.

There is mounting evidence in support of the complementarity between growth and poverty reduction (Fields and Jackson 1993, Morley 1994, and Ranis 1995). However, the crucial issue is the quality or character of growth. In this respect, the proposed strategy places a premium on a growth process that is employment-centred and engineered by massive investment in human capital. This kind of growth approximates the so-called "East Asian miracle" which Choksi (1995) considers simply as getting the basics right, namely, investing greatly in human capital.

In contrast with exclusive reliance on the natural forces of economic growth, the poverty alleviation with growth strategy explicitly admits direct targeting of the poor. In the antipoverty programmes, a premium is expected to be placed on labour-intensive projects and those that enhance productivity performance and hence improve the earning capacity of the poor. Again, one such programme which is considered here most strategic for stimulating growth and also helpful for poverty alleviation is investment in human capital.

When such programmes are effectively integrated with the overall development policy, the targeting then becomes an avenue for mobilizing the poor in a country's development process while at the same time contributing to their economic improvement.

3.3 Role of human capital

By human capital is meant improvement in education and training; health and nutrition. All these reinforce each other and collectively influence the pace of a growth process and could either break or sustain the vicious circle of poverty. There are, therefore, strong complementarities among growth, poverty reduction and developing human capital. In the seamless web of interrelations among the components of human capital, education plays the central role (the World Bank 1980). In what follows, therefore, the focus is on the educational component of human capital.

Education covers all schooling, both formal and informal, and may be considered an investment as well as a consumer good. The impact of education extends beyond the traditional production sector into the household. It exercises its impact on the economy through lower fertility rates, health information and more household production. Education facilitates entry into in the modern wage sector and enhances productivity there. Farmers as well as the self-employed in the urban sector are now thought to be capable of contributing more to growth of an economy if they have had more education. The role of training outside school in development is equally important. Like school education, training improves skills and enhances the employability, earning capacity and productivity of a country's workforce.

As far as the "poverty alleviation with growth" strategy is concerned, investing in human capital, especially education, makes its impact felt in two areas: stimulating the trickle-down effects of growth on poverty and shaping the relations between poverty and employment in an economy. The impact of education is not limited just to the level of economic growth. Increasing attention is now being paid to its effect on distribution and social equity. The trickle-down effects are all about sharing equitably the benefits of a growth process. The propensity of these effects to trickle down to the poor depends in large measure on their access to education. Improving the access of the poor to education opens up to them wider economic opportunities and enhances their ability to take advantage of such opportunities. Also, as the poor become better educated, they can absorb new information faster and apply unfamiliar inputs and new processes more effectively, Choski (1995:50). The trickle-down effect, no doubt, is a process that take time, but the prospects are there, through increased investment in human capital, to speed it up. In the "poverty alleviation with growth" strategy, employment is central in the growth process and is, at the same time the route to reducing poverty. Investing in human capital, especially in education, facilitates access to gainful employment in both informal and formal sectors. Exclusion from gainful employment is a basic problem of the poor, in particular the less educated and those without schooling. It has been found in Nigeria, for instance, that these groups are not only displaced by the more educated people in formal sector employment, they also increasingly stand the risk of being relocated in informal sector activities (see Oladeji 1994). Hence they are left with the option of taking to farming; that is, if they are not denied access to land as well. The poor characteristically lack assets as well as income but they do have unused labour time whose quality can be improved via education and training. Poverty incidence can thus become reduced with increased investment in people, improving their quality and enhancing their employment prospects. Even for those underemployed, more education and training could be an avenue to increased earnings and consequently poverty elimination.

The approach to poverty alleviation in Nigeria, as discussed in section 2.3, cannot be said to approximate the suggested poverty alleviation with growth strategy. The various antipoverty programmes of government are *ad hoc* and lack any significant link with the country's development policy. These programmes, no matter how cost effective, are no substitute for efforts to tune the broad stance of economic policy to the needs of the poor. If the poverty alleviation with economic growth strategy being advocated in this presentation is acceptable and makes sound economic sense, the primary responsibility for tackling poverty has to devolve on the country's development policy, complemented only by the specific antipoverty programmes. An approach of this kind has prospects and of course challenges which are spelt out in the section that follows.

4 Prospects and challenges

THE PROSPECTS for the success of poverty alleviation with economic growth in contemporary Nigeria are circumscribed by the design and implementation of the adjustment policy. Ten years of the adjustment programme in the country have not been able to produce the sought-after sustainable minimal inflationary growth that was initially anticipated, while the problem of poverty has become compounded. As articulated in Oladeji and Adebayo (1996:460), Nigeria's adjustment programme is yet to accommodate a human-centred approach to development. It provides rather limited scope for the development of education and human resources and has policy priorities which are only remotely related to human-situation concerns, notably those of poverty.

However, whatever the kind of adjustment programme is put in place – the orthodox one or the African Alternative Framework to Structural Adjustment Programmes (AAF–SAP) – the minimum conditions for poverty alleviation with growth to materialize are a growth process that favours labour-intensive activities and an improved access of the populace to the social services, most especially education, that enhance human capital. Furthermore, if the growth process could be human-resource driven, so much the better for sustainable economic growth and development. The development policy thrust should therefore move simultaneously on two parallel tracks, namely economic reforms and effective investment in human capital.

The effective investment in human capital requires in part economic policies, notably macroeconomic stability, a market-oriented economy, the right structure of incentives and proper functioning of capital and financial and labour markets, Choski (1995:50). Economic policy reforms are still in place in Nigeria and it is expected that the ensuing overall economic policy framework will be conducive to and supportive of investment in human capital. But beyond these economic reforms a much-needed policy focus is giving education a higher priority on the government's agenda. And if the issue of poverty alleviation is to be addressed in any meaningful way in Nigeria, educational policy reforms are needed. Priorities for reform should include:

- emphasizing investment in basic education;
- working to improve social equity in educational provision and
- encouraging vocational education and training.

In the light of these priorities, the cuts in education expenditure as a result of the country's adjustment efforts may have to be reversed. In particular, massive investment in both primary and secondary education is urged to meet the challenges of poverty.

An investment such as this makes sound economic sense, especially in primary education which has been found to yield the highest social rates of return in the developing world (see Psacharopoulos 1994). Vocational education and training are crucial to the development of technical skills and therefore economic growth. Government must assume a central role in this respect, particularly for the poor and educationally disadvantaged. The general policy framework for the education sector, based on 6 – 3 – 3 – 4 system in Nigeria could have served well but for the lack of political commitment and the poor implementation of the programme. Technical education has remained virtually neglected, so that the policy objectives of self reliance, self employment and technological development have not been met.

Government's renewed commitment and concerted efforts to education are therefore strongly advocated. Public investment towards establishing more vocational and technical schools and providing educational equipment and materials has to be increased; relevant guidance and counselling programmes in schools should be mounted; and staffing should be improved in vocational secondary schools, post-secondary technical education institutions and labour training centres. Serious consideration should also be given to the creation of quasi-independent national training agencies with a view to developing national training systems of high quality with strong links to industry.

Government need not take sole responsibility for the provision of vocational training. Individuals and non-governmental organizations can be encouraged to participate in this type of training, by providing technical support and materials through national training agencies as well as joint financing. Such support would help reduce policy distortions that could have had a negative impact on the private sectors will to invest in skill development. In all of these, the overriding consideration should be to reach out to the populace in the hope of enhancing the capability of the poor to produce, earn better and contribute to the overall economic growth of the country.

Concluding remarks

As far as poverty alleviation in a developing country like Nigeria is concerned, exclusive reliance on the natural forces of economic growth may be inadequate. But the various antipoverty programmes, vital though these may be, are no substitute for efforts to gear the broad thrust of development policy to the needs of the poor. The aim of policy should be to promote growth conducive to the pursuit of poverty reduction. This includes employment-generating growth, coupled with massive investment in human capital. And to meet the challenges of the "poverty alleviation with growth strategy in Nigeria, concerted efforts are needed not just in economic policy reforms: the urgency of investing in people has to be grasped and acted upon. There is every indication that the education sector in the country is long overdue for a reform. It makes sound economic sense for the priorities of the reform to favour basic education and vocational education and training.

REFERENCES

Adedeji, A.S. Rasheed and Morrison, M. 1990. (eds.) *The Human Dimension of Africa's Persistent Economic Crisis*, United Nations Economic Commission for Africa, London, Hans Zell Publishers

Ahluwalia, M.S. 1976. Inequality, poverty and development. In *Journal of Development* **6**, 307–42

Ahluwalia, M.S., Carter, N. and Chenery, I.I. 1979. Growth and poverty in developing countries. *Journal of Development Economics*

Ahluwalia, M.S. 1995. Comment on "Inequality, poverty and growth: where do we stand?" by A. Fishlow, M. Bruno and B. Pleskovic, (eds.)

Annual World Bank Conference on Development Economics, Washington, DC, The World Bank, 40–45

Anand, S. and R. Kanhur, 1984. Inequality and development: A reconsideration. In H.P. Nissen (ed.), *Towards Income Distribution Policies: From Income Distribution Research to Income Distribution Policy in LOCs*, Padenburg, The Netherlands. EAU

Chenery, H., Ahlumalia, M.S., Bell, C., Duley, J.H. and Jolly, R. 1974. *Redistribution with Growth*, New York, Oxford University Press

Chinsman, B. 1977. Poverty alleviation for sustainable human development. Paper presented on behalf of the United Nations Development System in Nigeria at the Workshop on Poverty Alleviation in Nigeria, organized by the Vision 2010 committee

Choksi, A.M. 1995. The challenges of investing in human capital. *The Courier*, May–June, 50–51

Demery, L. and Squire, L. 1996. Macroeconomic adjustment and poverty in Africa: An emerging picture. *The World Bank Research Observer*, **11**, **1**, February, 39–59

Federal Republic of Nigeria. *Third National Development Plan, 1975–1980*

Federal Republic of Nigeria. *Fourth National Development Plan, 1981–1985*

Fields, G.S. and G.H. Jakubson, 1993. *New Evidence on the Kuznets Curve*. New Haven, Conn Yale Economic Growth Center

Kuznet. S. 1955. Economic growth and income inequality. *American Economic Review* **65** 1–28

Morley, S. 1994. Poverty and inequality in Latin America: Past evidence, future prospects. *Overseas Development Council Policy Essay* **13**. Washington, DC

Ogwumike, F. O. 1995. The effects of macro-level government policies on rural development and poverty alleviation in Nigeria. *Ibadan Journal of the Social Sciences* **1**, **1**, 85–101

Oladeji, S.I.and Adebayo, A.A. 1996. The scope for human resources development under the adjustment programme in Nigeria, in *Beyond Adjustment, Management of the Nigerian Economy. Selected Papers for the 1996 Annual Conference*. The Nigerian Economic Society

Oladeji, S.I. 1994. Absorption of educated manpower into Nigeria's informal sector. *Diagnostic Studies Series 1*, National Manpower Board, Lagos

Olopoenia, R.A. 1983. *On the Meaning of Economic Development in Development Economics and Planning. Essays in Honour of Ojetunji Aboyade.* ed. by Iz Osayiinwese, University of Ibadan Publishing Consultants

Onah, F. E. 1996. Post-adjustment policies towards poverty alleviation in Nigeria. *The Nigerian Journal of Economic and Social Studies*, **38, 1,2 & 3**

Psacharopoulos, G. 1990. Poverty alleviation in Latin America. *Finance and Development, March.* A Quarterly Publication of the International Monetary Fund and the World Bank 17–19

Ranis, G. 1995. Comments on "Inequality, poverty, and growth: Where do we stand'?" by Albert Fishlow, M. Bruno and B. Pleskovic, (eds.) *Annual World Bank Conference on Development Economics.* The World Bank. Washington *DC. 50–55*

The Courier 1994. Poverty anywhere is a threat to prosperity everywhere. An interview with Gerry Rodgers, International Institute for Labour Studies, 50

Todaro, M.P. 1985. *Economic Development in the Third World.* New York and London, Longman, 154–156

IJkwu, 1.U. 1995. Adjustment, income distribution and poverty. ed. by Akin Iwayemi. In *Macroeconomic Policy Issues in an Open Developing Economy. A case study of Nigeria.* NCEMA. 515–535