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THE PROBLEM OF POVERTY IN NIGERIA

Abstract: the article describes the problem of poverty in Nigeria which has continued to remain the central challenge of development at the global level. It is the most fundamental economic and social problem facing humanity. Poverty is also caused by unemployment. It is thus state the obvious to declare that the reduction and ultimately the eradication of poverty must be a central goal for bringing in actual development in the economy.

Keywords: poverty, development, unemployment, Nigeria.

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ПРОБЛЕМА БЕДНОСТИ В НИГЕРИИ

Аннотация: в статье описывается проблема бедности в Нигерии, которая продолжает оставаться главной проблемой развития на глобальном уровне. Бедность также вызвана безработицей. Таким образом, очевидным является утверждение о том, что сокращение и в конечном счете искоренение нищеты должно быть центральной целью для обеспечения реального развития экономики.

Ключевые слова: бедность, развитие, безработица, Нигерия

Nigeria had one of the world's highest economic growth rates, averaging 7.4% according to the Nigeria economic report released in July 2014 by the World Bank.

Following the oil price collapse in 2014-2016, combined with negative production shocks, the gross domestic product (GDP) growth rate dropped to 2.7% in 2015. In 2016 during its first recession in 25 years, the economy contracted by 1.6%. Poverty remains significant at 33.1% in Africa's biggest economy. For a country with massive wealth and a huge population to support commerce, a well-developed economy, and plenty of natural resources such as oil, the level of poverty remains unacceptable. However, poverty may have been overestimated due to the lack of information on the extremely huge informal sector of the economy estimated at around 60% more, of the current GDP figures. As of 2018, Population growth rate is higher than economic growth rate, leading to a slow rise in poverty. According to a 2018 report by the World Bank, almost half the population is living below the international poverty line (\$2 per day), and unemployment peaked at 23.1%. [4]

Officially, there is no poverty line put in place for Nigeria but for the sake of poverty analysis, the mean per capita household is used. So, there are two poverty lines that are used to classify where people stand financially. The upper poverty line is N395.41 per person annually, which is two-thirds of the mean value of consumption. The lower poverty line is N197.71 per person annually, which is one-third of the mean value of consumption. If you fall under the lower poverty line you are considered extremely poor, while if you fall under the upper poverty lines are considered moderately poor.

One of the terrible effects of Nigeria's poverty problems is the result of child poverty. A study made in 2001 from the Harmonized Nigeria Living Standard Survey (HNLSS) and the 2011 Multiple Indicator Cluster Survey (MICS) indicates that 23.22% of children are currently in extreme poverty and 70.31% of children in the country are in overall child poverty. Education, health, nutrition, water, and sanitation are classified as child deprivation in Nigeria. Similarly to the main concentrations of extreme poverty in Nigeria, the majority of child poverty takes place in rural areas rather than urban areas. Action was taken on this problem when rule switched to democratic to fight child poverty and deprivation from the Child Rights Act in 2003, which was intended to guarantee welfare and basic living standards for children in Nigeria. However, the fact that many children are still in

poverty and are suffering, the Child Rights Act wasn't as successful as it seemed to be. [2]

There have been attempts at poverty alleviation, most notably with the following programs:

- 1972: National Accelerated Food Production Programme and the Nigerian Agricultural and Co-operative Bank.
- 1976: Operation Feed the Nation: to teach the rural farmers how to use modern farming tools.
- 1979: Green Revolution Programme: to reduce food importation and increase local food production.
- 1993: Family Support Programme and the Family Economic Advancement Programme
- 2001: National Poverty Eradication Programme (NAPEP): to replace the previously failed Poverty Alleviation Program. [3]

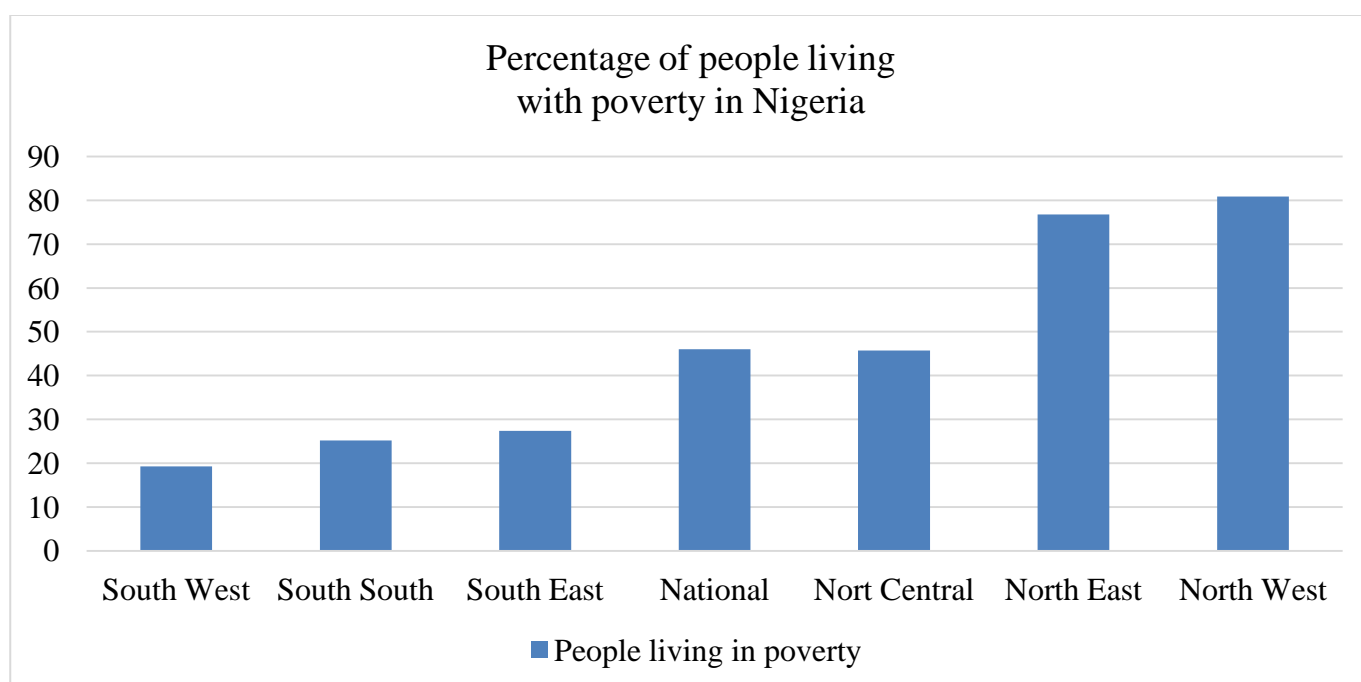


Figure 1- Geo-political zones in Nigeria by poverty prevalence [1]

Unemployment is a major factor contributing to poverty in Nigeria. There is a strong correlation between unemployment and poverty. When people are unemployed, their source of livelihood depletes over time. The cost of living becomes high and the standard of living goes down. There are many people in Nigeria who lack the opportunity of being employed. The formal unemployment rate in Nigeria as estimated by the World Bank in 2017 was 4.9 percent and Nigeria

ranked 61st across the world countries. “Education, once seen as the surest, undisputed gateway to employment, no longer looks so certain.” This is very true in the case of Nigeria. The fact that you are an educated Nigerian is no guarantee that you will be employed. Furthermore, according to the World Bank report, unemployment in Africa is higher among those who have attained a higher education of some kind, and also those in wealthy households because they depend solely on the wealth of their families and do not consider employment a priority. Many graduates in Nigeria wander the streets without anything reasonable to do for a living. [5]

To the conclusion, poverty in Nigeria is really a great concern to us all, poverty has a prevalent and epidemic issue in Nigeria, it was thoroughly discussed, analyzed and how possibly to eradicate poverty and also cushion the effect of existing poverty in the nation, it is a topic well researched with facts and figure, sit back and read through.

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