Developing Country Studies
ISSN 2224-607X (Paper) ISSN 2225-0565 (Online)
Vol.4, No.10, 2014

People's Perception of the Impact of Currency Devaluation on the Performance of Poverty Alleviation Programmes in Nigeria.

DR. AIYA , FIDELIS

Department of Public Administration, Ambrose Alli University, Ekpoma, Nigeria.

E-mail:aiyafidelis2011@yahoo.com

ABSTRACT

Devaluation of currency is one of the global public policies prescribed by the Bretton wood institutions for economic recovering in poor nations, with reference to Nigeria. This policy is not only necessary for reversing balance of payment deficit but also to finance programmes that stimulate growth and standard of living. Inspite of devaluation policy adopted in Nigeria coupled with myriad poverty alleviation programmes, Nigeria is still classified among the poorest nations in the world. Against this background, the study examined people's perception of the impact of currency devaluation on the performance of poverty alleviation programmes in Nigeria with Edo state as a study area. To achieve this, the researcher utilized primary and secondary sources of data. 1, 350 respondents were selected across the three senatorial district with multi-stage sampling technique and administered questionnaire. The collected data were analysed and revealed among others that devaluation exacerbates poverty in Edo state and Nigeria in general. Against this background, the following recommendations were made among others that: there should be proper funding of the programmes; there should be safe-net to protect the vulnerables; there should be people's oriented policy rather than externally dictated ones etc.

Key words; policy, devaluation, poverty, adminisration, programme, local government, performance

INTRODUCTION

Devaluation of currency is a macro-economic fiscal policy that bothers on deliberate reduction in the value of home currency with the aim of maximizing gain in tradable items. Goods and services are cheaper in a nation where currency is devalued compared to another. The reduction in prices of goods and services will stimulates trading activities in that country with overall purpose of enhancing economic growth and development to the alleviation of poverty. This concept is regarded by IMF and World Bank as instrument for fiscal equalization and stability, particularlly in the sub-sahara region where many countries are indebted to these financial institutions.

Devaluation of currency became popular in Nigeria when Babangida led administration in 1986 instituted the Structural Adjustment Programme as a policy designed to achieve a realistic exchange rate for the naira that was over-valued. This was unhealthy for economic growth and development of the Nation since overvalued currency further worsen balance of payment problem(Todaro,1989). On the basis of this, the nation was advised to accept devaluation policy as requirement for economic recovering.

Against this background, looking at the opinion of some scholars in this area may suffice a better understanding. Todaro(1981), asserted that currency devaluation is when a country's currency is devalued or more strictly depreciated when the official rate at which its Central Bank is prepared to exchange the local currency for dollar is increased.

Campbell (2004), in his contribution sees currency devaluation as a deliberate downward adjustment in the official exchange rate esterblished by a government against specified standard or another currency. The concern of the above scholastic discourse simply mean that devaluation of currency is about stimulating exports and lowering importation of goods and services, for the achievement of balanced growth, with the general goal of alleviating poverty. However, suffice to say that Nigeria situation is paradox, due to enormous poverty in the land inspite of its devalued currency coupled with myriad of poverty alleviation programmes. The question that remains eminent is that, does devaluation of currency limit the performance of poverty alleviation programmes in Edo state, Nigeria.

The basic thrust of this study is to assess people's perception on the impact of devaluation of Nigerian currency on the performance of poverty alleviation programmes.

THEORETICAL FRAMEWORK/ LITERATURE REVIEW

Dependency Theory aptly captured this study when adopted to mean an economic system where one country relies upon another for the purpose of its economic growth and development. The underlining tune in this dependency theory is economic relationship. The dependant nations as referred to in this theory are the peripheries or lessdeveloped nations(LDCs). The theory holds that the economic policies that regulates the economic activities of the lessdeveloped nations are externally formulated and dictated by the developed countries (DCs). In this case, the policies flow from the developed countries to the lessdeveloped ones, thereby creating room for slopesidedness. That is, a situation that represents master- servant relationship between the developed and lessdeveloped nations since the lessdeveloped nations are fenced out in the making of the existing global economic policies. Because the policies lack the merit of consensus, scholars such as; Baran(1957), Amin(1976),Gunder(1967), Meier(1984), Wallerstein(1974 & 1975), Dos Santos(1971), Richard(1991), Fanon(1966), Offiong(2001) and Chuke(1996), argued that it will not serve the interest of the lessdeveloped economies but the industrialized nations of the world in which the policies were formulated. Their argument is from the point of view of democratic participation in decision and policy making in a matters of public interest that guarantee citizens participation in development process (Iyoha, 1999). In order words, when policy lacks the participation of the people, it hardly meet its desire goal because the wish and aspirations of the citizens are excluded. Amin(1976), opins that dependency approach will result to core regions exploiting the periphery regions through unequal exchange, which he refers to as unequal international specialization. This unequal exchange as manifested by dependency approach will result to exploitation of the periphery by the center.This exploitative relationship will evolve a situation where the advanced countries are getting richer on the expense of the developing nations, while the developing nation are deep-neck into poverty. Indeed, dependency approch is apparently driven by wealth, science and technology from the point of view of the operations of the global financial institutions such as IMF and World Bank, that externally dictate the economic policies of the third world states without regard to their environmental variations.

In application, this theory corroborates with the sitaution obtainable in Poverty Alleviation Programmes established in the third world states particularlly in Nigeria, where such programmes like , National Poverty Eradication Programme(NAPEP) and National Directorate of Employment(NDE) operate under the harsh effect of devaluation policy as macro-economic policy formulated for Nigeria by IMF and World Bank. The operators and the target group designed to benefit the programmes are helpless under the tutelage of the global policy of currency devaluation. Because the policy of devaluation of currency is externally dictated, it retards the efficacy of the established poverty alleviation programmes thereby leaving Nigeria to be rated among the poorest Nations in the world. Since the policy is externally dictated, it fails to tackle poverty problem ravaging Nigerians within the context of its environmental milieu.

The reviewed literature in this study accounted for the empirical and theoretical analyses of currency devaluation in Nigeria and elsewhere in the world. Iyoha(1999), in his empirical study of Local Government and rural development ascertained that the IMF and World Bank call for the eradication of poverty by way of given the poor greater access to service and infrastructure was a contradiction in relation to the terms given by SAP that stipulates currency devaluation. His study revealed that devaluation of currency in Nigeria created tremendous inflationary pressures on the economy; a situation in which local authorities were limited in discharging their statutory functions. He further emphasize that devaluation of currency reduced local authorities purchasing power resulting in their inability to supply basic infrastructural services for the grassroot populace. The aggregate result of his finding is that devaluation of currency exercabates poverty in Nigeria.

Voir (1997), in his Study, analyzed the impact of devaluation on small scale enterprises in Burkina Faso, using the cost of production and profitability of the small scale enterprises. He found that the rate of turn-over in business activities reduced by 22% and imported inputs also increased in prices

According to voir, there was profit made in areas of dolotieres and building contractors which could be seen in the growth of these activities while small scale business owners like; restaurant owners, provincial retailers, blacksmiths, carpenters and mechanics etc, suffer the scourge of devaluation. However, devaluation has weakened many small enterprises which are not producing export products, because of the depression of urban markets with the fall of the purchasing power of the households(Voir,1997)

Femine Early Warning System Network (FEWS NET) is a USAID funded activity with the mandate to assess and report on Nigeria food security update. In its efforts to carry out a cross state study on the impact of devaluation on food prices in February 2009, observed that both whole sale and retail prices for maize & sorghum in the market have increased sharply from December 2008 to January 2009, and this increase in prices has remain significantly above the five – year average (2003/08) for the same period (FEWS NET, 2009).

In the same vein, Egedegbe (2009), argues that, devaluation of the Naira has negative impacts on all Nigerians. That is, companies and individual particularly the poor. Devaluation made the companies to be operating at a lost due to high cost of imported inputs which made their major part of net profits go up in smoke, while on the part of the masses the price of electronics, cars and even rice a staple food in Nigeria gone up astronomically which negatively affected the poor(Egedegbe,2009).

Abayomi (2007), in assessing the impact of devaluation of naira, opins that Nigeria as a dependent economy, devaluation can only make goods and service expensive. In addition to the falling naira exchange rate according to Adebayo, is the crippling effect of inflation in Nigeria (Adebayo 2009). The devaluation of the Naira has made the rich richer through importation of rice which is a staple food in urban areas but difficult for the poor to purchase due to its high price. In a general term, devaluation induces inflation which hurt the poor particularly hard.

.

RESEARCH METHOD

This study is geared towards the assessment of people's perception of the impact of currency devaluation on the performance of Poverty Alleviation Programmes in Nigeria, using Edo State as a study area with special focus on National Directorate of Employment (NDE) and National Poverty Eradication Programme (NAPEP). This was achieved by selecting (27) Communities from nine (9) Local Governments from the three senatorial districts in Edo State, using simple random sampling method in selecting these communities. The twenty-seven communities are: Uhi, Ehor and Ugbiyoko in Uhunmwode Local Government; Okada, Ekiadolor and Okhu in Ovia North East Local Government; Ugbor, Ogbe and Igun in Oredo Local Government of Edo South Senatorial District. Auchi, Jattu and Iyerekhu in Estako West Local Government; Uzebba, Ozalla and Sabongidda-Ora in Owan West Local Government; Igara, Ikpeshi and Okpe in Estako Central Local Government of Edo North Senatorial District. Ebelle, Ewossa and Okalo in Igueben Local Government; Irrua, Opoji and Ugbegun in Esan Central Local Government; Ujoelen, Emaudo and Iruekpen in Esan West Local Government of Edo Central Senatorial District.

The researcher utilized primary and secondary methods of data collection. The population of this study is the adult residents of nine (9) Local Government areas(three from each of the senatorial district) selected in Edo state. Instructively, National Population Commission and Housing Census 2006 report puts the population estimate of the selected Local Government at about 1,347,101(FGN,2006).

The Nine Local Governments selected across the three senatorial districts in Edo State are: Uhunmwode, Ovia North East and Oredo (Edo South Senatorial District); Etsako West, Owan West and Etsako Central (Edo North Senatorial District) and Igueben, Esan West and Esan Central (Edo Central Senatorial District)

The sample size is 1,350, drawn from 27 communities used in this study. This involves the selection of three local governments from each senatorial district bringing to a total number of nine local governments. Three communities were drawn from each local government, bringing to a total number of 27 communities in the study. In each community, 50 respondents were drawn, thus making a total of 150 participants from each local government, which cummulatively resulted to 1,350 respondents from the nine local governments selected for the study.This selection was achieved through multi-stage sampling method, since it has the advantage of large geographical coverage(Aghayere, 1997; Baley,1978 and 1982; Nachmias and Nachmias ,1987)**.**

RESEARCH INSTRUMENT

Questionnaire is the research instrument used in this study. It was designed by the researcher to elicit response from the research participants. The questionnaire is divided into two sections, A and B. section "A" dealt with the demographic data of the respondents such as age, sex, marital status, educational level, local government of origin, etc. This helps to show the representative nature of the sample. Section "B" contained critical items that elicited responses on the impact of devaluation on poverty alleviation programmes.

This was essentially used for the inferential statistics. In this section, the likert scale response format was adopted. This response format required the respondents to either strongly agree, agree, un-decided, strongly disagree or disagree. It was designed in this format to enable the uneducated person to provide an easy answer. The respondents completed these sets of questions by ticking the correct answer as applicable to them.

METHOD OF DATA ANALYSIS

The generated data for this study was statistically analyzed through the statistical tools of simple percentage and chi-square (α^2).

The simple percentage was used to determine the distribution in terms of personal data and responses to the research variables on the subject matter while the chi-square (α^2) was used for the hypothesis formulated in the study.

GAMMA (y) was used to measure the degree and direction of the relationship between variables. Gamma is computed on the basis of products of positive diagonal cells minus products of negative diagonal cells divided by the sum of these cross products. (Ogbeide 1997: 193).

DATA PRESENTATION AND ANALYSIS

A total of 1,350 respondents from the three senatorial districts in Edo State were used for the study. Out of this number, 1278 respondents were found to have properly completed the questionnaire. This represents 94.7% return rate. The table below shows the return rate from each of the three senatorial districts in Edo State.

Table 1.1 : Return Rate of Survey Questionnaire

Senatorial district	Total Administered	Total Returned	Percentage
Edo South	450	415	92.2
Edo North	450	428	95.1
Edo Central	450	435	96.7
Total	1350	1278	94.7

Source: Field Survey

The above table shows that 92.2% of the respondents in Edo South Senatorial District properly completed and returned the questionnaire, 95.1% in Edo North Senatorial District while 96.7% in Edo Central Senatorial District. These percentage points show a high level of return rate across the three senatorial districts. Thus, the presentation and analysis of the data hereunder are based on the number of the questionnaires properly completed and returned. The presentation and analysis is organized into three sections; the social profile of the respondents, the opinions of the respondents on the research variables and testing of hypothesis.

ANALYSIS OF THE SOCIAL PROFILE OF RESPONDENTS

Table 1.2: Age Distribution of Respondents

Age Bracket	Edo South Senatorial District	Edo North Senatorial District	Edo Central Senatorial District	Cumulative percentage
20-30 years	129 (31.1)	134 (31.3)	133 (30.6)	396 (31.0)
31-40 years	118 (28.4)	121 (28.3)	122(28.1)	361 (28.3)
41-50 years	88 (21.2)	96 (22.4)	101 (23.2)	285 (22.3)
51years and above	80 (19.3)	77 (18.0)	79 (18.2)	236 (18.5)
Total	415	428	435	1278

Percentage in parenthesis
Source: Field Survey

Table 1.2: indicates the age distribution of respondents drawn from the three senatorial districts in Edo State. The table shows that 31.1% of the respondents from Edo South Senatorial District fall within the age bracket of 20 and 30years, 31.3% in Edo North Senatorial District and 30.6% in Edo Central Senatorial District. Cumulatively, 31.0% of the respondents fall within this age set. Within the age bracket of 31-40 years, 28.4% of the respondents in Edo South Senatorial District, 28.3% in Edo North Senatorial District and 28.1% in Edo Central Senatorial District. Cumulatively, 28.3% of the respondents are within this age grade. Furthermore, 21.2% of the respondents in Edo South Senatorial District, 22.4% in Edo North Senatorial District and 23.2% in Edo Central Senatorial District fall within the age bracket of 41 and 50 years. This represents a cumulative 22.3%. Also, 19.3% of the respondents in Edo South Senatorial District, 18.0% in Edo North Senatorial District and 18.2% in Edo Central Senatorial District are 51years and above. Cumulatively, 18.47% of the respondents fall within this age set.

Table 1.3 : Sex Distribution of Respondents

Sex	Edo South Senatorial District	Edo North Senatorial District	Edo Central Senatorial District	Cumulative percentage
Male	310 (74.7)	320 (74.8)	332 (76.3)	962 (75.3)
Female	105(25.3)	108 (25.2)	103 (23.7)	316 (24.7)
Total	415	428	435	1278

Percentage in parenthesis
Source: Field Survey

Table1.3 shows the sex distribution of the respondents in the three senatorial districts in Edo State. It indicates that 74.73% of the respondents in Edo South Senatorial District, 74.86% in Edo North Senatorial District, 76.3% in Edo Central Senatorial District are males. Conversely, the distribution of female respondents shows in 25.3% of the respondents in Edo South Senatorial District, 25.2% in Edo North Senatorial District, 23.7.00% in Edo Central Senatorial District. Cumulatively, while the male respondents constitute 75.3% of the sample, the female respondents constituted 24.7. This distribution indicates that there are more male respondents than female respondents in the sample. However, in sum, the proportionality represents a fair distribution.

Table 1.4 : Highest Education attainment of Respondents

Highest Education Attainment	Edo South Senatorial District	Edo North Senatorial District	Edo Central Senatorial District	Cumulative percentage
Tertiary	190 (43.8)	192 (44.9)	193 (44.4)	575 (45.0)
Secondary	184 (44.3)	188 (43.9)	195 (44.8)	567 (44.4)
Primary	41 (9.9)	48 (11.2)	47 (10.8)	136 (10.6)
Total	415	428	435	1278

Percentage in parenthesis
Source: Field Survey

Table1.4: Indicates that 43.8% of the respondents in Edo South Senatorial District had tertiary education, 44.9% in Edo North Senatorial District, and 44.4% in Edo Central Senatorial District. This represents a cumulative of 45.0% of the respondents. Also, the above table shows that 44.3% of the respondents in Edo South Senatorial District, 43.9% in Edo North Senatorial District, and 44.8% in Edo Central Senatorial District had secondary education. This represents a cumulative of 44.4% of the respondents. Similarly, 9.9% of the respondents in Edo South Senatorial District, 11.2% in Edo North Senatorial District West, and 10.6% in Edo Central Senatorial District had primary education. This represents a cumulative of 10.6% of the respondents. This distribution indicates that a larger proportion of the respondents had tertiary education in the three Senatorial Districts.

Table 1.5: Occupational Distribution of Respondents

Occupation	Edo South Senatorial District	Edo North Senatorial District	Edo Central Senatorial District	Cumulative percentage
Public Sector	152(36.6)	102 (23.8)	126 (29.0)	380 (29.7)
Private Sector	133 (32.0)	103 (24.1)	112 (25.7)	348 (27.2)
Self-employment	45 (10.8)	145 (33.9)	120 (27.6)	310 (24.3)
Unemployed	85 (20.5)	78 (18.2)	77 (17.7)	240 (18.8)
Total	415	428	435	1278

Percentage in parenthesis
Source: Field Survey

Table 1.5 reflects the occupational distribution of the respondents in the three Senatorial Districts. It indicates that 36.6% of the respondents in Edo South Senatorial District are employed in the public sector, 23.8% in Edo North Senatorial District, and 29.0% in Edo Central Senatorial District. This represents a cumulative of 29.0% of the respondents. Similarly, the above table shows that 32.0% of the respondents in Edo South Senatorial District are employed in the private sector, 24.1% in Edo North Senatorial District, and 25.7% in Edo Central Senatorial District. This represents a cumulative of 27.2% of the respondents. Also, the table revealed that 10.8% of the respondents in Edo South Senatorial District are self-employed, 33.9% in Edo North Senatorial District, and 27.6% in Edo Central Senatorial District. This represents a cumulative of 24.3% of the respondents. Also, 20.5% in Edo South, 18.2% in Edo North, and 17.7% in Edo Central Senatorial District of the respondents are respectively unemployed.

This represents a cumulative of 18.8% of the respondents. The variation in the proportionality of the number of respondents in the various occupations cannot be assumed to mean greater level of awareness of the impact of the mechanisms of globalization on poverty eradication programmes. Rather the distribution indicates that the respondents were drawn from the various sectors of the Nigerian economy.

ANALYSIS OF CORE RESEARCH VARIABLES

The survey tries to establish the impact of currency devaluation on the performance of poverty alleviation programmes in Edo state. Respondents from the three senatorial districts in Edo state were required to evaluate the impact of devaluation on financial support for the implenentation of poverty alleviation programmes, support of small scale enterprise development, borrowing, high cost of equiptment or inputs etc. The results are presented in the below table.

Table: 1,6a PERCEPTION OF IMPACTS OF CURRENCY DEVALUATION ON POVERTY ALLEVIATION PROGRAMMES

S/N	Variables	EDO SOUTH SA	A	U	D	SD	EDO NORTH SA	A	U	D	SD	EDO CENTRAL SA	A	U	D	SD
1	Financial support for the implementation of poverty alleviation programmes	18 (4.3)	376 (90.6)	9 (2.2)	10 (2.4)	2 (0.5)	27 (6.3)	379 (88.6)	20 (4.7)	2 (0.5)	-	20 (4.6)	367 (84.4)	42 (9.7)	6 (1.4)	-
2	Support of small scale enterprise development	20 (4.8)	375 (90.4)	18 (4.3)	2 (0.5)	-	26 (6.1)	382 (89.3)	15 (3.5)	5 (1.7)	-	18 (4.1)	381 (87.6)	25 (5.7)	11 (2.5)	-
3	Borrowing from any source	66 (15.9)	334 (80.5)	10 (2.4)	5 (1.2)	-	22 (5.1)	330 (77.1)	54 (12.6)	18 (4.2)	4 (0.9)	18 (4.1)	361 (82.9)	30 (6.9)	26 (5.6)	-
4	High cost of equipment	20 (4.8)	378 (91.1)	13 (3.1)	4 (0.9)	-	28 (6.5)	380 (88.8)	10 (2.3)	10 (2.3)	-	21 (4.8)	379 (87.1)	38 (8.7)	7 (1.6)	-
5	Reduction in monetary value	18 (4.3)	382 (92.0)	10 (2.4)	5 (1.2)	-	26 (6.1)	383 (89.5)	11 (2.6)	8 (1.9)	-	20 (4.6)	371 (85.3)	17 (3.9)	7 (1.6)	-
6	High skill acquisition	20 (4.8)	375 (90.4)	19 (4.6)	1 (0.2)	-	27 (6.3)	383 (89.5)	8 (1.9)	10 (2.3)	-	18 (4.1)	379 (87.1)	20 (4.6)	18 (4.1)	-
7	Infrastructural development	18 (4.3)	378 (91.1)	7 (1.7)	12 (2.9)	-	25 (5.8)	379 (88.6)	10 (2.3)	10 (2.3)	4 (0.9)	19 (4.4)	378 (86.9)	22 (5.1)	16 (3.7)	-

Percentage in parenthesis

Source: Field Survey

Table: 1.6b PERCEPTION OF IMPACTS OF CURRENCY DEVALUATION ON POVERTY ALLEVIATION PROGRAMME

S/N	Variable	PUBLIC SECTOR EMPLOYED SA	A	U	D	SD	PRIVATE SECTOR EMPLOYED SA	A	U	D	SD	SELF-EMPLOYED SA	A	U	D	SD	UNEMPLOYED SA	A	U	D	SD
1	Financial support for the implementation of poverty alleviation programme	17 (4.5)	328 (86.3)	25 (6.6)	8 (2.1)	2 (05)	18 (5.2)	319 (91.7)	9 (2.6)	2 (0.6)	-	15 (4.8)	269 (86.8)	18 (5.8)	8 (2.6)	-	15 (6.3)	206 (85.8)	19 (7.9)	-	-
2	Support of small scale enterprise development	17 (4.5)	335 (88.2)	18 (4.7)	10 (2.6)	-	18 (5.2)	325 (93.4)	5 (1.4)	-	-	15 (4.8)	277 (89.4)	10 (3.2)	8 (2.6)	-	14 (5.8)	201 (83.8)	25 (10.4)	-	-
3	Borrowing from any source	35 (9.2)	301 (79.2)	24 (6.3)	20 (5.3)	-	29 (8.3)	294 (84.5)	18 (5.2)	7 (2.0)	-	26 (8.4)	240 (77.4)	30 (9.7)	11 (3.5)	3 (0.9)	16 (6.7)	190 (79.2)	22 (9.2)	11 (4.6)	1 (0.4)
4	High cost of equipment	19 (5.0)	335 (88.2)	23 (6.1)	3 (0.8)	-	17 (4.9)	323 (92.8)	8 (2.3)	-	-	17 (5.5)	277 (89.4)	10 (3.2)	6 (1.9)	-	16 (6.7)	202 (84.2)	22 (9.2)	-	-
5	Reduction in monetary value	17 (4.5)	340 (89.5)	10 (2.6)	13 (3.4)	-	19 (5.5)	325 (93.4)	2 (0.6)	2 (0.6)	-	14 (4.5)	265 (85.5)	16 (5.2)	13 (4.2)	2 (0.6)	14 (5.8)	296 (85.8)	10 (4.2)	10 (4.2)	-
6	High skill acquisition	18 (4.7)	334 (87.9)	24 (6.3)	4 (1.1)	-	19 (5.5)	324 (93.1)	5 (1.4)	-	-	14 (4.5)	277 (89.4)	12 (3.9)	7 (2.3)	-	14 (5.8)	202 (84.2)	6 (2.5)	18 (7.5)	-
7	Infrastructural development	16 (4)2	341 (89.7)	10 (2.6)	10 (2.6)	3 (0.8)	18 (5.2)	325 (93.4)	5 (1.4)	-	-	14 (4.5)	265 (85.5)	15 (4.8)	15 (4.8)	1 (0.3)	14 (5.8)	204 (85.0)	9 (3.8)	13 (5.4)	-

Percentage in parenthesis
Source: Field Survey

The above table 1.6a reflects the respondents' assessment of the extent to which currency devaluation affects financial support for poverty alleviation programme, small scale enterprise development, borrowing, cost of equipment, monetary value, cost of skills acquisition and infrastructural development. The data derived indicates 4.3% of the respondents in Edo South senatorial district strongly agreed that devaluation of currency affects the financial support for the implementation of poverty alleviation programmes, 90.6% agreed, 2.2% undecided, 2.4% disagreed while 0.5% strongly agreed that financial support for the implementation of poverty alleviation programmes, 88.6% agreed, 4.7% undecided while 0.5% disagreed. Also, in Edo Central 4.6% of the respondents strongly agreed that devaluation of currency affects financial support for the implementation of poverty alleviation programmes, while 84.4% agreed, 9.7% undecided and 1.4% disagreed.

These results presupposes that there is a preponderant view amongst the respondents in the three senatorial districts in Edo State that currency devaluation affects financial support for the implementation of poverty alleviation programmes. This view is consistent with the assertion of NDE Report (2004).

Also, the data presented in table 4.9a show that 4.8% of the respondents in Edo South strongly agreed devaluation of currency affects support for small scale enterprise development, 90.4% agreed, 4.3% undecided while 0.5% disagreed. In Edo North 6.1% of the respondent strongly agreed, 89.3% agreed, 3.5% undecided while 1.7% disagreed. Also, 4.1% of the respondents in Edo Central strongly agreed, 87.6% agreed, 5.7% undecided, while 2.5% disagreed. These results indicate that there is a preponderant view among the respondents across the three senatorial districts in Edo State that devaluation of currency affects small scale enterprise development. Only a marginal 2.8% difference was obtained between the highest percentage of agreement (90.4%) derived from Edo South senatorial district and the lowest percentage of 87.6% obtained in Edo Central senatorial district.

Table 1.6a also shows the assessment of the respondents in the three senatorial districts in the implications of devaluation of currency on borrowing. In Edo South 15.9% of the respondents agreed that devaluation of currency affects borrowing, 80.5% agreed, 2.4% undecided, while 1.2% disagreed. Similarly, in Edo North 5.1% strongly agreed that devaluation of currency affect borrowing, 77.1% agreed, 12.6% undecided, 4.2% disagreed while 0.9% strongly disagreed. Also, in Edo Central senatorial district, 4.1% of the respondents strongly agreed devaluation of currency affects borrowing, 82.9% agreed, 6.9% undecided while 2.5% disagreed. The implication of these results is that there is preponderant agreement among respondents across the three senatorial districts that devaluation of currency affects borrowing.

In table 1.6a the responses of the respondents across the three senatorial districts on the cost of purchasing equipments for poverty alleviation programmes were presented. The results show that in Edo South 4.8% of the respondents strongly agreed that devaluation of currency results in high cost of purchasing equipments for poverty alleviation programmes, 91.1% agreed, 3.1% undecided, while 0.9% disagreed. In Edo North senatorial district 6.5% strongly agreed that devaluation of currency results in high cost of purchasing of equipments for poverty alleviation, 88.8% agreed, 2.3% undecided while 2.3% disagreed. Also, 4.8% of the respondents drawn from Edo Central senatorial district strongly agreed that currency devaluation results in high cost of purchasing equipments for poverty alleviation programmes, 87.1% disagreed, 8.7% undecided while 1.6% disagreed. Based on these results, with the lowest percentage of agreement (87.1%) in Edo Central senatorial district, it means that a large proportion of the respondents across the three senatorial districts hold that currency devaluation results in high cost of purchasing equipments for poverty alleviation programmes.

Furthermore, the respondents drawn across the three senatorial districts assessed the cost implication of currency devaluation on skills acquisition component of poverty alleviation programmes. According to 4.8% of the respondents in Edo South senatorial district, devaluation of currency results in high cost of skills acquisition, 90.4% disagreed, 4.6% undecided, while 0.2% disagreed. In Edo North, 6.3% of the respondents strongly agreed that currency devaluation results in high cost of skills acquisition, 89.5% agreed, 1.9% undecided, while 2.3% disagreed. In the same vein, 4.1% of the respondents in Edo Central strongly agreed that devaluation of currency highly affected the cost of skills acquisition, 87.1% agreed, 4.6% undecided while 4.1% disagreed.

Table 1.6b indicates the views of the respondents in various occupational groups on the implication of currency devaluation on financial support for the implementation of poverty alleviation programme; small scale enterprises development, borrowing, cost of skills acquisition and infrastructural development. In all the occupational groups, a greater percentage of the respondents agreed to the view that currency devaluation affects financial support for the implementation of poverty alleviation programmes. In the public sector employment, 4.5% strongly agreed, 86.3% agreed, 6.6% undecided, 2.1% disagreed, while 0.5% strongly disagreed. In the private sector employment, 5.2% strongly agreed, 91.7% agreed, 2.6% undecided while 0.6% disagreed. Among the self employed respondents, 4.8% strongly agreed, 86.8% agreed, 5.8% undecided while 2.6% disagreed. Similarly, among the unemployed respondents, 6.3% strongly agreed, 85.8% agreed while 7.9% undecided.

Also, a greater percentage of the respondents of the various occupational groups held that devaluation of currency affects support for small scale enterprise development. In the public sector employment 4.5%

strongly agreed, 98.2% agreed, 4.7% undecided while 2.6% disagreed. In the private sector employment, 5.2% strongly agreed, 93.4% agreed while 1.4% undecided. Among the self employed respondents 4.8% strongly agreed, 89.4% agreed 3.2% undecided while 2.6% disagreed. In the same vain, among the unemployed respondents, 5.8% strongly agreed, 83.8% agreed while 10.4% undecided.

In the same vein, there is a preponderant percentage point of agreement among respondents in the various occupational groups that currency devaluation affects sources of borrowing. In the public sector employment 9.2% strongly agreed, 79.2% agreed, 6.3% undecided while 5.3% disagreed. Also in the private sector employment 8.3% strongly agreed, 84.5% agreed, 5.2% undecided, while 2.0% disagreed, among the self employed respondents, 8.4% strongly agreed, 77.4% agreed, 9.7% undecided, 3.5% disagreed while 0.9% strongly disagreed. Also, among unemployed respondents, 6.7% strongly agreed, 79.2% agreed, 9.2% undecided, 4.6% disagreed while 0.9% strongly agreed.

Also, table 1.6b shows a range of percentage points of the various occupational groups to the view that devaluation of currency affects cost of skill acquisition. In the public sector employment, 4.7% strongly agreed that currency devaluation leads to high cost of skill acquisition, 87.9% agreed, 6.3% undecided, while 1.1% disagreed. In the private sector employment, 5.5% strongly agreed, 93.1%agreed while 1.4% undecided that currency devaluation engenders high cost of skill acquisition. Among the self employed respondents 4.5% strongly agreed, 89.4% agreed, 3.9% undecided while 2.3% disagreed. Also, among unemployed respondents, 5.8% strongly agreed, 84.2% agreed, 2.5% undecided while 7.5% disagreed.

Test of Hypothesis

Ho: There is no positive relationship between currency devaluation and the performance of poverty alleviation programmes

Hr: There is a positive relationship between currency devaluation and the performance of poverty alleviation programmes.

In testing the hypothesis**,** the responses obtained are computed into the table below

Table 1.7 Relationship between Currency Devaluation and Performance of Poverty Alleviation Programmes.

RESPONSE	EDO SOUTH	EDO NORTH	EDO CENTRAL	ROW TOTAL
Strongly agreed	18 (21.11)	27 (21.77)	20 (22.12)	65
Agreed	376 (364.34)	379 (375.76)	367 (381)	1122
Undecided	9 (23.06)	20 (23.78)	42 (24.17)	71
Disagreed	10 (5.85)	2 (6.03)	6 (6.13)	18
Strongly disagreed	2(0.65)	-(0.67)	- (0.68)	2
Column total	415	428	435	1278

Expected frequencies in parenthesis

Source: Field Survey

Research Decision : Calculated α^2 = 35.0206; Degree of Freedom =8 ; Critical α^2 = 11.03 and@ = .20

Research Result

Data are statistically significant because calculated α^2 = 35.0206 exceeds critical α^2 = 5.99 at 20% probability of sampling error. With calculated Gamma (γ) of 0.16 it means that there is medium positive relationship between variables. This means the null hypothesis should be rejected while research hypothesis is confirmed.

Statistical inference

Based on the research result, it can be gleaned that there is a positive relationship between currency devaluation and the performance of poverty alleviation programmes in Edo state. This implies that currency devaluation undermines the performance of poverty alleviation in Edo state.

Discussion of Findings

The objectives of devaluation agenda though purportedly proposed to promote economic growth and development, eroded the core objective of poverty alleviation programmes. The poor which are target group of poverty alleviation programmes are the major victim of the limiting tendencies or sacrifices for the implementation of devaluation agenda. The dominant perception of the respondents of the field study is that devaluation of currency undermines the financial support for the implementation of poverty alleviation programmes, small-scale enterprise development, skills acquisition and infrastructural development. Currency devaluation engenders hyperinflation. This corraborates with; Voir (1999), Egedegbe (2009), Abayomi (2007), Iyoha (1999), Adebayo (1989), Amin(1976) and FEWSNET (2009), who agreed in their studies that currency devaluation increases hardship for the people.

This severely affects NDE and NAPEP in meeting the training cost and other logistical needs towards skill acquisition of apprentice in various forms of trade such as poultry farming, hair dressing, weaving and soap making. It also affects the assistance of the NDE in empowering the poor with cash. Furthermore, the dream of extricating the poor from the shackles of poverty is undermined by devaluation of currency. The little credit facilities that the NDE and NAPEP are able to advanced to the extreme poor are inadequate for them to embark on any tradable investment due to high cost of inputs as a result of currency devaluation.

Under the Babangida administration, the devaluation of Naira gingered stagnation, increased unemployment and hike in prices of basic foods. It forced many infant industries to fold up as they were unable to import essential materials needed for production. Furthermore, the inflationary spiral engendered by the devaluation of the Naira lowered the purchasing power of the income workforce. It also resulted in the low pricing and purchase of agricultural products.The failure of the policy of poverty alleviation programmes in achieving its set goals in the face of currency devaluation is akin to the theoretical conception (dependency theory) used in this study.The theory holds that devaluation policy is alien to Nigerian environment because of its external dictate. Therefore, poverty alleviation programmes' inability to achieve their goals is consequence upon the interface of an ailing foreign policy of devaluation.

Concluding Remarks

The basis of this study is people's perception of the impact of currency devaluation on the performance of poverty alleviation programmes in Edo state Nigeria, with special focus on National Poverty Eradication Programme and National Directorate of Employment. The dependency theory sought to illuminates the logical dynamics of devaluation of currency and its accompanying effects on poverty alleviation programmes. As a strategy, devaluation is perceived as a means for fast-tracking the growth of capitalism through the instrumentalities of the Bretton Wood institutions such as the IMF and the World Bank. The Bretton Wood institutions propose currency devaluation as condition for the strategy of ensuring economic development in the third world countries

Based on the findings arising from the analysis of the data derived from field study, numbers of conclusions were reached. Firstly, that currency devaluation limits the performance of poverty alleviation programmes in Edo State. Secondly, that devaluation agenda as recommended by bilateral and multilateral agencies are antithetical to effective poverty alleviation programmes in Edo State. Therefore, devaluation limits the performance of poverty alleviation programmes in Edo state and Nigeria.

Against this background a number of recommendations were made that ; there should be proper funding of Poverty Alleviation Programmes because the devaluation of currency as often recommended by the Bretton Wood institutions such as IMF and the World Bank has resulted in hyper inflationary trend in the economy. Thus, the budgetary allocation in the country to the agencies set up to implement Poverty Alleviation Programmes must take cognizance of the inflationary trend in the economy.

The government should be strategic in working out safe-net to protect the vulnerables from being further hurt by the effects of devaluation. This will cover the area of subsidies , direct distribution of seedling, farm inputs, irrigation, fertilizer etc, to the rural poor and the vulnerables that were promised to alleviate their pooverty by government.

There should be people's oriented policy that is capable of alleviating poverty in Nigeria instead of relying on external policy that may not yield positive results, because when policy lacks the participation of the people, it hardly meet its desire goal since the wish and aspirations of the citizens are excluded.

Finally, there is need for strong infrastructural base such as; good road network sysstem, uninterrupted power supply, stable and affordable communication system, adequate water supply and formidable and functional government institutional framework that will provide enabling environment for business to strive.

REFERENCES

Aghayere, V.O.(1997). *Introductory Course in Political Science.* Benin: Imprint Services, 60pp.
Bailey, K. D. (1978). *Methods of Social Research*. New York: The Free Press, 553pp.
Bailey, K. D. (1982). *Methods of Social Research*.New York: The Free Press, 586pp.

Chuke, P. I (1996) Samir Amin's Development Theory and Nigeria's dependent Development in Iyoha, F. E. & Onwuka, E. C. (eds), Administering Development in the Third World,Ibadan, Stirling-Horden Publishers, pp32-44

Fanon, F.(1966). *The wretched of the Earth*. New York: Grove Press

Amin.S.(1976), Imperialism and unqual development cited by Chuke, P. I (1996) Samir Amin's Development Theory and Nigeria's dependent Development in Iyoha, F. E. & Onwuka, E. C. (eds), Administering Development in the Third World,Ibadan, Stirling-Horden Publishers, pp32-44.

Meier, G. M.(1984), leading issues in economic development cited by Chuke, P. I(1996) Samir Amin's Development Theory and Nigeria's dependent Development in Iyoha, F. E. & Onwuka, E. C. (eds), Administering Development in the Third World,Ibadan, Stirling-Horden Publishers, pp32-44

Dos Santos, T. (1971). *The Structure of Dependency*. U.S.A: Harvard University Press, 512pp

Gunder,F. A. (1967). *Capitalism and Under Development in Latin America* New York: Monthly Review Press, 435 pp.

Nachmias, D. and Nachmias, C. (1987). *Research Methods in the Social Sciences* (3rd edition).New York: St. Martin's Press, 589pp.

Offiong A. D. (2001). *Globalisation*: *Post Neo-dependency And Poverty In Africa*. Enugu: Fourth Dimension Publishing Co., 259pp.

Ogbeide, U. E. (1997). *Statistical Techniques for Social and Management Sciences*. Lagos: Amfitop Books, 338pp.

Adebayo, O. (1989). "Impact of IMF- World Bank Programmes On Nigeria" Catched *http//www.africa.accanalysis*

Abayomi, F., (2007). "On the Revaluation Of The Naira" Catched *http://www.nigeriavillagesquare*

Baran, P.(1957). *The Political Economy of Growth*. New York: Monthly: Review press, 418pp.

Campbell,R.H.(2004). "Currency Devaluation" catched *http//www.financial-dictionary.theprecdictionary.com*

Egedegbe, M. (2009). "The Pains Of The Devalued Naira" Catched *http//www.stockstockmarketniger*

FEWS NET, (2009). "Nigeria Food Security Update" Catched *www.fews.net/nigeria*

Todaro, M. P.(1981). Economics For A Developing World: An introduction to principles, problems and policies for development. 516pp.

Iyoha F.E (1999) Local Government and rural Deve;lopment: Bottom – Up Perspective. Benin-City: Sylva Publication Ltd., 370pp

Richard, P.(1991). *Global Capitalism*: *Theories of Social Societal Development.* London: Routledge, 410pp.

Vior, A. (1997). "The Impact of Devaluation on Small Enterprises in Burkina Faso" Catched *http://www.enterpreneurial.anf.org..com*

Wallerstein, I (1974) .The modern world system: Capitalist Agriculture and the origins of the European World economy in the sixteenth Century. New York: Academic Press.

Wallerstein, I (1975). The present state of the debate on W0rld Inequality. Reprinted in Seligson, M. A. & John, T. Passe-Smith.1993. Development and Underdevelopment

NDE.(2004). Memo submitted to the Presidential committee on Harmonisation of Federal Agencies. Abuja: Federal Government Press, 54pp

FGN.(2006). National Population Commission: Edo State Census Figures. Abuja: Federal Government Press.