

**The PRSP and Poverty Reduction: Problems of Design and Implementation in
Nigeria (2000-2014)**

by

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Abstract

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The Nigerian government's stated objective for participating in the PRSP is to initially, reduce poverty by 2015 and to eventually eradicate poverty by 2025. This thesis uses the case of the Nigerian PRSP to determine if the country is meeting these objectives. The thesis argues that the poverty reduction programme in Nigeria, guided by the PRSP, has failed to achieve its objective of reducing poverty. This claim is supported by the poverty data in Nigeria which proves that poverty is at its highest rate presently in Nigeria, despite the programmes and activities put in place to stem and reverse it. The data from the MDG implementation efforts in Nigeria reveal shortcomings such as insincere participation, a weak governance structure, poor financial management arrangements, poor coordination arrangements and poor donor policy alignment among others. The thesis concludes by offering some recommendations for a more effective poverty reduction strategy.

August 18, 2014.

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Acronyms

| | |
|-------------------|---|
| BHC | Basic Health Centre |
| BPRS | Bolivian Poverty Reduction Strategy |
| CBN | Central Bank of Nigeria |
| CDD | Centre for Democracy and Development |
| CGS | Conditional Grants Scheme |
| CISCOPE | Civil Society Coalition for Poverty Eradication |
| CSOs | Civil Society Organizations |
| DAC | Development Assistance Committee |
| DFFRRI | Directorate of Food Roads and Rural Infrastructure |
| DFID | Department for International Development |
| DRG | Debt Relief Gains |
| EOC | Emergency Obstetric Care |
| FBOS | Faith Based Organizations |
| FEAP | Family Economic Advancement Programme |
| FEWS | Flood Early Warning System |
| FMWASD | Federal Ministry of Women Affairs and Social Development |
| FNDP | Fifth National Development Plan |
| FSP | Family Support Programme |
| GPRS | Growth and Poverty Reduction Strategy |
| GWEP | Guinea Worm Eradicating Programme |
| HDI | Human Development Index |
| HIPC | Heavily Indebted Poor Countries Initiative |
| IDA | International Development Agency |
| IFIs | International Financial Institutions |
| IMF | International Monetary Fund |
| INGOs | International Non-Governmental Organizations |
| I-PRSP | Interim Poverty Reduction Strategy Paper |
| IRS | Indoor Residual Spraying |
| ITN | Insecticides Treated Nets |
| JSAN | Joint Staff Advisory Note |
| LACA | Local Government Action Committee on Aids |
| LEEDS Strategy | Local Government Economic Empowerment Development Strategy |
| MDA | Ministries, Departments and Agencies |
| MDGs | Millennium Development Goals |
| MNCs | Multi-National Corporations |
| MSS | Midwifery Service Scheme |

| | |
|------------|---|
| MTP | Mass Transit Programme |
| NACA | National Agency for the Control of AIDS |
| NALDA | Nigerian Agricultural Land Development Authority |
| NBS | National Bureau of Statistics |
| NBTC | National Blood Transmission Centre |
| NCC | Nigerian Communications Commission |
| NDE | National Directorate of Employment |
| NDS | National Development Strategy |
| NEEDS | National Economic Empowerment Development Strategy |
| NFP | National Forestry Policy |
| NGO | Non-Governmental Organization |
| NHSDP | National Health Sector Development Plan |
| NPHCDA | National Primary Health Care Development Agency |
| NSGRP | National Strategy for Growth and Reduction of Poverty |
| NTBLCP | National Tuberculosis and Leprosy Control Programme |
| ODA | Official Development Assistance |
| OECD | Organization for Economic Co-operation and Development |
| OFN | Operation Feed the Nation |
| OSSAP MDGs | Office of the Senior Special Assistant to the President on MDGs |
| PARPA | Plano De Acção Para A Redução Da Pobreza Absoluta |
| PEAP | Poverty Eradication Action Plan |
| PHC | Primary Health Centre |
| PRGF | Poverty Reduction and Growth Facility |
| PRS | Poverty Reduction Strategy |
| PRSC | Poverty Reduction Support Credit |
| PRSP | Poverty Reduction Strategy Paper |
| PTF | Petroleum (Special) Trust Fund |
| REDD | Reducing Emissions from Deforestation and Forest Degradation |
| SACA | State Action Committee on Aids |
| SAP | Structural Adjustment Programme |
| SCRP | Stratégie de Croissance pour la Réduction de la Pauvreté |
| SEEDS | State Economic Empowerment Development Strategy |
| SFEM | Second Tier Foreign Exchange Market |
| SSA | Sub Saharan Africa |
| UN | United Nations |
| UNDP | United Nations Development Programme |
| WAI | War Against Indiscipline |
| WTO | World Trade Organization |

Chapter 1

Introduction

70% of Nigeria's 168.8 million people today live below the poverty line; that is below \$1.25 daily (UNDP, 2014). This is despite the fact that Nigeria started its independent nationhood with a poverty level of less than 15% of its population in 1960 (Vanguard, 2014). Nigeria currently has a problem with uncontrollable poverty hence reducing it has become its foremost priority.

The concept of development has come through a long chain of modified approaches and the current approach is the poverty reduction approach. The first phase of development designed for newly developed states was industrialization through import substitution. This metamorphosed into deliberate limitations placed on state powers and the promotion of the free market and competition. The present approach to development focuses on poverty reduction which is expected to lead to development while still hinged on the free market (Sachs, 2005; Rowden, 2010).

In the early 90s, the free trade and free-market-oriented economic reforms that had been promoted by the Reagan and Thatcher governments in the 1980s were under intense criticism for their apathy towards the poor and a general neglect of the progress on human development indicators such as health, literacy, hunger, access to clean water, gender inequality and so on. This neoliberal agenda; the Structural Adjustment Programme, became a woeful failure and this compelled the World Bank and IMF to design a seemingly new approach to development. So was born the "poverty reduction" agenda which is presently the new mantra for development. In line with this, the Millennium Development Goals are the new minimalistic yardstick for development and

they have as their anchor, the PRSPs which is the guiding policy document to achieve today's "development". The MDGs have been used ostensibly to reframe the entire discourse around aid and development and to create a complete focus on reducing poverty. In the face of the aforementioned criticism, the World Bank and IMF quickly rephrased their controversial Structural Adjustment Programme to the more humane "Poverty Reduction Strategy" (Seshamani, 2005; Best, 2007; Cammack, 2009). This brings to mind a question which is beyond the scope of this thesis but which nevertheless is important to consider: "Is improving human development indicators or reducing poverty supposed to be the same thing as development, or is development something more?" (Rowden 2010, p. 503)

On 8 September 2000, along with the then 189 United Nations member states, Nigeria signed up to the United Nations' Millennium Declaration. The Millennium Development Goals are the eight core development objectives of the United Nations' Millennium Declaration (UN, 2014). To achieve these goals then, it became necessary for Nigeria to reduce its poverty, in keeping with the World Bank and IMF's redefinition of development. However, with the MDGs due by December 31, 2015, Nigeria is not on track to achieve a single goal, a few targets, perhaps (CDD, 2013).

In September 1996, the Highly Indebted Poor Country Initiative was launched by the IMF and the World Bank to help Highly Indebted Poor Countries achieve debt relief. Nigeria, being endowed with significant oil revenue, was categorised as a "blend" country, that is, it is eligible for both IDA-only soft loans and IBRD loans. This meant that it was not categorized as an HIPC but could get some concessional debt relief (Moss

et al., 2004). Under these circumstances, Nigeria came to an agreement with the Paris Club to get debt relief because of its unmanageable balance of payments problems. In 2005, Nigeria concluded its debt relief agreement with the Paris Club on a \$30 billion debt with its creditors. Nigeria agreed to pay \$12 billion, while the sum of \$18 billion was cancelled. In accordance with OECD-DAC rules, the \$18 billion was registered as ODA by the creditors involved. It is with this \$18 billion therefore that Nigeria set off to pursue its MDGs (CGD, 2006).

To qualify for this debt relief, Nigeria had to prepare a Poverty Reduction Strategy Paper, which it completed in 2004 (World Bank, 1999; CGD, 2014). Nigeria's PRSP is the NEEDS, the National Economic Empowerment Development Strategy. The NEEDS therefore is Nigeria's blue print for reducing poverty, in other words, the mechanism for achieving its MDGs.

During the preparation of its Interim PRSP which was required as a precursor to the full PRSP, Nigeria had begun to implement PRS directed policies to combat its poverty problem. After the completion of its NEEDS, by 2004, it then continued with some of its already existing programmes, while creating new ones (NPEC, 2000). Nevertheless, despite investing 100% of its debt relief funds, receiving counterpart funding from its three tiers of government along with other forms of development aid and using these monies to generate programmes and activities, Nigeria's poverty burden has remained insurmountable (OSSAP MDGS, 2010; CDD, 2013).

A point worthy of note is the fact that Nigeria's GDP had grown from \$25 million in 1975 to \$161 million in 1980, and its GNP per capita rose from \$360 to more than

\$1000 in the same period, which was due to the discovery of crude oil in 1956 in Nigeria and its exportation beginning from 1958 to date. In 2011, the oil and gas sector accounted for 79% of revenue collected at federal level and 71% of export revenue (ADB Country Strategy Paper, 2014). More recently, Nigeria's GDP further increased from a 2012 IMF estimate of \$270 billion to \$522.6 billion in 2013, making it the largest economy in Africa, this notwithstanding, poverty has grown almost directly proportionally to its GDP (World Bank, 2014a).

In view of the fact that Nigeria had followed the PRSP prescriptions for poverty reduction strictly yet its poverty has not only remained impossible to reverse but has maintained an upward trajectory, the problem this exercise then sets out to research is the growing poverty in Nigeria in spite of the implementation of the PRSP programmes and activities between 2000 and 2014.

The objective of this study is to examine the possible underlying weaknesses within the PRSP policy framework, and to evaluate how this has impacted poverty reduction programme implementation in Nigeria. The study hopes to provide answers to issues around the limitations found within the design of the PRSP. In other words, the research intends to ascertain how the framework of the PRSP as a tool for poverty reduction has been ineffective in addressing Nigeria's growing problem of poverty.

In an ideal situation, to achieve a meaningful result in reducing poverty, the design, implementation, timing and targeted recipients of the intervention mechanism are crucial. It is imperative that the appropriate tool is applied, framed within the right context if a reduction in poverty is actually meant to be achieved. This suggests that an

empirical study is required in order to determine the effectiveness of the present approach to poverty reduction and to expose its inherent limitations. In line with these observations and as a response to Nigeria's case of increasing poverty in the midst of numerous programmes and activities meant to reduce the same, this thesis will ask the question: why has poverty continued to grow in Nigeria despite the PRSP inspired programmes and projects within the period 2000-2014?

This thesis will argue that the PRSP has not positively impacted the poverty in Nigeria because it has conceptualization limitations which include but are not limited to: the skewed focus of donors on the PRS process at the expense of its outcome, its poor financial management, its ambiguous definition of participation, its overambitious agenda; it has an agenda that seems to be beyond its scope particularly because it attempts to address poverty comprehensively, this is compounded by its poor identification of poverty. Other limitations undermining the PRSP are its poor coordination arrangement, the tension and disagreements as a result of internal politics within the state which it had not addressed in its design. Equally it is limited by the fact that it does not take individual countries into consideration and attempts to use one-size-fits-all intervention approaches.

This thesis will utilize the data from the different debates on the effectiveness of the PRSP in reducing poverty to show that there are indeed limitations within the PRSP framework which have served to undermine its implementation efforts thus rendering it ineffectual in reducing poverty. The thesis will further examine the implementation processes in Nigeria using practical examples of implementation challenges in Nigeria's MDG programme.

Literature Review

This section of the thesis examines a variety of literature in an effort to identify and position the different debates on the PRSP. This is meant to help the thesis locate its argument in the PRSP debate. The section shows the disparity between the different schools of thought as some focus on the effectiveness of the PRSP in reducing poverty while others focus on the real intent of the poverty reduction as development agenda as a whole.

Within the relatively short period of its existence, the PRSP has generated a significant amount of debate and controversy. The debates can be broadly separated into three perspectives: the first school of thought contends that until an economy has the ability to generate stable growth, poverty reduction or alleviation will be impossible. This school believes that economic growth usually has a “trickle-down” effect on poverty. It also argues that there are distributional impacts that are the outcome of economic growth through a competitive market structure. This school cites countries like Taiwan, Hong Kong, China, South Korea and Singapore, these are countries that achieved significant economic growth and it is assumed that this led to a reduction in their poverty level (Dollar and Kraay, 2002; Panagariya, 2002; Ames et al., 2000). The second school argues that the PRSP has some merit but that there are weaknesses within the mechanism which are undermining its success. The third school of thought is wary of the neoliberal intents of the IFIs and believes the aid driven poverty reduction agenda is simply a smokescreen to retain Northern economic hegemony over the South (Cammack 2009; Petras & Veltmeyer, 2005).

The section below will begin by defining poverty and then proceed to reveal how and why the IFIs came about the poverty reduction approach to development, thereafter, the different positions in the poverty reduction discourse will be discussed.

Meaning of Poverty

Because it is multi-dimensional in nature, poverty is frequently measured using different criteria. This explains the different attempts at defining poverty with each definition endeavouring to capture the perception of the author or the position of the poor on what the poor think poverty is. According to Narayan and Petesch (2002, p. 10) “poverty also may look quite different, seen through the eyes of a poor man or a woman.” This can be seen from the dissimilarities found within the different definitions, since poverty is seen as a relative term. Narayan et al (2000, p. 30) shows the poor’s direct experience with poverty as it states “poverty is humiliation, the sense of being dependent, and of being forced to accept rudeness, insults, and indifference when we seek help.”

According to the World Summit on Social Development in Copenhagen in 1995, poverty as a condition represents the severe deprivation of basic human needs, including food, shelter, safe drinking water, health, sanitation facilities, education and information. It is not only dependent on income but also on access to services. It includes a lack of income and productive resources to allow for decent and sustainable living, it means hunger and malnutrition, poor health, limited or no access to education and other basic services, increased morbidity and mortality from illness, homelessness and poor housing; unsafe environments and social discrimination and exclusion. Poverty is equally characterized by a lack of participation in decision making and in civil, social and cultural

life. It is a global phenomenon. It occurs as widespread poverty in many poor countries, as pockets of poverty in rich countries, as loss of livelihoods because of economic recession, as sudden poverty due to disaster or conflict, as the poverty of the proletariat, and as the complete destitution of those who cannot access family support systems, social institutions and safety nets.

Poverty represents a state of lack and deprivation as captured by the Federal Ministry of Economic Co-operation and Development, Nigeria (1992, p. 3), poverty is “not having enough to eat, a high rate of infant mortality, low life expectancy, low educational opportunities, poor water, inadequate health care, unfit housing and a lack of active participation in the decision making process”. The UN has this definition of poverty:

Fundamentally, poverty 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 cloth(e) a family, not having a 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. It means insecurity, powerlessness and exclusion of individuals, households and communities. It means susceptibility to violence, and it often implies living on marginal or fragile environments, without access to clean water or sanitation (UN, 1998).

While confirming the challenges encountered in developing a generally accepted definition of poverty, it was argued that there is an obvious consensus that poverty is a tough concept to deal with, and that it is easier to recognize than to define (Aboyade,

1987). In like manner, attempts made to categorize some specific areas through which poverty could be viewed are confronted with disagreements. For example, the Organisation for Economic Co-operation and Development (OECD) Guideline on Poverty Reduction (2000) opined that:

An adequate concept of poverty should include all the most important areas in which people of either gender are deprived and perceived as incapacitated in different societies and local context. It should encompass the causal links between the core dimensions of poverty and the central importance of gender and environmentally sustainable development (p. 29).

This way, the OECD failed to define poverty, it rather listed “the core dimensions” which a definition of poverty should capture to include: economic, human, political, socio-cultural and protective capabilities. But Narayan et al (2000, p. 29-30), while stressing the fact that poverty is multi-dimensional, argue that “definitions of poverty and its causes vary by gender, age, culture, and other social and economic contexts.” Their definition of poverty covered areas such as: lack of voice and power, independence, wellbeing, region, gender, and so on.

Basic elements of poverty such as the lack of power and voice, are interpreted differently in various countries, hence they are highly relative to context. A Ghanaian in 1995 described poverty in the form of an absence of power and voice thus, “you know ‘good’ but you cannot do ‘good’. That is, such a person knows what should be done but has not got the means.” In like manner, they also state, a poor elderly man in Uganda, described in his own words: “the forces of poverty and impoverishment are so powerful

today. Governments or the big churches can only manage them. So we now feel somewhat helpless. It is the feeling of helplessness that is so painful more painful than poverty itself” (Narayan et al, 2000, p. 39).

Using categorization as a basis for defining poverty creates more controversy with regards to what constitutes poverty in different spheres of society such as the individual, household, community, district and region. The dimensions and measurements of poverty may be inconsistent, which makes it all the more difficult to identify the poor (OECD 2000, p. 33). In confirmation of the fact that there are different views on the definition of poverty, the World Bank (1999, p. 10) states that “participatory studies have cumulatively shown that the poor also experience and understand their poverty in terms of a range of nonmaterial and intangible qualities such as insecurity, lack of dignity and status or a lack of power or opportunity.” The listed qualities and elements of poverty differ considerably by social group and by geographical and political-economic contexts.

In addition, an examination of the definition of poverty from the aspect of material wellbeing shows even more varying opinions. Material wellbeing is usually relative. Some do view it in terms of the ability to meet basic needs such as the provision of three square meals a day, and just as in the cases discussed above, only a few view it from the perspective of being able to educate one’s children, provide clothing for the family and decent housing; some others view it as being able to respond to emergencies by relying on savings. The absence of these things is simply seen as ill-being and by extension, poverty. The OECD (2000) states that:

Economic capability means the ability to earn an income, to consume and to have assets, which are all key to food security, material well-being and social status.

These aspects are often raised by poor people, along with secure access to productive financial and physical resources: land, implements and animals, forests and fishing waters, credit and decent employment (p. 30).

Assessing poverty from the position of gender, the World Bank noted that in some cases the gender dimensions of this powerlessness were obvious with implications for men and women, boys and girls (World Bank, 1999, p. 12). The bank went further to use the example of Ayekale Odogun, a village in Nigeria where “poor households were seen to be characterized by the inability of men to fulfill their role as provider.” The “processes causing poverty affect men and women in different ways and to different degrees; female poverty is more prevalent and typically more severe than male poverty” (OECD, 2000, p. 32). It further stated that women “suffer violence by men on a large scale. They are more likely to be illiterate as well as politically and socially excluded in their communities. Hence, abilities of women to overcome poverty are generally different from those of men”.

Another form of poverty is the gender-related “time poverty”. This refers to the lack of time for all the tasks expected to be executed by women, for their relaxation and the inadequacy of time for their economic, social and political activities (OECD, 2000, p. 32). This is an important additional challenge which is usually due to the presence of structural gender inequality. This disparity has different implications for women and men. It is important to analyse poverty from an all-inclusive perspective to ensure that

appropriate and effective policies are designed and implemented. In line with this, the World Bank Report of 1990 adopted a view of poverty that addressed the various aspects of deprivation as “encompassing not only material deprivation (measured by an appropriate concept of income or consumption) but also low achievements in education and health.”

On the one hand, poverty could be categorized as either relative or absolute while on the other, it could be classified as permanent or transient. A scholar described absolute poverty as “the condition where an individual or group of people are unable to satisfy their basic requirements for human survival in terms of education, health, housing, feeding, employment, transportation, etc.” (Aliyu, 2003, p. 2)

Affirming the above definition of absolute poverty, the following definition was given: “the insufficient or total lack of necessities and facilities like food, housing, medical care, education, social and environmental service, consumer goods, recreational opportunities, neighbourhood amenities and transport facilities” (Aboyade, 1987, p. 7). It is an established fact that what is regarded as poverty in one state or society may be seen as wealth in another which implies that poverty is usually perceived in relative terms. Therefore, relative poverty, was defined as “a situation where an individual or group of people can be said to have access to his/their basic needs, but is comparatively poor among persons or the generality of the community” (Aliyu (2003, p. 2). In agreement with the notion that poverty is more of a relative concept, Aboyade (1987) states that:

people are poverty-stricken when their incomes, even if adequate for survival, fall radically behind that of the community average, they cannot have what the larger

community regard as the minimum necessary for decency, and they cannot wholly escape therefore the judgment of the larger community that they are indecent. They are degraded, for in the literal sense, they live outside the grades or categories which the community regards as acceptable (p.7).

Poverty, as earlier noted, may be perceived from the angle of permanence or transience. Various types of poverty can be distinguished depending on factors such as time or duration (long, short-term or cyclical) if the poverty is spread throughout a population, but the occurrence of poverty is of limited duration and distribution (widespread, concentrated, individual) if the poverty occurs from relatively permanent inadequacy of a means to secure basic needs. This condition may be so widespread as to represent the average standard of living in a society or it could be concentrated in relatively large groups in an otherwise rich society (Aliyu, 2003, p. 2-3).

In spite of these challenges with defining poverty, there are “compromise” definitions of poverty which are broadly accepted and used by different groups. This work will make use of the following three: The Central Bank of Nigeria (1999) describes poverty as:

A state where an individual is not able to cater adequately for his or her basic needs of food, clothing and shelter; is unable to meet social and economic obligations; lacks gainful employment, skills, assets and self-esteem; and has limited access to social and economic infrastructure such as education, health, potable water, and sanitation; and consequently, has limited chance of advancing his or her welfare to the limit of his or her capabilities (p. 1)

The World Bank (2000) used the inductive method to reveal measurements of poverty hence it defined poverty using several indices. One of these definitions is that poverty is “the lack of what is necessary for material well-being especially food, but also housing, land, and other assets. In other words, poverty is the lack of multiple resources that leads to hunger and physical deprivation.”

Yaqub states that poverty is a “condition of privation or want in which a poor individual is incapable of satisfying the minimum basic human needs in such areas as food, housing and clothing, to ensure a decent life or existence” (Yaqub, 2002, p. 218).

There also exists the non-material aspect of poverty, which exists in the inability of a people to participate fully in the political and sociocultural activities of their community.

Neoliberalism and Poverty Reduction

Neoliberalism is a response to social liberalism in the late 20th century; it led to monetarist economic policies and a reduction in government provision of services. It blends traditional liberal concerns for social justice with an emphasis on economic growth. Neoliberalism is a political philosophy. The term was coined in 1938 at the Colloque Walter Lippmann by the German sociologist and economist Alexander Rüstow. It could be described as a redefinition of classical liberalism, influenced by the neoclassical theories of economics. This reaction to liberalism was designed on the notion that the free market in commodities and capital contain all that is required to provide freedom and well-being for all (David, 2005; O'Malley & Veltmeyer, 2006).

Broadly speaking, neoliberalism works to transfer part of the control of the economy from the state or public to the private sector, it seeks to, create a “more efficient government” and to improve the economic indicators of a state. What defined the concrete policies advocated by neoliberalism is believed to be John Williamson’s “Washington Consensus”, which is a list of policy proposals that is believed to have gained consensus approval among the Washington-based international economic organizations, that is, the IMF and the World Bank.

Williamson’s Washington Consensus contains the creed that guides neoliberalism and this creed includes: fiscal policy discipline, the redirection of public spending from subsidies toward broad-based provision of key pro-growth, pro-poor services, tax reform, competitive exchange rates, trade liberalization, and liberalization of inward foreign direct investment, privatization of state enterprises, deregulation, and legal security for property rights (Veltmeyer, 2012).

In keeping with their neoliberal ideology and as part of their commitment to ensuring economic growth for the South through the reduction of poverty, the IFIs initiated a conditional debt relief scheme. Nigeria’s PRSP is an initiative primarily funded by the debt relief provided for it through its agreement with the Paris Club to partake in the PRS scheme even though it was not an HIPC. The monies it saved by way of debt relief was then re-written as development aid.

Development aid had initially set out as a temporary programme of reconstruction and development assistance at the end of World War II. This agenda was then spread to the developing countries thereafter. Invariably, what started as a project to address

immediate global concerns in the pursuit of a stable world became and remained as development aid till date. As a matter of fact, through the well thought out construction of a political and economic system that creates inequality, donor assistance to developing countries has become entrenched as the primary means of pursuing the development agenda. The supposed goal of official development assistance (ODA) is to reduce poverty in the Global South by encouraging economic growth. The IFIs and their apologists, who propose economic globalization, claim that the market economy “rests on and encourages valuable moral qualities; provides unprecedented opportunities, and underpins individual freedom and democracy” (Wolf, 2003, p. 47).

The recourse to poverty reduction as the sole mechanism through which to achieve development by donors and international agencies has resulted in programmes of aid becoming the solution to initiating economic growth through fiscal conditions aimed at opening economies to the global market. The PRSP in itself was conceived by the World Bank and the IMF to help ensure that developing countries could be eventually integrated into the global market.

In the 1980s, Structural Adjustment Programmes emerged as a way to supposedly address issues of development by exporting large amounts of capital from the North for investment in “newly emerging economies”. To manage their debt crises in the 1980s, poor countries signed on to SAP’s specific economic policies, which includes reducing government budgets, opening their economy to trade and investment, and privatizing government-owned enterprises (Petras and Veltmeyer, 2005).

The neoliberal ideology presently dominates the international development community, this ideology emphasizes a reduced role for the state in regulatory activities in recipient countries, and it has been proven to have a positive effect for Northern capitalist economic investment and interests (Fitts, 2005; Haytor & Watson, 1984; Petras & Veltmeyer, 2005).

With regards to poor countries, structural adjustment had “removed the state as the principal agent of development, while private agencies are playing an increasing public role as they engage in public service delivery” (Dansereau, 2005, p. 47). Some multinational corporations are known to be securing more leverage through the World Bank and IMF as foreign direct investment replaces the ability of governments in recipient countries to retain control over even the most basic of social services. These processes are as a result of a fusion of neoliberal economic policies and the structural changes found within the later stages of capitalism.

The Structural Adjustment Programme had an unsuccessful outcome as it further entrenched poverty as opposed to its proposed bid to reduce the same. In light of this, it was eventually withdrawn and replaced by what the World Bank and IMF wish to argue is a new way of doing business. This new approach which is purported to be an improvement on the SAP is the HIPC initiative which produced the PRSP as a policy framework for development in poor countries. In Nigeria, the PRSP is the blueprint for achieving the Millennium Development Goals.

The HIPC, which is the original debt relief initiative of 1996, was extended in 1999 as The Enhanced Heavily Indebted Poor Countries Debt Relief Initiative and was

seen as necessary for poverty reduction strategies. Though the World Bank now agrees that debt is a product of bad policies, yet the eligibility criteria for The Enhanced HIPC refinancing requires that a country be very poor, have an unsustainable debt burden, and be willing to pursue IFI prescribed “good” policies. The World Bank insists that aid and debt relief should use “instruments that provide incentives to use the resources for poverty reduction” (World Bank, 2001, p. 203). According to the UN, in order for the HIPCs to finance poverty reduction strategies and reach “debt sustainability”, “a universal, rule-based, open, non-discriminatory and equitable multilateral trading system, as well as meaningful trade liberalization, can substantially stimulate development worldwide, benefiting countries at all stages of development” (UN, 2006, p. 29).

Over time, the World Bank has insisted that “aid can be highly effective in promoting growth and reducing poverty” (World Bank, 2000, p. 73). This belief is held so strongly by the Bank that a former President of the Bank, Robert McNamara, spoke at the 1973 Annual World Bank Meeting, of the need to redirect aid towards the poor whose life is “so degraded by disease, illiteracy, malnutrition and squalor as to deny its victims basic human necessities” (Haytor, 1982, p. 89).

The IFIs suggest that conditionality such as is found within the PRSP is necessary to achieve development because development aid (debt relief and donor funding) is often perceived as ineffective due to strictly internal factors such as “corruption” and inefficiently or improperly applied fiscal adjustment programmes (Collier, 2007; Banfield, 1963; UNDP 2003 & 2005). This therefore is the justification for the existence of the PRSP as a guiding policy purported to be an instrument designed to include civil

society, involve social welfare, and keep the “corrupt” state in check while attempting to achieve the Millennium Development Goals.

Jeffrey Sachs and the Poverty Reduction Agenda

Jeffrey Sachs belongs to the school of thought that defines development as economic growth which co-exists with a reduction in poverty. As part of his introduction in his book titled: *The End of Poverty: Economic Possibilities for Our Time*, Sachs stated that “...all parts of the world have the chance to join an age of unprecedented prosperity building on global science, technology, and markets.” (p. 2). Sachs views science, technology and the *free market* as necessary conditions for the reduction of poverty. As a continuation of his introduction, Sachs (2005) also stresses that:

When the preconditions of basic infrastructure (roads, power, and ports) and human capital (health and education) are in place, *markets are powerful engines of development*. Without those preconditions, markets can cruelly bypass large parts of the world, leaving them impoverished and suffering without respite. Collective action, through effective government provision of health, education, infrastructure, as well as foreign assistance when needed, underpins economic success. (p. 3)

Sachs continues to support his argument by buying into Keynes’ theory that the “ability of advances in technology to underpin continued economic growth at compound interest”, (p. 3)-which both Keynes and Sachs agree on is enough growth to end the “economic problem” of having enough to eat and enough income to meet other basic needs. Sachs’ argument can be summarized as: while poor countries should still pursue

trade liberalization, privatization and stabilization, the burden of poverty reduction should not be so heavy on them: they should be supported with aid. Sachs actually refers to India's EPZs, Bangladesh's sweatshops, and China's SEZs as instruments through which the countries overcame poverty. On close inspection though one would observe that Sachs is advocating for the provision of enough aid to position poor countries to play certain roles such as the supply of cheap labour in the free market. Unfortunately, Sachs promoted cheap labour and the free market without giving attention to the finer details of the terms and conditions under which these activities are carried out.

Sachs, appointed as the Special Adviser on the Millennium Development Goals to then Secretary General of the UN, Mr. Kofi Annan and shortly after as the Director of the Earth Institute, Columbia University, was in a position to make his dream of achieving development through poverty reduction and economic growth (primarily attained through the use of foreign aid), possible (Sachs, 2005, p. 222-224). Empowered, Sachs drew up a plan designed to address issues such as "schools, clinics, roads, electricity, ports, soil nutrients, clean drinking water, and the like" which he was convinced will lead to a reduction in poverty and invariably result in development. You would do well to note that Sachs' interpretation of development is strictly along the lines of economic growth (Sachs, 2005, p. 226).

Somehow, Sachs' reductionist re-interpretation of development as economic growth which he believes will co-exist with a reduction in poverty, did not acknowledge the broader issues behind the reason for global inequality. This might be an oversight on

his part or might be a wilful omission as it does not serve his neoliberal purpose. This same oversight will serve to undermine his theory, at least in the Nigerian situation.

It is worthy of note that Sachs rightfully admits that contrary to Northern claims about corruption and poor governance being solely responsible for poverty, the North was wrong in its analysis, but disappointingly, he went on to list improbable factors which he claims are responsible for poverty, some of these factors are: malaria, AIDS, Africa's few navigable rivers, worsening droughts, and lack of infrastructure (Ibid, 188-209). It is ironic that though Sachs acknowledged the fact that there was a factor beyond the claims of donors for the existence of poverty, he ended up listing the above as the factors responsible for poverty.

According to Sachs, the international development community can overcome poverty by using a "differential diagnosis" to identify "basic needs" which as a combination of inputs from the WHO and the UN Millennium Project he lists as: primary education for all children, with designated target ratios of pupils to teachers, nutrition programmes for all vulnerable populations, universal access to anti-malarial bed nets for all households in regions of malaria transmission, access to safe drinking water and sanitation, one-half kilometre of paved road for every thousandth of population, access to modern cooking fuels and improved cooking stoves to decrease indoor air pollution (Sachs, 2005, p. 292-293).

These are some of what Sachs refers to as his solutions for ending poverty; he claims that if these are provided, it will help place the poor on the "bottom rung of the ladder of development" from which they can help move themselves upwards (Sachs,

2005, p. 244). The irony of this is that though Nigeria (along with other developing countries), incorporated Sachs' suggestions into its PRSP, Nigeria's poverty rate has increased despite its increase in economic growth. The outcome of Sachs's one size fits all recommendations have had similar results in almost all PRSP participating countries. This points to the fact that there is something inherently problematic with Sachs' conceptualization of the interaction between poverty reduction, economic growth and development and the appropriate intervention required.

As concerned as Sachs appears to be about the world's poor, his approach to addressing the development issue will only serve in perpetuating the already existing financially exploitative hegemony of the North over the South (Todaro, 2006). By making Southern countries dependent on foreign aid which will only place them on the bottom rung of the development ladder whilst they generate interest on loans for the IFIs, while providing cheap labour, and by neglecting the reason for their initial exclusion from a position on the ladder, they will be forced to continue to endure Northern domination. Which is the exact position the market/Sachs wants them to occupy (Gay, 2005). To achieve poverty reduction therefore, the South must go beyond the suggestions of Sachs.

Having discussed the ideology behind the conceptualization of the PRSP, this work analyzes the different positions arising from the principles and the practices of the PRSP.

The IFIs have been involved through their institutionalized periodic reviews and assessment processes along with several donors under donor groups that desire aid harmonization for enhanced effectiveness, International Non-Governmental

Organizations (INGOs) such as Oxfam, states, local NGOs, independent research institutions, and many others. These stakeholders, with different interests, have critically examined the effectiveness of the PRSP in reducing poverty and this has resulted in a few thematic areas under which the PRSPs have been assessed.

The following are the most significant themes in the PRSP debate: the effectiveness of aid in reducing poverty, the genuineness of country ownership, the soundness of PRSP principles and practices, the relationship between economic growth and poverty reduction, increased aid and its implications, the challenge of limited country implementation capacity, aid or trade; what is best for poor countries? As a matter of fact, beyond aid (which includes debt relief), the concept of international development as a whole is being reviewed under these themes. The debates have been captured under three important categories: PRSP Effectiveness in Reducing Poverty (Sachs, 2005; World Bank, 2008; Friedman, 1964; OECD, 2014), Limitations in PRSP Principles (McGee & Brock 2001, p. 3-8; Christian Aid 2001, p. 14; Painter 2002) and the Intent and Purpose of the PRS (Petras & Veltmeyer, 2005; Girvan, 2007; Mason, 1964; Moore Lappe, Schurman & Danaher 1987).

PRSP Effectiveness in Reducing Poverty: Opposing Positions

Most of the research that have evaluated the principles and practices of the PRSP have addressed the issue of its effectiveness in achieving its goal. There are two primary positions which are: (a). The position which sees the PRSP as a mechanism with some potential to reduce poverty but flawed in its present state and (b). The position which

doubts the efficacy of the PRSP, rejects it as a poverty reducing tool and suggests a complete overhaul of its design.

1. IFI view on PRSP effectiveness in reducing poverty

This position is hinged on the examination of the Joint Staff Advisory Notes of a few countries, namely: Zambia, Benin, Uganda, Burkina Faso, Mozambique, Bolivia, Ghana and Georgia. The outcome of the investigation provides useful insights on the official perspective on the level of effectiveness of the PRSP in reducing poverty. This position is quite significant as it could offer some explanations for the IFIs' low responsiveness to recommended changes in the PRSP policy design.

a. PRSP Success Stories:

Within the IFIs but also beyond it is the belief that Uganda and Bolivia are the real flag bearers of the PRSP success story with significant drops in poverty levels and sustained economic growth being simultaneously achieved. Ghana and Mozambique are also examples of relative success stories with impressive drops in poverty and the attainment of higher and sustained economic growth. The dramatic reduction in the poverty rate in Uganda and Bolivia are widely documented by the IFIs, and by the governments of the countries themselves. Uganda registered an 18% drop from 56% in 1992 to 38% in 2003 of the total population living below the poverty line and thereafter it registered a 19.9% drop from 44.4% in 1996 to 24.5% in 2009 of the poverty headcount ratio at national poverty line (% of population) (World Bank 2014b). In Bolivia, the extreme poverty head count index significantly dropped from 69% in 1992 to 37% in 1999 , the poverty headcount ratio at national poverty line (% of population) also dropped

from 59.6% in 2005 to 51.3% in 2009 (World Bank, 2014c). Ghana's own poverty headcount ratio at national poverty line (% of population) dropped from 51.7% in 1992 to 28.5% in 2006 (World Bank, 2014d), Mozambique's poverty headcount ratio at national poverty line (% of population) dropped from 69.4% in 1996 to 54.7% in 2009 (World Bank, 2014e). The assumptions about the success of the PRSPs in these countries were first made at the early stages of the PRSP.

Mozambique achieved significant results during her PRSP (PARPA I). It sustained an economic growth of 8% yearly on average, and its poverty headcount index dropped from 69% in 1997 to 54% in 2003. This was achieved through some shrewd macroeconomic policies, significant structural reforms and extensive donor assistance. Its growth was "pro-poor", the consumption growth rate of people below the poverty line was very positive owing to agricultural expansion, increase in non-farm activities in rural areas, and a growth in employment income (IMF and World Bank 2005, 2006). In the case of Ghana, the staff had agreed (as at 2006) with the assumption that Ghana would most likely halve the poverty rate by 2015, Ghana's 2010 poverty data however shows that Ghana has "mixed results" (Ghana's MDG Progress Report, 2013).

These statistics have been and continue to be used by the IFIs, the governments of these respective countries as well as the proponents of the PRSP, as evidence of the effectiveness of poverty reduction as an instrument for achieving development (which they interpret as economic growth) in poor countries. These results have now led to the justification of the PRSP as a framework that uses effective policies to achieve poverty reduction since there has been success recorded in the cases of the said countries. This

can however be a very shallow view particularly when the factors that account for the “success” of the PRSP in these countries are critically examined. As a matter of fact, there is evidence that a set of unique factors have been the primary reasons for poverty reduction in the widely touted “success stories”. For instance:

Coincidence:

Prior to the onset of the poverty reduction agenda by the IFIs, Uganda and Bolivia had put up programmatic fights against poverty. Uganda had launched the PEAP in 1997- this was an overarching poverty reduction strategy that resulted from a widely participatory process. Bolivia’s Poverty Reduction Strategy (BPRS) is founded on an irrefutable assumption that “poverty, inequity, and social exclusion are the most severe problems affecting democracy and governance in Bolivia, and that, in consequence, the preservation of democracy demands that the highest priority be given to meeting these challenges” (Bolivian PRSP, 2001, p. 15). The situation led to a significant “conjunction of interests” between the IFIs and donors on the one hand and the political institutions in the listed countries on the other hand resulting in conditions conducive for an effective partnership which played a crucial role in the successes of the countries (Piron and Evans, 2004). A noteworthy fact here is that these countries, by employing their own *internal* political dynamics had created national programmes meant to alleviate poverty therefore with or without the IFI sponsored PRSP agenda poverty would still likely have been reduced.

Attribution:

This factor is closely related to the coincidence factor, it questions the contribution of the PRSP to the poverty reduction or development agenda. Some of the answers it seeks includes if the PRSP project quickened the drop in poverty rates. Before the introduction of the PRSP in 1999, Bolivia had had close to two decades of a political economy focused on poverty reduction. In Bolivia's IPRSP (2001), it was clearly stated that starting from the late 1980s, the Bolivian State had taken certain steps to reduce poverty by designing a policy framework for education, health, and basic sanitation. The importance of this historical factor is strengthened by evidence of the absence of strong supporting institutional mechanisms for poverty diagnosis, monitoring and evaluation and planning systems in the countries that showed "modest or mixed results" (IMF and World Bank, 2007). Georgia's obvious failure to achieve significant progress with the PRSP institutionalization has also been taken as a good example as Hamilton (2004), disclosed in her case study that discovered that the Georgian government didn't have a practice of actually fighting poverty through policy mechanisms that addressed the causes of poverty but Georgia rather focused on reducing the evidence of poverty by making welfare payments to specific vulnerable groups.

The above arguments do not necessarily negate the fact that these "success stories" provide important pointers to the usefulness of the poverty reduction objective of country development strategies but it also reveals the effective management and coordination of development assistance. The IFIs do acknowledge (however subtly), in their Joint Assessments, the fact that required levels of PRS effectiveness in reducing poverty are not being met. With regards to Uganda, the IFIs do recognize that there still

exists a challenge in the area of poverty diagnostics which demands comprehensive poverty monitoring systems to ensure enhanced targeting in the PRSP. The number of Ugandans living in poverty is high along with inequality of income distribution, the quality of life indicators are still poor, the economy has remained prone to exogenous shocks, and corruption still exists within the economy (IMF and World Bank, 2005). With regards to Ghana, the JSAN observed that Ghana's Growth and Poverty Reduction Strategy (GPRS II) would have been better if it had analyzed the risks to the strategy such as the inability to implement planned structural reforms, exogenous shocks such as negative terms of trade or growing regional instability (IMF and World Bank, 2006). These same observations from the IFIs themselves prove that there is a need for PRSP reforms, an observation which this thesis supports.

b. Limited and "Mixed" Outcomes:

Many PRSP implementing countries have shown modest results with regards to PRSP performance. This is actually acknowledged officially by the respective countries, a position which is equally shared by the IMF and the World Bank in their Joint Assessments. This literature review uses Benin, Burkina Faso and Zambia as good examples because they show limited and mixed outcomes in their utilization of the PRSP as a poverty reducing tool.

Benin's 2007 JSAN on its first PRSP, the *Stratégie de Croissance pour la Réduction de la Pauvreté* (IMF and IDA 2007), revealed a modest reduction in poverty over the first PRSP period, which went along with a limited growth in per capita income. It also emphasized the fact that Benin's economic performance was below what had been

projected and the gains in poverty reduction were limited. Benin's weaker than expected growth performance was attributed to delays in putting structural reforms in place (IMF and World Bank, 2007). Implied in this assessment is the important question of what constitutes the true determinants of PRSP effectiveness in reducing poverty. The JSAN appears to suggest that this is tied to the pace of structural reform as well as to the pace of the overall progress in reducing poverty. Therefore a quick rate of structural reform and by extension, a fast reduction in poverty according to Benin's JSAN is a precondition for economic growth. This in turn presents a concern: is it a quick pace of structural reform for economic growth? Or should the focus be on pursuing economic growth for poverty reduction? This problem is further examined in the next discussion on the political economy problematic found within the PRSP.

Benin's SCRP raised questions about the possibility that more emphasis was being placed on donor coordination at the expense of other requisite preconditions for PRSP effectiveness in reducing poverty. The JSAN highlighted the fact that progress had been mixed in responding to many issues identified by staff in previous JSANs. Issues like: a. Insufficient mechanisms for evaluating the impact of policies on the poor, b. Inadequate information on the determinants of poverty, and c. Poor reform implementation capacity. This really questions the assumption about the effectiveness of the PRSP as a poverty reducing mechanism.

Burkina Faso did experience a modest drop in poverty from 54% in 1998 to approximately 42% in 2005 (IMF and World Bank, 2007). Though Zambia was commended by the JSAN for the review of poverty dynamics, its poverty levels remained

high as the national incidence of poverty only fell from 73% in 1998 to 68% in 2004. Extreme poverty-which is the population living below US\$1 per day, reduced from 58% to 53% within the same period (Ministry of Finance and National Planning, 2006). Zambia's JSAN in its conclusion and issues identified for discussion observed that the FNDP provided a comprehensive framework for growth and poverty reduction in Zambia. Yet "without a scaling up of donor assistance, and/or inability to raise domestic revenues there will be a significant shortfall of resources to implement the plan" (IMF and World Bank 2007, p. 6). This raises a few concerns because although the FNDP works within a broad framework, it reveals a resource challenge. The manner in which this is linked to a very important PRSP principle (which requires a PRSP to be based on a comprehensive understanding of the multidimensional nature of poverty) reveals a significant contradiction in the PRSP policy design. This shows some inconsistency between PRSP principles and practice and has implications for long term planning based on political economy considerations. Could the comprehensive nature of the PRSP be sabotaging its effectiveness in reducing poverty? In other words, since there are obvious resource constraints, should the PRSP endeavour to combat an already multidimensional poverty "comprehensively"? The "external" debates on the PRSP discussed below will hopefully provide useful insights with regards to this and other fundamental questions raised above.

2. External (Non-IFI) Positions on PRSP Effectiveness in Reducing Poverty
a. Limited Effectiveness (more attention to process than outcome):

Many improvements in policy processes of countries signed up to the PRS have been ascribed to the PRSPs, however, these improvements have not been impressive enough and they fall short of what is required of a development mechanism (Booth,

2005). Booth states that a good mechanism should undertake the local creation of high-quality policy thinking on poverty reduction goals and a platform for ensuring appropriate action. There is a widely documented indicator of PRSP effectiveness in reducing poverty which is the acclaimed *redirection of country development strategies towards poverty reduction*. This “accomplishment” has been widely studied by the IFIs and other reviewers.

Uganda was and is still widely acknowledged as one of the PRSP success stories in many studies. It was argued in *The Poverty Reduction Strategy Approach Six Years On: An Examination of Principles and Practices in Uganda*, that Uganda’s PEAP produced remarkable benefits to development practice; this is in spite of its unimpressive performance when measured by some of the PRSP principles (Canagarajah and Diesen, 2006). They also claim that the PEAP produced impressive positive change in Uganda’s public policy-making, creating a clear focus on poverty in every sphere of governance. This is quite important in view of the fact that prior to the advent of the PEAP, poverty in Uganda was mostly regarded as a marginal concern to be managed lightly as against being treated as a priority by the government. But through the influence of the PEAP, the situation has changed and poverty has become a priority and one with the potential to direct the Ugandan government activities (Driscoll and Evans, 2005).

Connected closely to the refocusing of country plans and strategies is the positive resultant effect observed in the growing understanding of poverty and the many ways in which public policy can influence it; the increase in accountability because of extensive stakeholder involvement; and quite importantly, the establishment of a solid foundation

for the placement of development partner contributions with national objectives, and the harmonization of development partner support programmes (Canagarajah and Diesen, 2006). Some of the areas in which researchers argue there have been improvements include the integration of poverty reduction planning with budgeting, poverty monitoring and increased attention to donor alignment even though some challenges still remain in these processes (Driscoll and Evans, 2005; Gottschalk, 2005; Piron and Norton, 2004).

b. View of the PRSP as “disappointing”:

Most of the studies on the PRSP view it as “disappointing”; this is according to Dijkstra (Dijkstra, 2005; Canagarajah and Diesen, 2005). This led to wide reviews on the weaknesses found within the PRSP and literature abounds on how these compromised its usefulness and success in the reduction of poverty. This implies that the debate on PRSP ineffectiveness in reducing poverty works with the belief that the PRSP has not done enough to move the poor out of the reaches of poverty and underdevelopment nor has it achieved the basic objective for which it was introduced which is the enhancement of aid effectiveness by streamlining the donor-recipient relationship and reforming the previously unproductive conditionality regime that compromised the effectiveness of aid in the 1990s.

Dijkstra’s article, *The PRSP Approach and the Illusion of Improved Aid Effectiveness: Lessons from Bolivia, Honduras and Nicaragua*, analysed the PRSP outcomes for Bolivia, Honduras and Nicaragua and concluded that the results were “disappointing” (Dijkstra, 2005). The author attributed this outcome to the fact that the PRSP process gives priority to rational planning while overlooking the accompanying

politics which has resulted in unforeseen and negative consequences. Dijkstra drew strong conclusions and made recommendations that basically deprive the PRSP of most of its defining elements and made it retain just a few of its original ones. For example, she suggests that donor roles should be limited and less intrusive, she also suggests that they lend support to existing government plans rather than completely overthrowing them. She further suggests that they should confine their contributions to less comprehensive, more focused plans, while bearing in mind the uncertainty of aid.

Dijkstra's highly critical position on the failure of the PRSP in Latin America is supported by Holmqvist and Cueva (2006) who agree that the limitations of the PRS approach, as applied and understood should be recognized and this should, at the minimum, based on the evidence from Latin America, be addressed using a joint reformulation by governments, donors and civil society organizations. This they believe would correct the drawback to the PRS approach in Bolivia and bring more light to the confusion around the PRS in Nicaragua. Holmqvist and Cueva, who are however more optimistic about the PRS, find it redeemable and make encouraging observations. In the three Latin American countries, they note the challenges associated with meeting all the objectives simultaneously with: (a). The strategies being changed through different electoral cycles, this way, revealing their inability to be long-term. (b). They see the extremely ambitious consultation processes leading to bottlenecks since the processes are believed by participants to be superficial, revealing that there is an absence of broad and real consultative processes and hence, the absence of consensus.

An important observation made in this analysis is that at the centre of these difficulties are the observed dialectics between the PRS approach and the political realities of Latin American democracies. As opposed to Dijkstra who prefers a radical reform of the PRS based on the Latin American experience, Holmqvist and Cueva base their prescription on the recognition that the PRS approach, as it is presently, is unlikely to succeed and their belief that nevertheless, several of the PRS principles should be sustained. They base this assertion on the assumption that the countries require plans to alleviate poverty that can produce real results, that both recipients and donors require common platforms to direct alignment and harmonization, and the unequal and socially divided Latin American societies need a social contract which has basic objectives and principles that address poverty and social injustice.

The discourse around the effectiveness of the PRSP in reducing poverty has been based on assessments of country and regional performance in the pursuit of the MDGs. Indicators of the effectiveness of the PRSPs in achieving its goal, in relative terms can be deduced from these assessments. Two strong conclusions that emerged from a review of annual and special publications of the UN and some international agencies by Shaw (2005), question the effectiveness of the PRSP, that is; the inconsistent progress made by countries and regions to achieve the MDGs is observed while noting the obvious certainty that some countries, particularly in Sub Saharan Africa, will miss the MDGs by 2015 unless a drastic increase in the combined efforts of poor and rich nations occur. It was equally noted that there is need for a significant contribution of resources available in the poor countries if the MDGs are to be achieved.

PRSP Principles: Weaknesses in Design & Implementation

What is obvious from the above discussions is that most of the debates on the PRSP tend to focus on the process of the PRSP as against the outcome. These processes are basically determined by the core PRSP principles of country ownership, results orientation, participation, a comprehensive focus on poverty, a partnership-oriented approach and a long-term perspective for poverty reduction. Assessing the PRSP from an academic and also a practical public policy position, its principles are in keeping with what constitutes good practice in international development assistance policy. Nevertheless, the evident failure of the PRSP to reduce poverty has brought it under intense examination and what has been revealed are pivotal weaknesses in its conceptualization that have resulted invariably in sabotaging its implementation. This review intends to throw light on some of the many issues found within the PRS and will specially focus on: the principle of participation, country ownership and poverty comprehensiveness. These issues will be discussed particularly because they are very important to the success or not of the PRS process.

a. National Ownership-In Principle but not in Practice:

In view of the unsuccessful SAPs, a development which is believed to be partly because of the absence of country ownership due to the extreme control or top-down management of the PRSP process by the IFIs, the PRSP's principle of an internally directed process which promotes national ownership employing broad based participation appears to have become a very important development in the long history of international aid. Whether this has indeed been achieved and whether it has contributed to enhancing

the effectiveness of international development assistance is a subject of debate. This debate tends to focus on issues to do with conditionality: actors, interests and coordination (politics) and more fundamentally, the meaning of country ownership.

The truth of the PRSP's claim of being country driven has been widely questioned. It was observed that not all of the recent studies have attempted to address the deeper questions, but those that do seem to agree that the "buy-in" to the PRSP process is mostly technocratic or limited to a significantly small number of strategically placed officials which ensures that the key political interactions and change processes are dictated to the people (Booth 2005). This is still occurring in participating countries such as Nigeria and even in Uganda where the subject of poverty reduction is constantly a political rhetoric at election times. This has equally been the experience in Guyana where there is very limited ownership of the PRS process outside of the Office of the President. This is despite the fact that the President and his associates continued to view the PRS as an obstacle to overcome in a bid to achieve the HIPC Completion Point. This unfavourable situation was partly blamed on the insistence by the donor community that a new PRS is developed when there was already in existence, a National Development Strategy (NDS) which was developed through a consultative process (PRSP Monitoring and Synthesis Project, 2004), and similar to the experience of Uganda and Bolivia, this could have been a platform upon which to enhance country ownership by a process of harmonization. The same was said of the Nicaraguan PRSP which was said to have been designed by technocrats according to donor directives. These directives resulted in country ownership by the Nicaraguan government itself being limited (Dijkstra, 2005).

Generally, there is a tendency for the PRSP drive and ownership to be mostly technocratic, serving as a point of convergence for the IFI bureaucrats and country civil servants in specific central agencies which steer the PRSPs; the Ministries of Finance and Planning in most cases or the Office of the President or Vice President in Guyana, Nigeria and Tanzania respectively (Cheru, 2006; OSSAP MDGs, 2005). This observation is supported by evidence from a stakeholder survey by the OECD in 10 country case studies in which levels of ownership was said to favour the donors (OECD, 2003).

Part of the explanation for the rather disappointing results on country ownership is that the principle is ambiguous. For instance, the IMF fact sheet says of the PRSP principle of a country-driven process as “promoting national ownership of strategies through broad-based participation of civil society” (IMF, 2008). But “broad based participation”, a vital requirement for achieving national ownership, is a flexible notion. Participation is defined by the World Bank Participation Source Book as “a process through which stakeholders influence and share control over development initiatives and the decisions and resources which affect them” (World Bank, 2008). Being defined as a country driven process which promotes national ownership through broad-based participation, though it seems good theoretically, but it has seen mixed results in reality-mostly because of the ambiguity that surrounds it. For participation to be meaningful and effective, it has to take place on the basis of a clear understanding of *who* the participants are, in *what capacity* they participate, and with *what degree of influence* (Piron and Evans, 2004). Ironically, within the PRS, all of these questions are not clearly defined. For example, “country ownership” suggests some sort of consensus between national

actors and participation outside of the state elite, but at the same time, fails to address questions about the *degree of influence* each actor should have, *how* consensus should be achieved, and the *manner* in which to address unforeseen and difficult outcomes (Driscoll and Evans, 2005).

Though these principles are quite capable of enhancing democracy and strengthening coherence between donors, there are still a number of contradictions found within the PRSP principles that impact negatively on the effectiveness of the participatory process and by extension, the attainment of ownership of policies by poor countries. Accountability is equally compromised in this process (Cling, Razafindrakoto, Roubaud, 2002).

A significant contradiction in the PRSP principles is donor's prescription for country ownership while placing stiff conditions on the process, this usually results in fluidity in the dynamics of ownership. It appears that not enough focus has been paid to the impact of conditionality on ownership, as the results of these are yet to be integrated into the conceptual framework of the PRSP. Some questions that require answers are: will a decrease in conditionality increase ownership? What is the critical level or type of conditionality that would not sabotage ownership? It was noted that the requirement for participating countries to prepare a PRSP in order to qualify for aid and debt relief implies an increase in conditionality, this is a conditionality of a different nature, it becomes "process" now as against "content" as was the case with the SAP (Dijkstra, 2005), which means that the PRSP is today telling countries "how to do" as against the SAPs that said "what to do". The notion of conditionality and the conflict between this

and ownership as examined by Wood (2004) is a significant contradiction that makes this basic PRSP principle impotent. Over time the World Bank's actions have been increasingly dictatorial implying a distrust of governments and suggesting that, the Bank prefers to control states through increased conditionality as against pursuing the challenging process of achieving outright ownership. This takes trust, which is a key requirement in a multi actor setting, out of the equation. The absence of effective mechanisms to engender trust is a major weakness in the PRS process. This might be part of the reason why it was argued that the PRSPs themselves are obviously "part of the conditionality process" (Whaites, 2000).

The dissociation between the PRSP mechanism and the democratic processes in the PRSP participating countries brings about the question of the legitimacy of the PRS process as there is no structure in place to connect election manifestos to the PRSP mechanism. The reason for this is debatable; it could be seen as either intentional or an oversight. Nevertheless, this issue is a growing concern in the debate on the idea of the PRSP principle of country ownership.

An assessment of the PRSP-based on the issue of governance in Africa drew conclusions that shed some light on the meaning of the PRSP principle of ownership. It was noted that the PRSP provides little or no choice that should ordinarily be expected from governance in a democratic mechanism which in its true form should provide the freedom required for people to determine the intervention themselves (Adejumobi, 2006). Adejumobi described the choices offered by the PRSPs as "more apparent than real, and more hollow than substantive. He also says that the PRSP is structural adjustment with a

new face but with few modifications on the social content and with emphasis on matters of country ownership and consultation. He views the PRSP as a mechanism striving to correct some of the errors of the failed SAP which he says left Africa “worse off today after twenty years of economic maladjustment”. He suggested that for the PRS to be successful, “it must assume a domestic democratic character” whereby Africa’s development partners pursue a common vision of economic and social development with the beneficiaries, to which they commit, as against a covert external policy disguised with political buzz words of participation and supposed country ownership (Adejumobi, 2006 p. 25).

Country ownership of the PRSP alongside the political or democratic processes was equally examined by Dijkstra in her study of Honduras, Nicaragua and Bolivia where she found that in the three countries, the national elections which, quite significantly, all led to a change of government, took place shortly before the endorsement of their full PRSPs by the IMF and the World Bank. For Honduras and Nicaragua, this took place in November 2001, a couple of months after their PRSP approval, and for Bolivia, it was early 2002, nine months later. She noted that the three elected Presidents came to power on the platform of a new national development plan. All three she further disclosed did not recognize the old PRSP which is an obvious indication of the ownership of the PRSPs; it is certainly outside of their national political traditions. This brings to bear fundamental questions on the design of the PRSP in terms of country ownership and the result this has when ensuring continuity in a dynamic and very unstable political setting.

The conflict between the PRS and the democratic process is a significant bottleneck for the attainment of meaningful national ownership of the PRSP. What is ironic is the fact that the democratic process is the ideal point through which aid effectiveness through harmonization could be achieved. This would have led to an inevitable outcome of real country ownership based on country elections which provide an excellent platform for key stakeholders at the country level, that is, the people, the government and most importantly, the opposition in parliament.

It is of immense importance that the PRSP process is linked to a country's political and democratic process, this is so much so that it was acknowledged by the IFIs early in the PRSP implementation. The IMF and IDA in a 2003 progress report stated that:

National elections and changes of government have had implications for government ownership and the continuity of the PRSP in several countries. In all such cases, the transition from one administration to another has slowed the progress of the design (e.g., Madagascar) and implementation (e.g., Bolivia and Albania) of the strategy. New administrations have typically reassessed existing PRSPs and adapted the programme of activities to their policy stance: for example, in Honduras, the new government's Plan De Gobierno was put forward as a platform for implementing and refocusing the PRSP. Some have interpreted such changes as evidence that the initial PRSPs in these countries were neither analytically robust, nor built on sufficient consensus. On the other hand, it is unrealistic to expect a strategy with specific assumptions and policy commitments

to endure in its entirety from one elected government to the next, and revisions set out in a progress report, or through a re-crafted strategy (e.g., Bolivia), are only to be expected in the light of electoral changes (IMF and IDA, 2003).

b. Poor Treatment of the Causes and Nature of Poverty:

The PRSP principle that requires that Country PRSs are thorough and exhaustive in recognizing the multidimensional nature of poverty has, as a principle, gotten comparatively less examination in the existing critiques of the PRSP. This might be because of the seeming absence of a real debate on what constitutes poverty, possibly as a result of the relative international agreement on the subject as manifested in the MDGs and by the attitude of the enthusiastic debt relief beneficiaries. A close look, nevertheless, at the multidimensional nature of poverty, raises a few crucial questions that would inevitably impact the effectiveness of the PRSP. Driscoll argues that comprehensiveness necessitates the coming together of macro frameworks and poverty reduction goals, which adopts a reasonable degree of state capacity alongside authority and legitimacy over territory and financial space (Driscoll, 2004). The external causes of poverty in Africa are not, for example, addressed within the framework of the PRSP (Weber, 2004; Stiglitz, 2003; Wilson et al 2001).

In agreement with the above argument, Adejumobi observed that poverty reduction in Africa is not only impacted by a state's actions or activities but he argues that it is also subject to external factors such as the way in which the Global South has been grafted into the international trade system (Adejumobi, 2006). He argues that the global economic regime found within the World Trade Organization (WTO) is largely biased

and frustrates developing countries from having access to fair trade; it limits their initiative at technological buy-in, and invariably, undermines their attempts to attain economic development necessary for overcoming the problem of poverty on a sustainable basis. (Ibid)

This position was developed by Gore in his article *Globalization, the International Poverty Trap and Chronic Poverty in the Least Developed Countries*, in this work, he offered three key propositions that basically reveal the critical elements of poverty, and he revealed the internal and external factors that lead to the poverty trap (Gore, 2003). He argues that:

The causes of poverty can be identified at different levels of aggregation, running from the micro level (the characteristics of the household and community), up to the national level (characteristics of the country) and up to the global level (the nature of the international economy and the institutional structures which govern international relationships). As a corollary, it is possible to identify poverty traps at different levels of aggregation. Households can get stuck in a poverty trap, communities can get stuck in a poverty trap, and countries can get stuck in a poverty trap. Globalization, which is understood here as increasing interrelationships between countries, necessitates a shift in the framework for poverty analysis so that poverty at the household, community and national level is analyzed in a global context... (p. 2)

PRSPs tend to focus on internal country (endogenous) poverty dynamics and this becomes a real challenge to country development strategies and their ability to be relevant

and in keeping with the realities of globalization today. Most assuredly, reviews of several Country PRSPs will reveal that the policy actions therein are more in tune with the interaction between international trade and development rather than the real intent behind the poverty reduction agenda. Though this focus is said to be crucial to the eventual eradication of poverty, nevertheless, it is a very silent area in the critiques of the PRSP.

The critics of the comprehensive nature of the PRSP are concerned about poverty's multidimensional nature and believe it might make the PRSP become too extensive for effective and efficient management. As, according to a school of thought, it is understandable to question if the PEAP (Uganda's PRSP) has not become too comprehensive, being a document with almost 300 pages and involving a wide array of very detailed government programmes and policies (Canagarajah and Diesen, 2005). The critics see the third PEAP as so broad that identifying its priorities became problematic and this they rightly argue, undermines its effectiveness in reducing poverty. The reason for this they state is because it involved more extensive consultation and applied a more comprehensive treatment of poverty. They argue that the PEAP revision process in Uganda had been relatively long, expensive and time consuming for most of the participant civil servants, CSOs and development partner officials.

c. Coordination-ambiguous arrangements

For the PRS to be truly effective there must be sound coordination between the government, domestic stakeholders, and external donors. While designing the PRS, the IFIs did not treat the issue of coordination with thoroughness. The challenge now is the

appropriate coordination arrangement to be put in place. The notion of coordination in the PRSP is yet another ambiguous area that has necessitated a lot of scrutiny. This has resulted in several studies, particularly because of the significant number of players involved in the PRSP process and the complexities arising from power, interests and claims that the different PRSP actors represent either as private individuals or as regional, continental or cross continental representatives. There are different themes within the coordination debate, some of which are: development aid harmonization, policy alignment, country ownership, and increased participation. This work will discuss the prevalent issues in the debate on partnership and the PRS process:

a. Bottlenecks for In-Country Participation:

Whether there has been real and effective engagement between the state and non-state actors in the PRSP processes has been critically examined. State consultation with civil society and the private sector (civil society/private sector participation) is supposed to be the primary entry point for the institutionalization of partnership at the country level. The weaknesses and challenges found within the PRSPs' consultation have weakened in-country engagement and have destroyed the opportunity for the establishment of a healthy and broad partnership at the country level. A remarkable example of a challenge to consultation is the disparity between an externally driven technocracy and in-country political dynamics in the PRS process. This issue in particular makes the possibility of achieving sincere consultation questionable and has created the impression that makes it seem that even if consultation were to take place, it would have no impact on the direction of the PRSPs as it would at best be superficial. It is obvious

that the wider public is carefully excluded from the consultation process and this presents a real dilemma on the crucial question of accountability. How does the public that is excluded hold the state/donors accountable?

The experience in Bolivia is however different, there is an agreement that the outcome of PRSP participation experienced in Bolivia failed to influence policy. This is because it only raised the expectations of the people for a degree of responsiveness to beneficiaries' requirements that both the government and the donors were unable to meet. This outcome was seen as being because of the narrow scope of participation and predetermined policy positions which lacked the required flexibility to adapt to the outcome of consultations (Morrison and Singer, 2007). According to some scholars, the building of a partnership oriented approach for the management of the PRS process in Uganda's PRSP revision, though necessary for enhancing country ownership by improving consultation, it ironically complicated the prioritization processes mostly because of the complexities involved in reaching an agreement (Canagarajah and Diesen, 2005).

These significant challenges to the institutionalization of an effective in-country PRSP partnership approach have been acknowledged by the IFIs who concede that in spite of the fact that partnership is a central principle of the PRSP process, which evidence has shown improves with increased openness, two crucial flaws which pose significant challenges to the overall PRSP effectiveness still remain. These problems are that the engagement or partnership using consultation has been "broad rather than deep", and, some of the policies which form the bedrock of the PRSP such as the

macroeconomic framework and structural policies on some of the themes, have being kept away from public debate (IMF and IDA, 2003). The issue here is primarily about the point in the process when the public is allowed into the in-country PRSP debate. Over time it has been observed that the best time to capture public interest and ownership is during general elections. However in the absence of a connection between the PRS and the political process, the PRSP will continually be plagued with problems of effective participation at state level and will equally lose the benefit of a rational or democratized participatory process.

b. Prioritization of Donor's Interests:

The coordination of governments, non-state actors and external donors is the key element in the PRSP principle of a partnership-oriented approach. Nevertheless, the debate over this part of the PRSP is mostly found within the official realm under the auspices of the donor group that work on the harmonization of development assistance and alignment of donor initiatives to country PRSPs. The Paris Framework of commitments in figure 2 below which was agreed to under the Paris Declaration on Aid Effectiveness (2005) is one of the outcomes of this debate. The forum was organized by the OECD, the World Bank and the United Nations at the behest of France to discuss the Effectiveness of Aid, it held between February 28 and March 2, 2005. At this forum, there was a consensus that “too many partners kill the partnership” the example of Mozambique was used, among others, because it had received in the past, within the ambit of its ODA, over 400 official missions every year all with the keen hope of being absorbed as its development partners at the national level (Government of France, 2008).

This is nevertheless a wrong assumption; it is inevitable that in an increasingly globalizing world, partners will definitely increase even as interests keep changing and new players continually emerge. The issue to be addressed however should not be the number of partners but how to ensure that complex partnerships succeed, and the solution to this is not by attempting to oversimplify what has become a complex global village. The growing criticism of the absence of coordination within the international aid system was a fall-out from the February 2003 Rome Conference and the Marrakech Seminar (February 2004) which focused on the challenges of what became known as (a). “The chaos of good intentions” and (b). “Management by results”. The chaos of good intentions was the outcome of an OECD-DAC needs assessment survey which was designed to determine partner-country opinions on donor practices (OECD, 2008).

The discourse around coordination is obviously spear headed by the donors (Ibid). This is counterproductive for the PRSP process as it has invariably shifted the balance in the coordination arrangement to favour donor interests at the expense of country interests and this poses the challenge of sabotaging country ownership. There are several challenges identified by the OECD-DAC survey on the bottle necks that PRSP partner countries are confronted with because of the many and repetitive donor requirements, in other words it represents the new form of ‘process’ conditionality that Dijkstra (2005) noted.

The outcome of the Paris Framework will determine the new debates on the PRSP -outside the government or “official” circles. Despite the fact that this framework has enhanced coordination among donors-which is basically a donors’ own claim, it has

however been confronted by obstacles which are mainly as a result of the intricacy of international development but also involves the flaws of the Paris framework itself. The issues that were noted at Paris included the belief that (a). Country ownership of the development agenda, a precondition for the PRSP was either missing or very questionable in many places, (b). Donors still find it difficult to acknowledge the fact that they have been actors, instead of unbiased arbitrators in the politics of policy making and (c). If with the present recourse to the “post-Washington Consensus” which stressed the MDGs and good governance, issue b. was not a basic gap in relation to the role of the State in development. These are very important questions which address weak and open gaps in the coordination of international development assistance within the PRSP. The survey from the OECD-DAC shows areas of possible improvements to enhance the success of development assistance by the simplification of processes, enhanced donor-recipient interactions, enhanced donor transparency, and the recognition of a state’s political economy (OECD, 2003). These areas have deeper implications for the PRSP than this thesis addresses.

Intent and Purpose for the PRSP: Maintenance of Northern Economic Hegemony

The third school believes the poverty reduction approach is designed with ulterior motives meant to hide a sinister agenda (Cammack 2009; Petras & Veltmeyer, 2005). This school argues that there are many reasons for “poverty reduction” existing as the current development agenda but they insist that none of those reasons includes actual poverty reduction. Some of the reasons postulated include the North being: “net recipients

of financial resources from the South at a level equivalent to approximately one-third of official development assistance (ODA)” (Girvan, 2007, p. 7), aid as a major conduit for Northern foreign policy (Frankel, 1970; Banfield, 1963; Mason, 1964; Moore Lappe, Schurman & Danaher 1987; Ranis, 1964; Black, 1968), aid principles being specific to the concept of US national interest (Frankel, 1970 & Moore Lappe, Schurman & Danaher 1987), aid is also perceived as an avenue to promote Northern political and strategic objectives (Haytor & Watson, 1984; Banfield, 1963). In other words, this third school sees the poverty reduction agenda as being a covert form of economic colonialism.

It is important to note that the issue this third debate has with the development agenda concerns the conception of poverty reduction, hence aid, as (leading to) development. Banfield, a proponent of this school actually argues that “foreign aid programs and practices may, of course, be very different from what the doctrines attempt to justify” (Banfield, 1963, p. 3). Millikan & Rostow (1957), also demonstrate the insincerity of the poverty reduction agenda in their work: *A Proposal: Key to an Effective Foreign Policy* where they suggest the intent of aid to be “economic development” on the part of the donors and they argue that donors “make recommendations that are all directed toward purely economic goals” (Banfield, 1963, p. 6). Another observation that was made by these opponents of poverty reduction as development is that a primary economic objective for development aid and the conditions of its transference to the South is capital export (Chossudovsky, 1999) which in itself becomes a motive and likewise a method and objective of development.

According to this school, despite the fact that poverty reduction policies are often touted to reflect development, a closer look reveals that they flagrantly pursue an opposing agenda. This is so much so that US policy makers admit that the conditional “indirect influence” through aid (which is the backbone of the poverty reduction agenda), “may not raise levels of living” (Banfield, 1963, p. 6) by any standard.

Though this thesis aligns with this third debate, nevertheless, the thesis will only focus on making the most of an otherwise hopeless situation. This is because Nigeria is locked-in into the world economic system and cannot simply dictate how it intends to address its poverty problem.

This literature review has discussed the various debates on PRSP suitability for poverty reduction and the growing concerns that are an outcome of the conceptualization of the PRSP principles, the weaknesses present in its design and how these have undermined its effective implementation.

Thesis Statement

Nigeria’s present attempt to reduce poverty has been fraught with multiple challenges ranging from the design of its PRSP to the implementation of the mechanism’s programmes and activities. This is an indication that the NEEDS policy blueprint employed by Nigeria in the design of its poverty reduction agenda requires either a reform or a complete replacement. This also confirms the fact that the utilization of a market-driven, one-size-fits-all, mechanism to address poverty will, and has led to challenges that have undermined its acclaimed goal of reducing poverty.

This thesis argues that the PRSP is conceptually problematic as it has proven to be more focused on process than on outcome, challenged by poor financial management on the part of the state and unpredictable financial support from donors. The PRSP is equally saddled with a significant degree of ambiguity with regards to participation; who participates; the role they play and the degree of their involvement. It is confronted with an unmanageable agenda as it attempts to attack poverty on all fronts whilst the subject of poverty in itself is multidimensional. It lacks a sound coordination arrangement. There are no direct links between its process and the state's bureaucratic process. It is confronted with conflicts arising from internal politics within the state which it failed to address in its design. It gives preference to donor interests over those of the state and it is a one-size-fits-all prescription.

The challenges of implementation Nigeria is confronted with in the NEEDS project is a clear indication that come December 31st 2015, Nigeria will not have attained the Millennium Development Goals which its PRSP is ostensibly meant to achieve. Nigeria's progress towards attaining the MDGs as observed in the course of this work provides enough evidence to make this thesis confidently state that Nigeria will miss the MDGs.

The PRSP is a neoliberal economic theory which prioritizes the market over the quality of lives of poor people. This neoliberal ideology led to donors ignoring key factors such as the broader and external issues around global inequality and their role in creating poverty. Since neoliberalism has no interest in ending the core-periphery relationship, the neoliberal agenda influenced the World Bank and the IMF to draw up a

porous and poorly designed mechanism which surrounds critical issues such as participation with very convenient ambiguity which has compromised the supposed integrity of a policy based superficially on good development practice. This action on the part of donors strongly suggests that there is no sincere commitment to reducing poverty or attaining development in poor countries.

There is significant evidence that the reason for the existence and perpetuation of poverty in Nigeria and the rest of the Global South is the neoliberal globalization that has been imposed on the South. This exploitative and unequal world economic system has placed the South in a severely disadvantaged position. Nevertheless, because this relationship will not be made to change any time soon, Nigeria can only make the most of its disadvantaged position. In line with this, Nigeria is required to do its best, internally, and given the circumstances, to fight its poverty.

Methodology

The research for this thesis was conducted using a case study approach. Nigeria's PRSP was the subject of this case study. A case study approach was chosen to provide an in-depth evaluation of literature on Nigeria's progress with its fight against poverty through the instrument of the PRSP. Part of the data used for this work was obtained when the author worked in the field as a Technical Assistant with the Office of the Senior Special Assistant to the Nigerian President on MDGs. In line with this, Nigeria's experience with its MDG project implementation using its PRSP, the NEEDS as a guiding policy was also examined. Most of the observations in this work were made by the author in the course of the execution of MDG projects.

Data identification

Data on the different debates on the effectiveness of the PRSP in poverty reduction was examined; this was done to develop a theoretical framework within which this thesis' argument could be located.

Several types of data were collected from both primary and secondary sources in the course of this study. The data used for this case study can be divided into several categories: national poverty in Nigeria, incidence of poverty in Nigeria, types of poverty in Nigeria, dimensions of poverty in Nigeria, trends in poverty in Nigeria, trends in rural versus urban poverty in Nigeria, data on NEEDS implementation challenges among others. These data were collected as they do demonstrate the fact that Nigeria's poverty situation is indeed deteriorating.

The data collected on Nigeria's fight against poverty include its data from its independence until the year 2000 and its poverty data from the year 2000 till date. This

was done in order to provide some context to the author's argument and to demonstrate the growth in Nigeria's poverty even in the face of PRS implementation.

Primary data was gotten from Needs Assessment Verification exercises conducted by the author in a specific Local Government Area in Nigeria, also, data was gotten from surveys, meetings and interviews conducted by the author in the same LGA. Other sources of primary data include data from Baseline Surveys of the said Local Government Area, the government of Nigeria's National Bureau of Statistics, the websites of the World Bank, IMF, UNDP, ADB and UNECA, also from Nigeria MDG's website, from other websites, databases, archival records and newspapers. Secondary data was gotten from journal articles and books.

Methodological Approach and Limits to Study

The case study of Nigeria's poverty is a qualitative study. Data was gathered from a variety of primary and secondary sources as previously mentioned. The author chose to use a combination of primary documents, secondary sources, surveys and interviews in an attempt to triangulate the data so that it was as accurate as possible. Having firsthand experience on MDG project implementation was also an invaluable asset in gathering data that would not have been possible otherwise, particularly the experience gained from living for two years among the people, the rapport that was developed and the ease with which they consequently shared relevant information with the author. Nevertheless, all research has limits, and the research conducted for this case study is no exception.

The most significant limit to this study was the fact that the data from the author's field experience was not gathered with the intention of a formal study. It was only

gathered for project management purposes. This implies that some of the data gathered was not sourced in the conventional social research methods used for academic research. This notwithstanding, every question, interaction, observation and investigation was done to determine the most reliable data. Furthermore, the author attests to the fact that none of her actions in the course of the gathering of this data contravenes the rules of the ethics board of Saint Mary's University. The author personally held herself to the highest ethical standards in keeping with OSSAP MDG's policies.

However, despite the limits, the author believes that the information and analysis of the said information is accurate and makes an invaluable contribution to the study of poverty reduction and development in Nigeria. The author feels privileged to have had firsthand experience on the field in an environment where she had gained the people's trust, an environment where she was not merely dependent on people's opinions but she had experienced most of the bottle necks to project implementation caused by the PRSP on first hand basis.

Nigeria is an excellent case study as its experience with the PRSP is a definite affirmation of the fact that the poverty reduction policy being employed today is filled with limitations in its conceptualization which has impacted significantly, its implementation. Nigeria's significant increase in poverty in the face of an aggressive campaign to reduce the same by way of the PRSP lends credence to the thesis of this work.

Chapter 2: Poverty in Nigeria

Introduction

This chapter will address the nature and dimensions of poverty in Nigeria, in order to present a true picture of the poverty problem. It will outline and discuss the many poverty reduction initiatives undertaken by Nigeria from its independence till 2000 and then from 2000 till date which is the period of its NEEDS project implementation.

In this chapter, the trends, incidence and dimensions of poverty in Nigeria will be discussed. Also, Nigeria's programmatic efforts at fighting poverty will also be revealed at first from 1960-2000 and then from 2000-2014. Nigeria's continually growing poverty problem in spite of these NEEDS initiatives supports the argument of this work that the PRSPs conceptual flaws have compromised the success of the mechanism in reducing poverty.

Nature of Poverty in Nigeria

This section will begin by defining the different categories and measurements of poverty that will be discussed. These categories include: food, absolute, relative, dollar per day poverty and also measurements such as the depth and severity of poverty and the poverty headcount and poverty headcount ratio.

Absolute poverty describes insufficient or complete lack of basic needs like food, housing, medical care, education, social and environmental services, consumer goods, recreational opportunities, neighbourhood amenities and transport facilities, etc. (Oyemomi, 2003). Relative poverty describes a situation whereby a person's income, even if sufficient for survival, falls strongly below that of the community average (Ibid).

Food poverty is a situation whereby a person or household has less food supplies than is required for their nourishment and dollar per day poverty describes a situation whereby people or a person lives on less than a dollar a day (Anyanwu, 2013). According to the World Bank, (2014f):

Depth of poverty (poverty gap): This provides information regarding how far off households are from the poverty line. This measure captures the mean aggregate income or consumption shortfall relative to the poverty line across the whole population. It is obtained by adding up all the shortfalls of the poor (considering the non-poor has a shortfall of zero) and dividing the total by the population. Put differently, it gives the total resources needed to bring all the poor to the level of the poverty line (divided by the number of individuals in the population). This measure can also be used for non-monetary indicators, provided that the measure of the distance is meaningful. The poverty gap in education could be the ‘number of years of education missing to reach the defined threshold’. In some cases, though, the measure does not make sense or is not quantifiable (e.g. when indicators are binary, such as literacy, in which case only the concept of the headcount can be used). Note also that, the poverty gap can be used as a measure of the ‘minimum amount of resources necessary to eradicate poverty’, that is, the amount that one would have to transfer to the poor under perfect targeting (i.e. each poor getting exactly the amount he/she needs to be lifted out of poverty) to bring them all out of poverty.

Poverty severity (squared poverty gap): This takes into account not only the distance separating the poor from the poverty line (the poverty gap), but also the

inequality among the poor. That is, a higher weight is placed on those households who are further away from the poverty line. As for the poverty gap measure, limitations apply to some non-monetary indicators.

The poverty headcount is the number of people in a population who are poor, while the poverty headcount ratio is the fraction of the population who are poor (Anyanwu, 2013).

The results from the assessments in Nigeria below reveal that monogamous marriage, divorce/separation and widowhood are significantly correlated with the probability of being poor. Nevertheless, monogamous marriage has the highest probability of reducing poverty in Nigeria. The results also indicate that household size impacts poverty in Nigeria: a one-person household significantly reduces poverty while the addition of members to the household, progressively increases the probability of being poor. Also, the results show that there is a significant concave relationship between age and poverty. According to Anyanwu (2013):

Other variables found to significantly reduce the probability of being poor include: “being a male, completion of post-secondary education, being in paid household employment, and residence in the North Central and South East geopolitical zones. Variables that raise the probability of being poor in Nigeria include rural residence, possessing no education, being a self-employed farmer, and residence in the North West geopolitical zone of the country. (Pg. 4)

Trends in Nigeria’s Poverty Incidence

Nigeria's poverty levels have been on an upward trajectory. Beginning from 28.1% of the population in 1980, national poverty reached 66.9% of the population in 1996 before dropping to 54.4% in 2004 and then reaching a peak in 2010 of 69%. Nevertheless, the population in poverty continued to rise from 18.3 million people in 1980 to 68.7 million people in 2004 and 112.5 million people in 2010. Poverty whether measured in terms of food, absolute, relative and dollar per day has been on an upward trend (Anyanwu, 2011).

There is a difference between the relative poverty incidence in urban and rural Nigeria from 1980 to 2010. Urban poverty was only 17.2% in 1980 but rose to 59.3% in 1996 before dropping to 43.2% in 2004, still more than twice its 1980 level. It reached a peak of 61.8% in 2010. By contrast, rural poverty stood at 28.3% in 1980, reaching a high of 71.7% in 1996 before reducing slightly to 63.3% in 2004, also more than twice its 1980 level. Similar to urban poverty, rural poverty rose to 73.2% in 2010. This data reveals that rural poverty incidence was higher than urban poverty. Thus, poverty in Nigeria is higher in rural areas than in the urban areas. This is true for relative, food, dollar per day, and absolute poverty (Anyanwu, 2013).

Nigeria's poverty depth and severity is high and keeps increasing. More importantly, rural poverty in Nigeria is more prevalent, entrenched, and more severe than urban poverty (Anyanwu, 2011).

Table 1: Depth and Severity of Poverty by Sector (%), 1980 - 2010

| Sector | 1980 | | 1985 | | 1992 | | 1996 | | 2004 | | 2010 | |
|----------|-------|----------|-------|----------|-------|----------|-------|----------|-------|----------|-------|----------|
| | Depth | Severity | Depth | Severity | Depth | Severity | Depth | Severity | Depth | Severity | Depth | Severity |
| National | 9.0 | 4.3 | 16.3 | 7.8 | 16.4 | 8.6 | 30.4 | 17.4 | 21.8 | 11.9 | 36.1 | 23.0 |
| Urban | 5.2 | 2.3 | 12.1 | 5.4 | 13.5 | 6.7 | 26.3 | 15.0 | 16.7 | 9.2 | 28.8 | 17.0 |
| Rural | 9.5 | 4.6 | 18.9 | 9.3 | 18.3 | 9.8 | 33.0 | 18.9 | 25.8 | 14.1 | 40.3 | 26.5 |

Source: Anyanwu, 2013, using calculations from Federal Office of Statistics (FOS)/National Bureau of Statistics (NBS) Data.

Some Dimensions of National Poverty in Nigeria: 2010

Poverty and Marital Status

In 2010, poverty in Nigeria was seemingly influenced by marital status. Poverty was highest among married polygamous households (77.36%), followed by married monogamous households (69.80%). The incidence of poverty was 61.89% for the divorced population and 54.74% for those cohabiting (Ibid, 6).

Poverty and Household Size

Poverty in Nigeria is high for large households. Table 2 below demonstrates that there is a relationship between the levels of poverty and the size of the household. While households with one person showed the least incidence of poverty, households with more persons particularly those with seven (7) or more persons showed the highest incidence of poverty. For example, the incidence of national poverty with the least size (i.e. one person) was 22.60%. While that for more than 7 persons was approximately 97.61% in 2010 (Ibid, 6).

Poverty and Gender

Owing to the fact that Nigeria's female population frequently depend on their male family members for sustenance, poverty was higher among males in 2010 (69.90%) as compared to the 61.12% for females. Likewise in 2004, the national poverty figure for males was 56.5% of the population compared to females at 36.5% (Ibid, 6).

Poverty and Education

Table 2 also reveals that the level of education is a key determinant of poverty. In 2010, poverty was high for Nigerians with little or no education. The uneducated had a higher incidence of poverty than those with at least basic education. For example, among the uneducated, the poverty incidence was 75.32%. Those with post-secondary (tertiary) education, was lower at 56.46% (Ibid, 6).

Table 2 below shows the distribution of headcount poverty by marital status, household size, gender, education, age group, occupation groups, zone, and residence/location of the household in 2010.

Table 2: Headcount of Poverty by Marital Status, Household Size and Other Household Head Characteristics (%), 2010

| Characteristics | Relative Poverty (%) |
|------------------------------|----------------------|
| Marital Status | |
| Married (Monogamous) | 69.80 |
| Married (Polygamous) | 77.36 |
| Living Together | 68.69 |
| Divorced/Separated | 54.74 |
| Widowed | 61.89 |
| Household Size | |
| 1 person | 22.60 |
| 2 persons | 41.49 |
| 3-6 persons | 68.04 |
| 7+ persons | 79.61 |
| Gender | |
| Male-headed Household Head | 69.90 |
| Female-headed Household Head | 61.12 |
| Education Level | |
| None | 75.32 |
| Nursery | 80.16 |
| Primary | 69.74 |
| Secondary | 63.78 |
| Post-Secondary | 56.46 |
| Age Group | |
| 15- 19 | 53.33 |
| 20- 24 | 52.59 |
| 25- 29 | 54.15 |
| 30- 34 | 63.28 |
| 35- 39 | 69.00 |
| 40 -44 | 73.50 |
| 45 -49 | 72.91 |
| 50 -54 | 72.96 |
| 55 -59 | 70.68 |
| 60 -64 | 71.30 |
| 65+ | 64.19 |
| Occupation | |
| Govt. Employee | 61.05 |
| Employer | 61.10 |
| International Organization | 69.46 |
| International Cooperative | 69.81 |
| Local Cooperative | 83.39 |
| NGO | 62.11 |
| Paid Household Chores | 49.30 |
| Parastatal | 41.90 |
| Priv. Sector Apprentice | 56.90 |
| Self - Agriculture | 73.80 |
| Self - Non-agriculture | 68.20 |
| Self with Employees | 59.30 |
| Self without Employees | 65.11 |
| Unpaid Family Business | 66.56 |
| Others | 53.98 |
| Zone | |
| North East | 76.31 |
| North West | 77.76 |
| Central | 67.49 |
| South East | 67.05 |
| South West | 59.12 |
| South- South | 63.77 |
| Residence/Location | |
| Urban | 61.80 |
| Rural | 73.16 |
| National | 69.00 |

Anyanwu, 2013's computation from the Harmonized Nigeria Living Standard Survey (HNLSS) of 2009/2010

Poverty and Age Groups

In the case of poverty and age groups, the figures reveal that levels of poverty increase as age increases. However, after the age of 64, poverty tended to decline marginally (Table 2) (Ibid, 7).

Poverty and Occupation Characteristics

Table 2 shows that poverty and occupation characteristics were different in 2010. While those in local cooperative jobs and self-employed farming had the highest incidence of poverty in 2010, those employed in parastatals and as paid household workers had the lowest poverty rates (Ibid, 8).

Zonal Levels of National Poverty

Table 2 captures the headcount of poverty by zones. It showed that the North West (77.76%) had the highest level of poverty, closely followed by the North East (76.31%). The South West zone had the least poverty incidence at 59.12%. Therefore, another crucial characteristic of Nigeria's poverty by State is that poverty incidence is highest in the Northwest, followed by the Northeast, even when measured for food, in absolute terms, relatively or by dollar per day (Ibid, 8).

Poverty in the States and Federal Capital Territory (FCT)

Poverty grew in twenty seven states (of the 36 and FCT) between 2004 and 2010, and the worst growth was in Sokoto State where the headcount index increased from 76.81% to 86.4% within this period. Niger State at 43.6% had the least incidence—close to Osun State's 47.5% (Ibid, 8).

It is important to note that the period 2004-2010, when poverty increased consistently in Nigeria, was also the period when Nigeria's PRSP was formally adopted

and through its programmatic initiatives, attempted to combat poverty. Several projects, programmes, and committees were established during this period, some of which will be highlighted in the later part of this chapter. This in itself proves that the programmes and activities did not only fail to reverse the trend of growth in poverty, but poverty incidentally grew in the face of the PRSP.

Causes of Poverty in Nigeria

Despite the fact that writers tend to view the causes of poverty from their personal experience gained through avenues like their profession, gender and region, there are some basic factors that contribute to the existence of poverty. Some of these factors include but are not limited to the effects of globalization, unmanageable debt burden, unemployment, macro-economic distortions, poor governance due to IFI prescribed policies, low productivity, high population growth rate and poor human resources development etc. these factors might however exist differently for each country.

The Central Bank of Nigeria (1999, p.12) categorized the causes of poverty into two namely “low economic growth and market imperfections”, but the World Bank (2001) on the other hand argued that “one route of investigating the causes of poverty is to examine the dimensions highlighted by poor people”:

Lack of income and assets to attain basic necessities-food, shelter, clothing, and acceptable levels of health and education, sense of voicelessness and powerlessness in the institutions of state and society, and vulnerability to adverse shocks, linked to an inability to cope with them (p.34)

On the contrary, as cited in Oyemomi, (2003), the Federal Office of Statistics of Nigeria, in its publication *Socio-Economic Profile of Nigeria (1996)* was specific in categorizing the causes of poverty in Nigeria into challenges with opportunities and funding, for example: limited access to employment opportunities for the poor: this is frequently as a result of the stunted growth of economic activities. Limited access to assets such as land by the poor: this is frequently attributed to the absence of land reform and minimal opportunities for small-credit. Limited access to the means of improving rural development in poor regions: the preference for “high potential areas” and the preference for developing urban areas in the design of development programmes is often believed to be its primary cause. Limited access to markets for the goods and services that the poor can trade in: this is as a result of their inaccessible location among other factors. Limited access to education, health, sanitation and potable water: this is as a result of poor social service delivery that consequently results in the poor being unable to live a healthy and active life and to secure gainful employment (Oyemomi, 2003).

The destruction of natural resources, this has resulted in reduced agricultural productivity. Deforestation and depleted fisheries; this is frequently the outcome of the desperate survival strategies of the poor alongside poor and ineffective public policy on natural resource management. The limited access to assistance by the victims of transitory poverty such as famine, floods, pests and conflict: this happens because there is an absence of well-conceived strategies and resources. Absence of participation in the design of development programmes; this is frequently worsened by the non-involvement of the

representatives of the poor communities in the discussion, preparation, design and implementation of programmes that will affect them (Ibid).

A close examination of the causes of poverty listed above will reveal the multidimensional nature of poverty. The acknowledgement of the multidimensional nature of poverty can in turn provide a better mechanism for effectively combating poverty.

Aliyu (2002, p. 30) is of the opinion that the causes of poverty in Nigeria include but are not limited to the outcome of globalization, poor governance, corruption, unmanageable balance of payment problems, low productivity, etc.

In its report, *Consultation with the Poor*, the World Bank (1999, p.17) argues that, “the impact of a range of possible shocks, trends and cycles were seen to be an important influence on local vulnerability and helped to differentiate the vulnerable from the more secure”. The report argued further that “the risks people faced were linked to a number of key aspects of security that affected the poor at different levels of social organization, from the individual to the household to entire communities”. The report specifically linked poverty in some cases to some perceived factors such as careless spending and aversion to farming, laziness, the high population growth rate, bad governance and the failure of the government to compensate Nigerians for land acquired by government.

Galbraith (1971) as cited by the CBN (1991, p. 12) argues that the causes of poverty operate differently in three poor regions of the world, namely, Sub-Saharan Africa, Latin America and Asia. According to him, poverty in Sub-Saharan Africa is a function of the “absence of opportunity rather than absence of aptitude” because the countries of this

region “have had only a few years” of independence to address the project of economic development. He further argued that “people with requisite education, training, and honesty for performing public tasks are unavailable.” As a result, “taxes are collected in haphazard or arbitrary fashion and public funds are spent inefficiently or for no particular purpose except the reward of the recipients”. A factor he also noted was law enforcement, which he regards as unreliable, alongside essential public services, which, according to him, if they exist at all were only equipped to provide limited and poor services.

The above assertions are hardly relevant today. For example, it might not be true to state that in today’s Sub-Saharan Africa “people with requisite education, training, and honesty for performing public tasks are unavailable”. There is a dearth of relevant skills in the Nigerian civil service but Nigeria also has consultants who can effectively carry out the required tasks. Nevertheless, his classification of two broad categories of poverty (case and insular poverty) in the US applies to today’s Sub-Saharan Africa.

A further search for the causes of poverty might lead to more differences, for example, the CBN (1999, p. 13) summarized the causes of poverty as: the stage of economic and social development, low productivity, market imperfection, physical or environmental degradation, structural shift in the economy, inadequate commitment to programme implementation, political instability, and corruption (Oyemomi, 2003).

One cause of poverty in Nigeria is the neoliberal Structural Adjustment Programme (SAP). This would seem ironic as the World Bank and IMF are the chief proponents of the poverty reduction project. As a matter of fact, the World Bank has funded and continues to fund many researches on poverty and its reduction strategies. The Bank has

also globalized the poverty reduction agenda such that states, institutions and civil society have been brought on board the poverty reduction bandwagon. Shah (2001, p. 2) noted that the “IMF and World Bank-prescribed structural adjustment policies means that nations that are lent money are done so on condition that they cut social expenditure (which is vital for economic growth and development) in order to repay the loans.” He further observed that, “many are tied to opening up their economies and being primarily commodity exporters, which for poorer nations lead to a spiraling race to the bottom as each nation must compete against others to provide lower standards, reduced wages and cheaper resources to corporations and richer nations”. He finally argued that “this further increases poverty and dependency for most people” (Ibid, 55).

Unemployment in Nigeria is a significant cause of poverty. According to the Nigeria Bureau of Statistics, Nigeria has an unemployment rate of 23.9% (The Punch, 2013). This is obviously true in view of the fact that Nigeria has a large population of graduates and high school leavers without jobs. This has only served to worsen the poverty situation.

As noted in chapter one, Nigeria’s population today is approximately 168.8 million. The fast growing population has stretched the limits of Nigeria’s basic social and infrastructural facilities as well as its public goods which have faced non-rehabilitation and re-construction. This significant population growth with non-attendant state welfare provisions has therefore reinforced the vicious cycle of poverty in Nigeria (Oyemomi, 2003).

Globalization, which is aggressively purported to lead to a reduction in poverty by way of economic growth has been observed to increase the inequality between the North and the South (Ibid, 56). According to Shah (2001, p. 3) globalization has resulted in increased inequality in the world as it has maintained the economic hegemony of the North over the South through unequal rules of trade. He argues that “around the world, inequality is increasing, while the world is further globalizing. In many cases, international political interests have led to a diversion of available resources from domestic needs to western markets.” He further observed that “historically, politics and power play by the elite leaders and rulers has meant that people and their land can be controlled, which has further increased poverty and dependency. These have manifested themselves in wars, hot and cold, which are mainly trade and resource-related” (Ibid, 557). For Aliyu, (2003, p. 6) he views the effect of globalization from a different position despite the fact that he concedes that globalization puts developing economies in a disadvantaged position. He summarized it this way “given Nigeria’s political and socio-economic disposition, globalization presented more challenges to the country as it lacks what it takes to be relevant or even adapt and/ or cope with it. Until the country can achieve a certain level of good governance, a revamped industrial base, modest economic growth, fairly efficient public infrastructure and utilities, Nigeria shall remain at the receiving end of globalization” (Ibid, 57).

In summary, the causes of poverty in Nigeria can be captured as: unmanageable balance of payment problems, globalization, unemployment, low productivity, significant population growth, poor-IFI-directed government policies and limited skills and training.

With the above factors expressed as being the causes of poverty in Nigeria, it therefore becomes imperative to examine the programmes used to combat the significant poverty problem in Nigeria.

Nigeria's poverty reduction programmes from 1960-2000

Nigeria's growing problem of poverty has not resulted because Nigeria failed to make attempts to control it neither is it as a result of a failure on the part of Nigeria to recognise the problem. It is also not as a result of a lack of response to the desire of the poor to be rescued from their rather deplorable and frustrating state of lack.

As a matter of fact, no Nigerian Government; military or civilian, has come into power without introducing and implementing some form of poverty reduction meant to alleviate the suffering of the poor, to provide hope and support to the less privileged and to move them towards some form of wealth creation. There have been numerous strategies, policies have been articulated, and there has been continuous formulation of programmes and projects which have been executed over the years. As an example, at independence in 1960, there were poverty eradication efforts in Nigeria which focused on education. While others like: Operation Feed the Nation (1976), Nigerian Bank for Commerce and Industry (1973) the Green Revolution (1980), Nigerian Industrial Development Bank (1964), War Against Indiscipline (1984), Peoples Bank of Nigeria (1989), Directorate of Food, Roads and Rural Infrastructure (1986), Nigerian Agricultural and Cooperative Bank (1972), Agricultural Development Programmes (1975), National Directorate of Employment (1986), also existed to address the poverty situation.

The programmes were meant to achieve, among others: training to upgrade available skills, income generation, increased accessibility to credit, improved health care services including family planning, nutrition and immunization and the provision of improved welfare services to the poor.

An examination of these programmes will reveal that they cut across all the sectors of the Nigerian economy. This might explain why the Presidential Panel on Streamlining and Rationalization of Poverty Alleviation Institutions and Agencies (1999), listed and classified the programmes as follows:

Agriculture: National Agricultural Land Development, Strategic Grains Reserve, Small-Scale Fishery, Small Ruminant Production, Pasture and Grazing Reserves, Accelerated Crop Production, Agricultural Credit Guarantee Scheme.

Healthcare delivery: Primary Healthcare Programmes, Diseases Eradication Schemes, Expanded Programmes on Immunisation.

Housing: Site and Services Scheme, Prototype Low-Cost Housing Scheme, State Government's Housing Programmes.

Education: Nomadic Education Programme, Migrant Fishermen Scheme, Adult and Non-Formal Education Programme, Family Support Basic Education Programme, Resource & Technological Development.

Family Economic Advancement Programme: Industrial Development Centres, Skill Development and Employment Generation, National Directorate of Employment

Environmental Protection: Federal Environmental Protection Agency, Food and Soil Erosion Control, Ecological and Disaster Relief Programme.

Finance and Micro-Credit: Nigeria Agricultural and Co-operative Bank, Nigerian Bank for Commerce and Industry, Nigerian Industrial Development Bank, People's Bank of Nigeria, National Economic Reconstruction Fund, Community Banks.

The FOS (1996, p. 122-123) utilized sectorial classification in assessing the poverty reduction programmes. It grouped the programmes based on Agriculture, Education, Health, Housing, Environment and Manufacturing (p. 8).

Using a few examples, this section will discuss the contribution these internally designed programmes made to poverty reduction in Nigeria:

National Directorate of Employment (NDE): this organization trained more than 2 million unemployed Nigerians, provided business training for over 400,000 people, and vocational training in at least 90 different trades, it provided assistance to over 40,000 unemployed youths to set up their own businesses. It equally organized labour-based groups from which 160,000 people benefited (Oyemomi, 2003).

Peoples Bank of Nigeria (PBN): this bank disbursed at least \$11 million as in-house loans from funds derived from the Federal Government, with which it provided support for over 1 million new businesses, with a net saving of about \$6 million. It also disbursed \$5.5 million as loans from funds provided by the Family Economic Advancement Programme (FEAP).

Nigerian Agricultural and Cooperative Bank (NACB): the bank had extended credit to 318,000 people to the tune of about \$36 million (Ibid, 90).

National Board for Community Banks (NBCB): this bank helped in securing approximately \$27 million deposits for the Community Banks nation-wide and granting

of \$16 million loans by Community Banks who have a staff strength of approximately 12,000 people nation-wide (Ibid, 91).

Family Economic Advancement Programme (FEAP): this programme financed 20,382 projects with a total credit of \$21 million; trained about 2000 loan beneficiaries in cooperative laws, principles, practice and financial management, and basic marketing skills (Ibid, 93).

Nigeria's Poverty Reduction Strategy Paper 2000-2014 (NEEDS)

Nigeria's poverty reduction goals are articulated through the MDGs and are targeted at creating employment and income, reducing hunger, education, combating preventable diseases, improving child health, stopping environmental degradation and eliminating gender discrimination.

Beginning from 2000, while Nigeria's PRSP was being prepared, Nigeria's strategies for poverty reduction have involved major investments in MDG programmes particularly at the Federal, State and later, Local Government levels; these tiers of governance have constitutional responsibility for poverty reduction in Nigeria. The country's adoption of the Millennium Declaration provided it the opportunity to re-focus its ongoing fight against poverty as directed by World Bank and IMF principles (CDD, 2013).

Nigeria has a situation that contradicts the ideology upon which the PRSPs were designed; the assumption that economic growth translates directly into poverty reduction. This is because, though Nigeria's economy is now the largest in Africa, after the GDP rebasing, it nevertheless, has a commensurate growth in poverty levels. This fact is

supported by the National Bureau of Statistics' (NBS) recently released figures that showed that "the nation's poverty level was increasing at the same time that the overall economic growth rate was being reported". The NBS reports that the poverty rate in Nigeria has risen to 71.5%, 61.9%, and 62.8% using the relative, absolute and dollar-per-day measures respectively, in 2011. What this implies is that Nigeria has been witnessing a trend of increasing levels of poverty in the midst of significant economic prosperity which implies that the design of the PRSP is flawed and it is therefore not achieving the desired results.

This section of the Chapter will show a few of Nigeria's programmatic attempts to achieve the MDGs, using NEEDS as a policy guide beginning from 2000 to date.

GOAL 1: Eradicate Extreme Poverty and Hunger

Presently in Nigeria, the programmes directed towards achieving MDG 1 are built around four key interventions. The first is the execution of projects in MDG related sectors. This includes the execution of projects from Debt Relief Gains (DRGs) by Ministries, Departments and Agencies (MDAs) in Health, Women Affairs, Youth, Education, Agriculture, Energy, Water and Sanitation, Roads, Housing and Environment. Some of the projects carried out include micro-credit facilities, training of teachers, construction/rehabilitation of Primary Health Centres, deployment of midwives, purchase of anti-malarial drugs, construction of VIP toilets, polio eradication initiatives, immunization of children, youth training, training of federal civil servants, construction of roads and drainage works, construction of boreholes, etc. The second is the Conditional Grants Scheme (CGS); this programme involves funds that are transferred to states with a

matching or counterpart funding mechanism. The third is the Quick Wins Projects (constituency projects), initiated by the Federal Government in 2007 to enhance the presence of the government in all federal constituencies and senatorial districts, to deliver basic infrastructure and services for the attainment of the MDGs. The fourth project is the Social Safety Nets, which involves conditional cash transfer to the poorest households in Nigeria (CDD, 2013, p. 6).

GOAL 2: Achieve Universal Primary Education

The Federal Government launched the Universal Basic Education (UBE) Programme in 1999 which made it mandatory for children to receive a minimum of nine years tuition free basic education. The policy requires that basic education must be free and compulsory, it includes adult and non-formal educational programmes at primary and junior secondary school levels for both adults and out-of school youths. It is important to note that the UBE is the basis upon which MDG-2 has been implemented in Nigeria beginning from 2005 (Ibid, 12).

The Federal government also established the Education for All (EFA) unit within the Federal Ministry of Education to expedite the development of the EFA plan for Nigeria. In 2003, the Government also prepared the National Empowerment and Economic Development Strategy (NEEDS), in like manner the State Economic Empowerment and Development Strategies (SEEDS), was prepared, it equally prioritizes the provision of education. The government inaugurated a National Committee on the MDGs in June 2005 to monitor and allocate additional funds from the debt relief funds meant for the attainment of the MDGs. After the signing into Law of the UBE Bill in May

2004, the federal and state governments undertook an unprecedented expansion of basic education. The UBE Programme involves a wide range of actions to achieve universal basic education (Ibid, 13).

GOAL 3: Promote Gender Equality and Empower Women

Nigeria drew up a national gender policy which was introduced in 2006 as a means to draw attention to the disadvantaged position of women in relation to men and to serve as a call to action to eliminate gender discrimination (Ibid, 25).

The establishment of the Female Football Federation created avenues for talented girls who were otherwise labeled as “tom boys” to participate in sports and thus remove the limit placed on females in sports.

Another significant landmark is the Nigeria Defense Academy policy to begin to admit females in the previously all-male military training institution. The Federal Ministry of Women Affairs’ mentoring programme for girls in secondary schools provides opportunities for mentees to understudy mentors in established careers as a way to connect young girls from poor homes with values, opportunity and knowledge. If sustained this can expand the socio-economic space for young girls and improve their future prospects (Ibid, 26).

An Equal Opportunities Bill is before the 7th National Assembly. A bill on violence against women in 2001 articulated by Civil Society Organizations has been on and off the legislative agenda since its introduction on May 24th, 2002. The bill is under consideration to be passed as a Violence Against Persons (VAP) bill (Ibid, 25).

A significant change worthy of note is the nature of politico-religious discourse where long standing debates on women's right to participate in public life are being resolved within religious sects. Recently, there was a development in Kwara state-North central Nigeria, where some Islamic clerics declared that a woman should not aspire to be the Governor of a State or the President of a country but they could become Ministers and Commissioners. With a swift rejoinder, a different community of Islamic clerics disagreed and re-asserted women's right to aspire to all public offices (as cited in Salihu and Mahdi, 2010), (Ibid, 26).

GOAL 4: Reduce Child Mortality

Nigeria's current policy framework for achieving MDG-4 has two primary drivers: the Seven Point Agenda which represents the infrastructure used to support the MDGs while the MDGs supplies the human resources needed to achieve the Vision 20: 2020, and the National Health Sector Development Plan (NHSDP). The NHSDP 2010-2015 was produced by a wide array of stakeholders in the health sector and it focuses on eight priority areas: Financing for Health, Leadership and Governance for Health, Human Resources for Health, Health Service Delivery, Partnerships for Health, National Health Management Information System (NHMIS), Community Participation and Ownership, and Research for Health. It provides the framework for the three tiers of government to design and implement programmes and activities geared towards achieving the goals and objectives of each priority area. These are captured in both the HSDPs and operational plans at the Federal, State and LGAs. The NHSDP also provides the support required for the achievement of the MDG (Ibid, 45).

The Federal Government of Nigeria has also positioned State and Local Governments at the centre of development efforts, especially in making the investments and reforms required to deliver on the Millennium Development Goals (MDGs), The Transformation Agenda as well as the Vision 20:2020. Starting from 2007, a major funding commitment was made to scale-up investments by State Governments in key MDGs sectors through the Conditional Grants Scheme (CGS), administered by the Office of the Senior Special Assistant to the President on MDGs (OSSAP MDGs). The state CGS track commenced in 2007 while the Local Government track was launched in 2011 (Ibid, 45).

The CGS uses a portion of the Debt-Relief Gains (DRGs) that were negotiated by Nigeria in 2005 to supplement investments at the State and Local Government (LG) levels. The CGS is designed to avoid the challenges of implementing grass root level projects from the Federal level and to provide a window of opportunity through which States and Local Governments access funds annually from the DRGs for implementing MDGs related projects. From inception to date more than \$1.2billion has been invested in the State and Local Government CGS tracks towards the implementation of MDG projects (CGS Report, 2010, p. 32).

GOAL 5: Improve Maternal Health

Nigeria's three tiers of government and their donor partners have introduced various interventions meant to fast-track the attainment of MDG-5. For example, OSSAP-MDGs' report on progress towards achieving MDG-5, shows that in 2006, 166 new PHCs (Primary Health Care centres) were built, 207 PHCs rehabilitated, 400,000 Insecticides

Treated Nets (ITNs) procured and distributed, and Emergency Obstetric Care facilities at 12 Federal Medical Centres Units rehabilitated and equipped. In 2007, it was reported that 111 PHCs were constructed and equipped, the capacity of PHC workers was strengthened, and the National Primary Health Care Development Agency (NPHCDA) was strengthened. In 2008, free maternal and child health care was provided for 700,000 pregnant women and under 5 children in Oyo, Bayelsa, Imo, Sokoto, Niger and Gombe states, 6.7m doses of antimalarial, 1.5m Long-lasting ITNs purchased, and 3,320 midwifery kits were procured.

The National Blood Transmission Centre (NBTC) in Katsina was equipped, and midwifery kits for the Midwifery Service Scheme (MSS) procured. In 2009, the Maternal Health-National Health Insurance project was scaled-up to cover an additional 700,000 pregnant women and under-5 children in six states, the midwives service scheme was scaled up by an additional 3,000 midwives, midwifery and MAMA kits were procured, maternal and child health advocacy carried out in collaboration with the Federal Ministry of Women Affairs and Social Development (FMWASD), health systems strengthened and capacity building of PHC workers undertaken (as cited in OSSAP, 2009), (CDD, 2013, p. 60).

GOAL 6: Combat HIV/Aids, Malaria and Other Diseases

Nigeria set up the National Agency for the Control of AIDS (NACA) which provides management and oversees programmes and activities while acting as a link between the state and non-state players. In like manner, states and LGA activities are coordinated by SACAs and LACAs respectively. Together, these state entities relate with

line ministries, the private sector, and Civil Society Organizations (CSOs) including faith and community-based organizations and local and international development partners (Ibid, 68-69).

The schemes used for malaria control have changed over time. In 2000, Nigeria signed the Declaration and Plan of Action to reduce by half, the burden of the disease by the year 2010 through: timely diagnosis and treatment with appropriate medicines, distribution of Insecticide-Treated Nets (ITNs) to cover populations at risk (especially children below the age of 5 and pregnant women), Indoor Residual Spraying (IRS) to control transmission and the prevention of malaria in pregnancy through intermittent preventive treatment (Ibid, 71).

The National Tuberculosis and Leprosy Control Programme (NTBLCP) is the agency managing the coordination of TB and leprosy control activities in Nigeria. At the state level, the day - to - day programme implementation and supervisory responsibilities are carried out by the state TB and leprosy control officers, and supported by the state TB and leprosy supervisor. The state TB and leprosy programmes provide secondary care and technical assistance to the LGA level. The LGA is the operational level of the NTBLCP based on PHC principles. The activities at this level are managed by the local government TB and leprosy supervisors (Ibid, 72).

Goal 7: Ensure Environmental Sustainability

Nigeria developed a National Forestry Policy (NFP) in response to the problems of deforestation, forest degradation, and desertification and climate change impacts. Currently, Nigeria is implementing the UN-sponsored national Reducing Emissions from

Deforestation and Forest Degradation (REDD) programme to control the rate of forest loss. The REDD scheme is being implemented in states and local governments with Cross River State taking the lead. Other projects include the initiation of an ECOWAS supported National Climate Change Mitigation Action Plan through the establishment of a special climate change trust fund, the establishment of web-based Flood Early Warning System (FEWS), a new National Housing and Urban Development Policy, the National Policy on the Environment, among others (Ibid, 94).

Nigeria also established several institutional and policy frameworks for achieving environmental sustainability. These include institutions, policies and laws which serve as an effective instrument for environmental protection, planning, pollution prevention and control. The country equally enacted several Acts of parliament for environmental protection including the Federal Solid and Hazardous Waste Management Regulations (1991), Environmental Impact Assessment (EIA) ACT. CAP E12, LFN 2004, the Nigerian Urban and Regional Planning Act Cap N138, LFN 2004, Land Use Act Cap 202, LFN 2004, Harmful Waste (Special Criminal Provisions), Act Cap H1, LFN 2004, Water Resources Act, Cap W2, LFN 2004, River Basins Development Authority Act, Cap R9, LFN 2004, Associated Gas Re-Injection Act, Cap 20, LFN 2004, among others (Ibid).

Goal 8: Develop a Global Partnership for Development

Nigeria signed a new Telecommunication Act into law in October 2003 and this provided the Nigerian Communications Commission (NCC) the required support to execute regulatory control over ICT activities in Nigeria. The NCC has designed a

number of strategies to ensure that ICT activities in the country are consistent with international standards and practices. The ICT and NITEL were privatized. Nigeria launched a Telecom Policy document in 2000 while a number of private telecommunications operators have been licensed to provide services. The NITDA was equally established in 2001 (Ibid, 112).

The trends, incidence and dimensions of poverty in Nigeria were discussed in this chapter with the intention of giving a clear picture of the nature, degree and intensity of the problem at hand. In line with this, some of the many programmes and activities that Nigeria has engaged in while combating poverty were also discussed. Some of the programmes that existed after Nigeria's independence in 1960 to 2000 were highlighted along with some of the programmes and activities that were created in the era of the PRSP; in keeping with IFI prescriptions. This continuous battle with poverty notwithstanding, Nigeria's poverty growth has remained unabated.

Chapter 3: PRSP Implementation Problems in Nigeria

Introduction

This chapter will discuss Nigeria's experience with its MDG project implementation using its PRSP, the NEEDS as a guiding policy. The study will reveal that the Nigerian government and people have almost no control over the design, content and policy prescriptions in what is supposed to be their internally generated PRSP. The outcome of this poor policy prescription will also be seen in the implementation challenges with projects and activities at the three tiers of Nigeria's government. The chapter will reveal the fact that there is no substance to IFI claims of "national ownership", "public accountability" and broad based "participation" as attributed to the PRSPs. This chapter will show that in spite of the claims of "nationally driven" development, the PRSP policies have remained at variance with national priorities of reducing poverty, fostering domestically meaningful economic development, promoting equality and equity, and allowing genuine participation in the design of national development policies.

Furthermore, the chapter will demonstrate that the policies guiding the PRSP are not effectual in reducing poverty as they are poorly conceived, misdirected and founded on poor advisory. Its market driven conditions such as unfavourable trade policies have ironically served to destroy Nigeria's local industry and hence contribute to poverty. Some of the problems the NEEDS mechanism has include but are not limited to the following: the absence of a sound coordination arrangement, the broadness of its proposed interventions without commensurate financing, poor project costing, budgeting

and financial management, the absence of true participation, the dearth of requisite skills in the civil service and the poor alignment of donor policies.

This chapter will argue that the above are typical examples of Nigeria's experience with implementing the NEEDS project. It will also argue that these limitations are some of the reasons why the policy has failed to achieve its acclaimed goal of reducing poverty.

Problems with PRSP implementation

As earlier mentioned, evidence from the examination of the outcome of the PRSP in Nigeria reveals that the Nigerian government is confronted by a number of challenges in the implementation of reliable national poverty reduction projects. A particularly significant difficulty has been that of involving the right stakeholders, to the right degree of involvement, in the process. The fact that donor funding is not only unpredictable but is undependable, coupled with the fact that even when the funds are made available, they are non-commensurate to the scope of the project are also some of the many problems Nigeria is confronted with.

In like manner, the country's attempts to simplify and harmonize donor support for poverty reduction strategies have not been encouraging. If the fact that Nigeria is mostly dependent on aid for its development project is to be considered, these challenges which come with the conditionalities attached to aid or debt relief would be seen in all their enormity. This case study confirms the fact that the principle of "national ownership" has been undermined by the World Bank and IMF's tendency to adopt PRS

agenda, work with timetables, set conditions, and demand information that are strictly in donor interests as against the interest of the state (CDD, 2013; UNECA/UNESCO, 2002).

Some of the many challenges, as earlier discussed, confronted by Nigeria while attempting to achieve PRSP implementation and monitoring, are discussed below:

Poor Donor Policy Alignment

An example of a form of non-alignment of donor policies with Nigeria's policies are the different priorities Nigeria and donors have ((Eboh, 2003, p. 8). Donor inspired market oriented policies which were prescribed by Nigeria's PRSP such as the devaluation of the naira by the Central Bank of Nigeria (CBN) through the Second Tier Foreign Exchange Market (SFEM), led to inflation. Therefore, inflation, as can be seen in the rise in the price of kerosene, in turn compelled the people to resort to the use of firewood which requires the felling of trees and ends up truncating the efforts invested in Goal 7 (Bayo, c.2005; CDD, 2013, p. 103).

Another example of incongruence between donor policies and those of the beneficiaries is what the author experienced in the LGA during her stay there. For the year 2011-2012, the NEEDS programme only undertook health and education projects meanwhile climate change adaptation was the most pressing need as the people were ravaged by the consequences of climate change and there were no adaptation arrangements in place. The author had personally noticed that there was little rainfall and that the crops were failing but the author did not grasp the enormity of the problem until she was asked by an old woman during a meeting she held with the women. The woman said "we have heard all you plan to do for our local government, we appreciate it but as you can see, we have little rainfall and our crops are failing, when you have fixed the

schools and the children get home from school, what will they eat?” This question left the author speechless and made her realize how misplaced the NEEDS priorities were. What is the point of pursuing education and health if the people are not alive to benefit from it? As though on cue, the same state suffered from a flood in September 2012 which destroyed the already challenged crops and claimed over 300 lives while over 600,000 were displaced (ThisDay, 2012).

One-Size-Fits-All

A further example of the limitations found within the PRSP is the fallout from the one-size-fits-all prescription of the PRSP. Compulsory basic education is recommended for children of both sexes but no thought was given to the fact that Nigeria has an approximately 50% Muslim population. Most of the population in Nigeria's north are Muslim and are not open to allowing close interactions between both genders; hence a lot of girls are married off rather than sent to school where they would interact closely with boys. This has allowed the practice of child-brides to continue and this effectively sabotages the 1st MDG of eradicating extreme poverty and hunger, the 2nd MDG of achieving universal primary education, the 3rd MDG of promoting gender equality and empowering women and the 5th MDG of improving maternal health (NMIS, 2009).

Financial Limitations:

Poor Financial Resource Management

One of the objectives of the PRSP is to ensure resources are used in priority areas that would have the most impact on poverty reduction. This objective therefore assigns a significant role to the budget. The way resources are expended impacts poverty reduction outcomes in several ways: good aggregate monetary policy will contribute to overall

economic stability and growth, policy decisions are financed using the budget, the quality and coverage of public services are dependent on the supply of budgeted resources to service delivery institutions (Foster & Zormelo, 2002, p. 164). By extension, all of these, impact directly on the success of poverty reduction (Cagatay et al, 2000, p. 1; CDD, p. 21; Eboh, 2010, p. 11).

An example of poor financial management is Nigeria's privatization process which was marked by a lack of transparency, poor capacity on the part of the personnel, politicking, poor management and the absence of a suitable regulatory framework. The process of selling public assets was done without competitive bidding and so the assets were basically transferred to the political class, the politically connected and to the family members of political elites (Adogamhe, 2007; Izibili and Aiya, 2007).

In line with the above, this author faced several implementation problems as a result of poor management of the MDGs financial resources. The first challenge was that the author drew up a quarterly budget of \$12,338 that was meant to cover the operations of the MDG project office for the Local Government Area for 3 months but only \$11,104 was approved. This account, the Operational Cost Account was funded and then frozen for a period of 6 months (this was meant to generate interests for some officials). When the said account was released in the seventh month, the Secretary to the MDG project committee at the Local Government, the Director of the Local Government and the Project Accountant, deducted \$2,500 from the funds at source as they were the 3 signatories to the account. This was done without the Technical Assistant-author's knowledge. The author, who had invested personal funds and also engaged external

professional services based on promises of future payments, in a bid to meet project timelines, was put in a dilemma. Matters became worse as Local Government officials along with the same officers who initially withdrew some money began to press the author for more money. The author was compelled to get the account signatories to sign a cheque with a promise of financial compensation which would supposedly take place after the author withdrew the money. After they signed the cheque however, the author withdrew the remaining \$8, 604, disbursed the funds to the right parties (project office creditors, project office staff, the Project Architect and Surveyor, members of the Needs Assessment team among others) and drew the wrath of those who were waiting to “be settled”. This caused a lot of conflict and tension between the author and the said officials who did not care if the project activities were financed or not (MDGs, 2011). This could happen because there was no structure in place to monitor the disbursement and utilization of MDG funds. In other words, it was a direct consequence of the gaps in the design of the financial management of the PRS process.

Irregularity and Insufficiency of Donor Support

Though the alignment of donor’s policies with a country’s needs is crucial but just as important is the ability to predict donor funding (many poverty reduction interventions in Nigeria are designed with expectations of donor fulfillment of their financial pledges on aid which has over time proven to be unreliable). This is particularly so for Nigeria whose poverty reduction agenda is tied directly to aid. So far, the fact that donor funding has been unpredictable has frustrated national efforts to enhance the efficiency of public expenditure. In the absence of predictability of flows of donor finance over the long term,

Nigeria would not have the flexibility to make sufficient budget allocations for poverty reduction activities.

Nigeria has experienced erratic donor support as there has been a “wide gap in terms of the original memoranda of understanding and what is being implemented” (CDD, 2013, p. 123). As a result of this and as an example, the financing gap in Nigeria for HIV/AIDS is said to be in multiples of billions from 2013 to 2022; this means that the difference between funds that were promised to Nigeria for fighting HIV/AIDS for the period 2013-2022 and the funds that have actually been paid to Nigeria is significant enough to sabotage the goal. This demonstrates the unreliability of donor support and the fact that dependence on “commitments” for targeted projects have severely undermined project implementation.

Donor support to Nigeria is indeed insufficient (CDD, 2013, p. 21) as this author had project execution problems as a result of this. The sum of money required to achieve the MDG targets for 2011 in the aforementioned LGA ran to an excess of \$124 million. Meanwhile what was made available was \$ 1.2million (50% of this being a combination of state and LGA counterpart funding), this meant that barely 10% of the appropriate interventions could be implemented (OSSAP-MDGS, 2011).

For instance, a hindrance to achieving the 4th, 5th and 6th health-related MDGs is the insufficiency of donor funds resulting in low budgetary allocation to the health sector and the neglect of the grassroots health care system. This has led to a situation whereby limited funds are being disproportionately appropriated as finances for MDG projects are shared vertically. Approximately 70-80% of the funds available for healthcare are spent

on tertiary health institutions which cater for less than 5-10% of the population (National Council on Health Communiqué, 2012).

This is so much so that while preparing the interventions for 2011 and 2012, this author was compelled to capture only three primary health centres in the whole of the said LGA. A standard PHC can only cater for approximately 60 people a day as it has just one doctor (when available) and 2-5 nurses. Meanwhile the LGA has a population of well over 122,321 (Statoids, 2007).

Another example of the consequence of disbursement of funds which are non-commensurate to the scope of the project is the frustration with education projects. 9 primary schools were renovated and equipped in the said LGA in 2012 but there were no funds left to train the teachers, most of whom were not qualified to teach, this in effect rendered ineffective the Nigerian government's effort at improving primary education (OSSAP MDGs-LG, 2012).

Destruction of the Local Industry

Having to implement obligations under the WTO agreements has caused myriads of problems for Nigeria. The prohibition placed on investment measures such as the local-content policy and several other types of subsidies (under the trade-related investment measures agreement and the subsidies agreement) have made it difficult for Nigeria to adopt measures to encourage its domestic industry. The Agriculture Agreement Nigeria is subscribed to, allows developed countries to maintain high protection for their local producers whilst also supporting them with large subsidies. This allows Northern farmers to export their agricultural products at artificially cheap prices. This results in dumping; hence these foreign products are cheaper than Nigeria's local products and this frustrates

the local farmers who cannot compete with their foreign counterparts. On the other hand, neoliberal policies have served to ensure that Nigeria along with other developing countries have low tariffs which were mostly reduced during the SAP, also they are only allowed to have low or no domestic subsidies, whilst at the same time, they are forbidden to increase the tariffs, beyond a certain rate in the same manner as their subsidies.

As a result of the PRS, currently in Nigeria there are policies that have led to developments like the privatization of government owned enterprises, these policies were ultimately designed to actively involve Nigeria in the global market. Some of these policies which have had undermining effects on achieving the first MDG include but are not limited to: the Prohibition of Investment Measures; this made it tough for Nigeria to adopt measures to encourage domestic industry; the Import Prohibition Policy, which is made ineffective by large-scale smuggling despite severe penalties imposed on those involved with the importation, transportation, storage, display or sale of prohibited items; policies such as the Trade-Related Aspects of Intellectual Property Rights which “still limit Nigeria’s agricultural products from accessing the international markets” (CDD, 2013, p. 122).

The fact that neoliberal trade policies imposed by the IFIs have been very counterproductive for Nigeria’s economy is in direct opposition to the first MDG goal of eradicating extreme poverty and hunger. In effect, neoliberalism is promoting the very poverty it is purported to be “fighting”. In essence, globalization has not reduced Nigeria’s poverty.

Flawed Structural Processes

Poor Co-ordination

The co-ordination of economic policy formulation and implementation has been hindered by continuous inter-ministerial conflicts, together with the disparity between key sector ministries and the ministries of finance which is the body that-on an ad hoc basis, manages funding. For instance, there is continuous strife and conflict between the Ministries of Finance and that of National Planning over who oversees the financial resources for MDG projects (MDGs, 2011). This usually results in delays in project execution as both ministries go through numerous processes to ensure that the funds are released to them. This is a significant drawback as the MDGs are time bound.

Coordination has been a significant challenge that cuts across all of Nigeria's sectoral initiatives and it requires a much better definition within NEEDS, of the roles and responsibilities of the various sectors of government (Nigeria's JSAN, 2005, p. 2, 9; Nigeria's JSAN, 2007, p.2). Despite the fact that Nigeria set up the SEEDS (State Economic Empowerment and Development Strategies) and the LEEDS (Local government Economic Empowerment and Development Strategies), coordination has remained a constraint to the effectiveness of the PRS process as the expected roles of the different stakeholders are still not specified (CDD, 2013). For example, there has been some difficulty with assigning roles and capacity to agencies such as the Joint Planning Board, National Council on Development Planning, etc. (Nigeria's JSAN, 2007, p. 9). Similarly there exists a challenge of how to design and implement concrete, practical and workable policies at the three tiers of governance in the country to address the undermining growth-employment-poverty reduction nexus in Nigeria (CDD, 2013).

There exists discordance between the fiscal capacity of the different levels of government and their expenditure responsibilities in Nigeria. There also exists the problem of vertical revenue sharing among the states and among the local councils. These have extensive implications for the strategy to establish resource pooling among the three tiers and the management arrangements for distribution to achieve coordination and harmonization.

Weak Administration

To achieve sustainable poverty reduction, the rule of law, transparency and accountability of public institutions, along with a strong commitment from the government to fight corruption at every level must be present (Adejumobi, 2006).

In Nigeria, there is a continuous concern by the private sector about corruption and the enforceability of contracts. Very frequently, there is a glaring lack of transparency and accountability for MDG projects, meanwhile there is no structure in place to check this, and this lapse is because there is a continuous battle between the Federal, State and Local Governments over which body supervises MDG projects at the different levels. A case in point is the experience of the author with the Operational Cost Account of the LGA MDG office (as discussed above); not only was the account frozen for six months to generate illegal interests but when the money became available, the LGA staff had a bite by deducting almost 25% at source.

Another example is the fact that according to the 2010 MIS, only 3.2% of children under-five with a fever received an Artemisinin-Based Combination Therapy (ACT) the same or next day, this is not because there is a lack of ACT drugs but because these drugs

are secretly sold by the staff of the health centres where they are stored (CDD, 2013, p. 84). Outrageous practices such as this are prevalent in the Nigerian MDGs system because, as earlier mentioned, there are no mechanisms to check abuse within the system.

Though there has been some attempts to address the issue of governance in PRSP design and implementation, still, the efforts being made by the Nigerian government to ensure appropriate governance of its poverty reducing projects has been stifled by poorly delineated governance mechanisms found within the NEEDS.

Poor National Capacity

Putting together a comprehensive and participatory poverty reduction strategy has been difficult for Nigeria as it is confronted by insufficient state capacity (Eboh, 2010, p. 27). Nigeria has had to employ the services of consultants to fill the role for which it already has civil servants. This has served in no small measure to increase the project cost as the consultants are paid a huge sum of money; usually in multiples of what the average Nigerian civil servant earns. These consultants are housed, sometimes fed, paid travel allowances and receive a duty travel allowance (DTA) for each day they spend on the field. In effect, the cost of retaining a consultant is a heavy addition to the project cost. Very often, consultants are paid sums proportional to that of their counterparts in the developed world.

Some of the reasons why such a huge expenditure is made to hire and retain consultants include but are not limited to the fact that before consultants were used, there was an absence of policy analysis, project management, grant proposal preparation, needs assessment, monitoring and evaluation, staff management, project planning, project reporting, resource management, risk management, process improvement, supervisory,

project quality management, research, advocacy and relationship building skills, as was experienced by this author, in the aforementioned LGA (OSSAP-MDGs, 2011). This lacuna greatly undermined project implementation efforts that were made by the members of the Nigerian civil service.

Poor Country Ownership:

Insincere Participation

Participation is one major area of challenge for the PRSP implementation process in Nigeria. The manner in which the concept has been portrayed in the PRS creates the impression that emphasizing participation and ownership will result in an improved policy design and the implementation of policies and programmes different from what obtained in the SAP. This perceived advantage notwithstanding, genuine participation of Civil Society, Faith Based Organisations, community representatives and other local stakeholders has remained a challenge.

Nigeria's PRSP was, in principle, expected to be country driven, involving broad-based participation by the private sector and civil society, inclusive of Faith Based Organizations (FBOs). Nigeria's civil society noted that the first two attempts at drafting a PRSP failed to meet these prerequisites (Odumosu, 2011). As a result, the Nigerian civil society autonomously organized some complementary activities to deliberate on the PRSP. One of such activities was a workshop organized by the Centre for Public-Private Cooperation in the northern Nigeria city of Kaduna and funded by OXFAM. The workshop had over 80 representatives of CSOs (including FBOs) who represented the six geopolitical zones, it was agreed by the participants of the workshop that the Federal Government had not properly consulted with stakeholders in preparing the PRSP,

therefore Nigeria's civil society interests were not represented, and more importantly, they argued that there is obvious lack of coordination and cooperation in the interaction between the government, civil society and the private sector on crucial issues of economic and political governance (Odumosu et al., 2011; Eboh, 2003).

Furthermore, according to Odumosu et al, 2011:

There is an overwhelming sense that faith groups are largely being left out of the NEEDS drafting, monitoring and implementation processes...despite official rhetoric purporting the active involvement and participation of the NGO community in this process, a common theme in several of the interviews is that the only shades of consultations that took place were held when the documents had already been fully developed and therefore seemed programmed as rubber-stamping exercises (p. 13).

In like manner, Taiwo (2006) reported that the coalition of civil society groups called Civil Society Coalition for Poverty Eradication (CISCOPE) which evolved as a programme for rapid social mobilisation on the poverty reduction agenda was not privileged to make inputs into the nearly completed I-PRSP (NPC, 2005, 2006; CEDAR, 2005). The claim by faith groups of being left out of the NEEDS programme is also quite significant in view of the fact that Nigeria is a highly religious country (Ibid).

Civil society in general, in Nigeria is of the opinion that there is very little awareness about the current poverty reduction programme in Nigeria (Odumosu et. al, 2011, p. 13; Taiwo 2006). They are also of the opinion that what accounts for the

consultation that project implementers got them involved in is actually “mere token gestures to outright exclusion” (Ibid 32).

This author, from a firsthand experience, saw the implication of the lack of participation in the PRSP implementation process. As a Technical Assistant on Nigeria’s MDG projects, this author had to have meetings and consultations with different communities to facilitate the execution of the intervention projects. In line with this, the author held several meetings with the School Heads and teaching staff of a few schools in a certain Local Government Area of Nigeria. During the meetings, the author realized that the school staff, who had not participated in the preparation of the MDG proposal for their Local Government, had falsified most of the data presented to the MDG’s baseline survey team who had previously visited the Local Government (this they did because they assumed money would be sent to them to purchase the required items). Armed with heavily falsified information, the author found it very difficult to design effective projects as the data from the author’s head office suggested certain projects while the actual state of the educational system on ground suggested a different set of interventions. For instance, while one school presented data that showed that it had only 6 units of chairs and desks, upon a needs assessment verification exercise carried out by the author, it was discovered that the school had sufficient chairs and desks and that what was actually needed were exercise books, writing materials, school uniforms, teacher training among others (OSSAP MDGs, 2012).

A further constraint that lack of participation showed in project implementation was the challenge to the fourth goal of reducing child mortality. The author discovered that

the women in the LGA did not know about Oral Rehydration Therapy programmes that were being carried both in the state and LGA. This meant that they could not benefit from it and the lives of some children were lost as a result. Had there been participation of civil society groups such as the women's groups, there would have been awareness of the MDG programmes which this women would have benefited from (OSSAP MDGs, 2011).

Non Inclusion of Elected Representatives

Since one of the acclaimed goals of participation in the PRS is to enhance country ownership, IFI exclusion of most national parliaments in the PRS process has severely undermined the process. In Nigeria, parliamentarians and other elected officials were not drafted into the process and this led to gaps that undermined the projects.

Owing to the fact that there were no members of the concerned state's House of Assembly who were parties to the scheme, project sustainability was a problem as there was no political support. The MDGs projects for the said state existing in the period January 2011-2012 were undermined with the departure from office of the then Governor in January 2011. Some of the losses accrued from this were the expiration of a large stock of anti-malarial drugs. These drugs were locked up in the MDGs state office' store room which was controlled by the office of the SSA to the Governor on MDGS, meanwhile the state did not have a governor for the same period which invariably meant a new SSA was not appointed for a year, by what time the stored drugs had expired (OSSAP MDGs, 2012).

As a result of the absence of political support, the state's MDG project office always has to await a new state government for project support; counterpart funding,

supply of vehicles and machinery for field work among others. This is particularly problematic as each new state government chooses its own priorities and discards those of the old government (OSSAP MDGs, 2011). If elected representatives were a part of the process, they would have used their position to get support from the state, or to intervene when there is a conflict, or as needed.

The literature in this chapter, using practical examples, demonstrate the fact that there are indeed limitations within Nigeria's PRSP which are undermining its poverty reducing capacity, by posing difficulties at the point of project implementation.

Chapter 4: Conclusion

The purpose of this thesis was to determine the extent to which Nigeria's PRSP was contributing to the reduction of poverty in Nigeria. The issue of the PRSP's contribution to the reduction of poverty is timely because it is the current development policy meant to drive the Global South to development. It is particularly important to Africa because all Sub Saharan African countries are enmeshed in poverty and are reliant on the PRS to make them more competitive in a continually globalizing world.

The thesis statement argued that though poverty in Nigeria is caused by a factor beyond the control of the PRSP, nevertheless, the mechanism in itself is flawed as it was designed with several weaknesses which include poorly designed growth strategies, poor financial management, non-inclusion of critical stakeholders, stringent donor-favouring policy conditionalities, absence of project-requisite skills in state civil service which implies a lack of commitment on the part of the state, and unreliability of donor financial commitment among others. These limitations can be linked to some of the arguments in the literature review which suggested that the PRSP has not reduced poverty because some of its principles such as country ownership was defined with a lot of ambiguity. Also the PRSP requirement that country policy making and planning is comprehensive in identifying the multidimensional nature of poverty, though sound, presents the negative impact of the loss of strategic vision and planning. This in turn has resulted in the PRSP being conceptually flawed with an undermining effect on aid effectiveness and governance in Nigeria.

Presently, all of Nigeria's reforms in the poverty reduction agenda are donor directed and this unfortunately has not worked out as expected as there are gaps existing

between donor objectives; programmes, projects, approaches and state-led objectives, which are yet to be filled.

During the examination of Nigeria's experience with its PRSP programme, it was observed that even in the face of a growing economy, poverty in Nigeria had reached an unprecedented state. This means that Nigeria today has its highest record of poverty ever, with just 16 months to the MDGs target date.

The data from the findings show that the PRSP is failing to meet its objectives and is not able to relieve Nigeria's poverty burden or to contribute (as it is purported to do by the IFIs), to Nigeria's development. And from a broader development perspective, the failure of first the SAP and now the PRSP programme suggests that a neoliberal economic approach to poverty reduction in developing countries is ineffective in meeting the country's development objectives. The neoliberal ideology of economic growth translating directly into poverty reduction and development has been debunked by the Nigerian experience.

The PRSP's failure to meet its stated objectives in most poor countries should give policy makers reasons to re-examine the arrogance of policy imposition in the face of yet another failed experiment. The lessons from the SAP experience are still fresh and are evidence that one-size-fits-all policies are not sound and will usually prove to be counter-productive. Literature actually abounds with evidence of the inability of the PRSP to reduce poverty in its participating countries; this is so much so that even the PRSP "success" stories have been shown to be re-interpreted coincidences or mere attributions for donor convenience.

Nigeria's continuous reliance on donor-driven interventions to position it in the global community had not yielded fruitful results in the past and as evidence from the PRSP shows, is not likely to yield positive results in the future. Donors on their part need to acknowledge the fact that development aid can only be effective if the donors are sincerely committed to enhancing ownership and promoting true partnership.

One fact that resonates in this thesis is that the cause of poverty in the South is the economic hegemony the North has maintained over the South. Therefore it is expected that an attempt to overcome poverty will be to change that position by eliminating the inequality in the world economic system, but this is unlikely to happen. In view of this, this thesis, being aware that Nigeria is an intrinsic part of the world economic system, only suggests an improvement in the design of Nigeria's PRSP as a way of making the best out of a bad situation. Utilizing a PRSP to combat poverty might not be the ideal approach to fighting poverty but it is the most Nigeria can do in the face of globalization.

Recommendations

The need for PRSP reform cannot possibly be overemphasized. Several suggestions for PRSP reforms have been put forward by different think tanks on PRSP effectiveness or ineffectiveness in reducing poverty. This research draws a conclusion which basically emphasizes the need for a holistic reform of the PRS process beginning from its policy framework which should apply the appropriate principles leading to coordination, consistency, efficiency and effectiveness. In line with this, some recommendations for PRSP effectiveness are:

The PRSPs need to allow for true country ownership through the instrument of participation. Only through the inclusion of the poverty reduction intervention beneficiaries in the PRS process will the government become committed and improve the capacity of its human resources while providing programme or project support when needed. Also participation will lead to the utilization of country-led development agendas which will ultimately result in improved attempts at poverty reduction.

More tools such as Needs Assessment and Baseline Surveys need to be employed in the diagnosis of poverty to ensure that it is captured in its entirety as a superficial identification of poverty will only result in the perpetuation of overlooked pockets of poverty. To complement this, the scarcity of project requisite skills in Nigeria's civil service must be put into consideration and addressed by way of manpower training and skills acquisition. This is particularly important for African countries where the human resources for capturing and recording incidences of poverty are limited.

The PRSP needs to focus as much on results as it does on project procedure as it has been observed that there is a tendency for policy makers to focus more on process while neglecting issues such as the soundness of the principles, the appropriateness of the principles, the approach being adopted among others.

The ambiguity found within PRSP prescriptions need to be eschewed completely as it has served to create conflict and tension between stakeholders. It has also served as a loophole for donor manipulations, this lack of clarity in crucial project prescriptions has served to no mean extent to compromise the success of the mechanism. This implies that

all prescriptions must be clear about who, what, where, how and when programmes or activities are to be executed.

For such a comprehensive project, there is a need for huge funding if indeed the projects are to be successfully implemented. This will therefore require that donors make financial commitments commensurate to the broadness of project financial requirements especially in view of the fact that most PRSP projects are confronted with resource constraints. It would also require that appropriate steps are taken to ensure the alignment of the PRSP with a state's budget so that there can be sufficient fiscal support from the state as the need arises.

Donors must equally ensure that their financial commitments are consistent and predictable as this will help ensure that projects are designed to match with donor disbursements. Predictability and consistency of funding will also help direct the pace and commitments of state budgets to include poverty reduction projects as at when due.

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