

Developing a Comprehensive Strategy for Raising Nigeria's Human Development Index Based on Undp Human Development Report 2008-2009

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Abstract

The study analyzed human development problems Nigeria faces based on 2008-2009 UNDP human development report. In it I argue that Nigeria need to focus seriously on education, health and equitable income distribution indicators of Human Development Index (HDI) for urgent improvement of its HDI ranking. Further, I suggest that a comprehensive rural development strategy is required for the country in order to close the gap that exists between rural and urban areas. The report indicates that South South scored the highest in term of human development index while the Northeast scored the lowest. The articles conclude that as Nigeria s ranked 158th in the World, income inequality remain high with low life expectancy at an average of below 50 years. I then recommend that government must do much on security, corruption and the health system. A comprehensive and holistic rural development strategy must be implemented to bridge the gab between the urban and rural dweller.

Keywords: Human Development, Economy, Growth, Income inequality and poverty

Introduction¹

Nigeria is one of the fastest growing economies in Sub-Saharan Africa, witnessing an annual growth rate of over 5% between 2001 and 2008 (UNDP, 2009). The growth was partly fueled by emergence of democratic governance in 1999 and the introduction of Global System Mobile (GSM) telecommunication in 2001. However the growth has not translated to equitable distribution of wealth. There is inequality in wealth distribution and poverty is increasing in an alarming rate. Despite the growth, Nigeria is still placed among the low HDIs in the global HDI ranking of 158. This situation has increased social tension in the country, which sometimes degenerates into violence. The policy makers are not unaware of this trend and have been instituting policies aimed at redistribution of wealth. Despite these policies, the situation persists.

The international community is not left behind in bridging the gap in the income distribution among the citizens in the entire geo-political zone. Notable among them are the United States Agency for International Development (USAID), European Union (EU) and Islamic Development Bank (IDB) among others. The question now is that, with all the assistance from foreign donors and government intervention, income inequality and poverty keeps growing. The looks into the current trend in poverty reduction in the six geo-political zones with more emphases on the impact of the intervention from both the international donors and government, aimed at contributing to the reduction of poverty.

The Current Situation

One of the yardsticks for measuring inequality in any society is taking into account the well-being of the people as propounded in the human development index (HDI) indicator. In Nigeria it is obvious that there is a huge gap among societal groups. The poor and the vulnerable live a very pathetic condition despite the huge natural and human endowment bestowed on the country. Poverty is the high feature of inequality that manifest in high-income disparity. For instance, most of the employees in Nigeria still earn below Twenty Thousand Naira a month (which translates to less than one hundred and twenty dollars a month) yet a few of employees earn over a million Naira monthly. This high-income inequality has affected the quality of education, health and general well being of the people. While majority of the people find it extremely difficult to afford quality education and health care, few can afford it not only in Nigeria but abroad. This no doubt has wider implication on the general subject of human development in Nigeria. The situation has aggravated poverty condition, created social tension and undermining the sustainable growth of the country. For instance, the population of those termed as the total poor group grew from 28.1% in 1980 to 65.6% in 1996, however it fell to 54.4% in 2004 (United Nations Development Program (UNDP), 2009: 64).

It is more alarming geographically when the geopolitical zones are compared. According to the 2008-2009 human development reports, inequality is very pronounced when urban and rural areas are compared.

¹ Note that all figures used in this application are sourced from the UNDP (2009). Achieving Growth with Equity. Human Development Report Nigeria 2008-2009. UNDP Publications, Abuja, Nigeria.

UNDP report also identified that inequality is more evident in geopolitical zones with least western education such as the North East and North West geopolitical zones of Nigeria. Although the two zones have highest rate of poverty in the country, the south-south and southwest zones have relative high-income inequality among the geopolitical zones. Probably this is due to the urban nature of the two zones. However the northern part of the country that comprises nineteen states has higher inequality in access to basic services.

Along gender line, the female constitute the most vulnerable group. While the rate of illiteracy among women has decreased from 78.3% in 1980 to 28.1% in 2006, they still constitute the most vulnerable group in the society (UNDP 2009). Interestingly, the reduction in rate of illiteracy among the female since 1980 has been faster than the reduction rate among the male in the country. Employment growth has remained weak when compared to the growth achieved. Despite the growth recorded fueled by such factors, as introduction of GSM communication and emergence of democracy in the country has not translated to equal growth in employment. No doubt, this has raised question on the quality of growth witnessed from 2001 to 2008. This also is related to high rate of closure of manufacturing outfit that employ a sizable number of the population due to the epileptic nature of electricity.

Lack of employment has prompted a problem brain drain in the country. Most of the Nigeria's intellectuals are living outside the shores of the country. According to a recent report, 11% of Nigerian university graduates live outside the country. Even the 89% assumed to be in the country are either under employed or underutilized. This 11% are made up of the youths and working population of the country. Although employment rate in some sectors of the Nigeria economy is considerably competitive, critical sectors such as health has not been encouraging. For instance, according to National Bureau of Statistics (NBS), 2006 Core Welfare Indicator Questionnaire Survey, sectors such as communication, transport and banking & finance has had competitive employment trend since 2000 while health sector had a negative employment trend of 7.22% in 2005.

The effect of this no doubt is that the health sector may lack the necessary personnel to provide health services to the people thereby jeopardizing the country's human development index ranking. Health is a central to human development, which is viewed as the process of achieving an optimum level of health and well-being. It is a major indicator of human development index (HDI) and measured by life expectancy rate and general well-being of the people. Despite the acknowledged importance of health to human development, accessibility to health in Nigeria is fraught with inequality.

Comparatively, the rural areas have low accessibility to basic health service than the urban areas. However, within the urban areas, there is clear evidence of inequality in accessibility of health services. While the low-income earners in the urban areas have limited access to basic health services, the high-income earners can access quality health services. This is impacting negatively on the HDI. For instance life expectancy estimate for 2010 is 47.24 years and ranked 218 in the world. This is a decline from 51.01 years and ranked 192 in 2003 (UNDP 2009).

However, the 2009 NBS survey suggests that that there is improvement trend in Nigeria's human development index (HDI) from 2004 through to 2008. This trend suggests that a little sustained effort will improve Nigeria's HDI ranking. Thus, there is urgent need to focus on the indicators such as health, education unemployment and income.

Human Development Profile across States and Geo-Political Zones

Nigeria is a country with an approximately 923,768 sq km with a population estimate of 158 million (UN, 2010). It is divided into six geo-political zones (North West, North East, North Central, South West, South East and South South) Thirty six (36) states and the Federal Capital Territory with Seven Hundred and Seventy Four local government areas (774) (Federal Government of Nigeria, 2010). English is the official language with Hausa/Fulani, Igbo and Yoruba being the dominant regional ethnic group. Islam, Christianity and Traditional religious believe are practiced. Federalism is the form of government while the Naira is the medium of exchange in the country.

In this section the Human developments report examine the profile of development in all six geopolitical zones of the country, comprising of the thirty six (36) and the Federal Capital Territory (FCT). This was done by comparing Human Development profile across the states to inequality measures (IM), gender empowerment measure (GEM), gender development Measure (GDM), Human Poverty index (HPI) and Human development index (HDI).

According to the UNDP, (2009: 91), the state with the worst inequality profile is the Federal Capital Territory (FCT) scoring 64 followed by Zamfara state with 51. Abia state recorded an impressive inequality profile of .30. Similarly 9 other states of Ogun, Ondo, Osun, Oyo, Plateau, Rivers, Sokoto, Taraba and Yobe scored .50 inequality measure.

Looking at the Gender Empowerment Measure of the states, Kwara state top the list with .482, while Taraba state score the lowest with .032. The report (UNDP, 2009: 92) shows that most of the states with high

Gender Empowerment Measures (GEM) are from the southern part of the country while those with low scores are from the Northern part. This is the same with the inequality profile, which surprisingly, the Federal Capital Territory (FCT) that supposed to have high consideration recorded the lowest.

On the other hand, Taraba state and the FCT which performed badly in the inequality profile and the Gender Empowerment Measure, they (Taraba state and the Federal Capital Territory (FCT) had an impressive scores of .680 and .651 respectively. Akwa Ibom and some states from the southern part of the country followed. States like Adamawa, Borno, Yobe, Kebbi, Gombe and Bauchi came last with the following scores of .287; .250; .172; .076 and .070 respectively. The report indicates that almost all the states that scored the lowest are from the northern part of the country.

The Human Poverty Index (HDI) shows that Yobe, Borno, Kebbi, Katsina and Bauchi states listed “in order of intensity” according to the report (HDR, 2009: p. 192) have the highest poverty index. This is also clear that all the states listed are from the northern part, while their counterpart from the south scores the lowest. Human Development index (HDI) followed the same pattern, with the state from the south scoring much more higher than the states in the North. This is so far the Human Development profile according to states in the country. My interest is to establish at the end of this study reasons for continued poor show of the states in the northern part compared to the states the south.

Examining the Human Development Profile (HDP) of the country in term of geo-political zones according to the report (UNDP, 2009), the North Central has the highest score of .49 followed by the South West .48, North East .42, South-South .41 and South East with .38. Similarly, in gender Empowerment Measure (GEM), the South East which scored the lowest in Inequality measure top the list, followed by the South West, South-South, North Central, North West and North East with the following scores of .315, .285, .251, .244, .118 and .117 respectively. This also the same pattern when comparing the scores according to states. The zones in the Northern part still scored low compared to the zones in the South.

The gender development profile according to the report is not all that different from the two previous measures of inequality and gender empowerment measures. Here, South-South geo-political zone top the list followed by South West, North Central, South East, North west and North East recorded the following scores: .575, .507, .478, .455, .376 and .250 respectively. The Human poverty Index (HPI) has the following 48.9, 44.15, 34.65, 26.61, 26.07 and 21.50 for the following zones: North East, North West, North Central, South-South, South East and South West respectively.

Finally, according to the UNDP (2009), Human Development Index according to the geo-political zones indicates that the South-South region scored .573, South West .523, North Central .490, South East .471, North West .420 and the lowest North East with .332. What is interested to know in this report is that the three geo-political zone that form the Northern part of the country has poor index in all the five (5) measures compared to the zones that form the southern part. Looking deeply into the Northern zones, one will be interested to know that the North Central performed better in Human Development Index (HDI), followed by the North West and the lowest is the North East. This is the same human poverty index (HPI), Gender Development Measure (GDM), Gender Empowerment Measure and Inequality Measure. The North East has perpetually score badly in all the indices.

Factors Limiting Equitable Distribution of Wealth and Improvement of Human Development

Capacity Institution

Capacity institution is one of the factors that promote and improve human development. It is the vehicle through which development is achieved. Lack of capacity institutions will no doubt affect negatively on growth and equitable distribution of wealth. Arguably, Nigeria has witnessed growth with more capacity institutions established. However, the institutions have not contributed to equitable distribution of wealth thereby negating the principle of equitable growth. For instance, while the government in the late 1980's and early 1990's established institutions such as People's Bank, Directorate of Food, Roads & Rural Infrastructural Development (DFRRI) etc. that are pro rural and poor, they did not do enough to do enough to achieve success. Also, emergence of democratic governance in Nigeria in 1999 saw establishment of capacity institutions such as NAPEP and encouraged establishment of Micro Finance institutions are pro-poor. While growth is recorded, equitable distribution of wealth is not achieved. Thus, it is imperative that capacity building institutions are equipped to ensure success in equitable distribution of wealth that will ensure the well being of the people and improve the Nigeria's HDI standing. In addition to the above agencies, contribution from international donor such as the EU, DFID, USAID, IDB and other NGO's are also witness with the view to combat or contribute in the equitable distribution of wealth. Programs like the Fadama 1,2,3, millennium development goals (MDGs) and National poverty eradication program (NAPEP) throughout the country is also part of government effort in trying to reduce the level of income inequality in Nigeria.

Despite all the intervention from both within and outside, the level of inequality has been on the increase and the effect of such intervention are not well felt. It is on record that good governance influence

proper functioning of these institution programs that are considered as the engine of growth and development in achieving the laudable policy implementation of a country. Nigeria, it must be said without mincing word that, lack of good governance and leadership has been the bed rock to the failure of program implementations, and most of them may be confirmed dead before their first birthday.

As reported in (UNDP 2009: 101) “institutions perform three key functions in promoting economic and human development. i) Coordination and administration, ii) Learning and innovation and iii) Income redistribution and social cohesion”. This is what is more likely to happen to a very laudable program right from inception as a result of bad governance. Nigeria has always initiated good and laudable programs especially those related toward poverty alleviation/ eradication, but policy implementation and monitoring has always been the problem. Thus, it is good governance that will ensure sustainable democracy and good political stability in a country to enable program implementation be sustained. This in turns guarantees fundamental human right of all citizen and then enhance economic and development.

It is my intention in this proposed research work employs the usefulness of the Kuznet’s hypothesis as a tool for poverty reduction in Nigeria. The hypothesis, which argues that income inequality, will increase over a period of time during a country’s development, but will begin to decrease when a certain average is attained in income. The question “when is the average income attainment in Nigeria”.

Infrastructural Development

Infrastructure is a major underlining factor that contributes to the improvement of human development standing of any country. Consequently, Nigeria has always focused on providing infrastructure to the people. However, accessibility to these infrastructures where they are provided is fraught with inequality. While the rural area lack most of the basic infrastructures needed for human development, a substantial percentage of the urban areas also lack these infrastructure. Arguably, it will be difficult for the populace to access such basic amenities as health, education, transportation etc without infrastructure.

Power has generation and distributions remain one of the worst infrastructural deficiencies in the country with less than 5,000 mw generated. Until power problem is addressed among other issues of infrastructure, income redistribution and meaning economic and human development may be far from achieving. Hence the difficulty attaining the 20th biggest economy in the world by the year 20: 20: 20: Achievement of any real improvement in human development status, it is necessary that inequalities that exist in the accessibility of infrastructure be curbed. Government inability to provide accessibility to infrastructure has not only hampered the growth and economic development, but also discouraged foreign investors that are willing to invest in the country to support the government program of poverty reduction and eradication.

Health and Education

As mentioned earlier in the introductory part of this section, the Nigerian health system is in such a situation that for the nation to achieve a meaning development and reduce income inequality and redistribution, the health system must be overhauled. According to the WHO country cooperation strategy (WHO, 2007), “there is evidence that the key health indicators have either stagnated or worsened. Life expectancy has dropped from 53.8 years for females and 52.6 for males in 1991 to 48.2 years and 46.8 years for both females and males in 2000 respectively”.

The agency also went further to state that infant mortality rate (IMR) rose from 87.2 per 1,000 live births in 1990 to 105 in 1999 and about 52% of deaths are associated with malnutrition. The maternal mortality rate (MMR) of 800 per 100,000 live births is one of the highest in the world. This is indeed very alarming if Nigeria is to reduce poverty and have a meaningful development. It is worthy to note that Nigeria has the highest brain drain in its health system. This is attributed to poor pay package, poor condition of service and general health infrastructure in the country.

Nigeria is still among the few countries in the world that still have polio, malaria and occasional outbreak of cholera. It is also correct to say that there are growing number of other non-communicable diseases among the old, middle age and the younger generation. Diseases such diabetic, hypertension, heart diseases which are in those day associated with old age are now very much prevalence among the population that are considered safe from it. What can a country that is so keen in developing its economy, reduce poverty, guarantee income inequality and redistribution achieve without a sound health care delivery to its populace. The great beneficiaries of the Nigerian situation are countries like Egypt, India, South Africa, The United Kingdom et.al, which they receive a lot of influx of patients mostly from the ‘well to do’ families that can afford to treat themselves abroad. For the government to guarantee income inequality there must be a very sound health care system affordable to all. Similarly, The World Health Organization in its country strategy report (WHO, 2007), identified factors that include organization, stewardship, financing as militating against health delivery in the country. For instance, due to the issue of poor financing, doctors are not remunerated very well hence most of them either leave the country in search of greener pasture abroad or run private clinics. The end result of these is

the opportunity given to them (Resident Doctors) to open and operate their private clinic side by side with government owned health care centers which very expensive and mostly found in the cities. The situation makes the organization of health care system in Nigeria very difficult, complex and pluralistic.

The health financing is another problem government has to deal with, funding comes from many sources: budgetary allocations from all the three tiers of government, international donors, Non-Governmental Organization (NGO) and others but the utilization of such funds remain a nightmare and wish not to be told. Funds made for an endemic ends into the private pocket of the health operators and government official. This tells us the havoc been cause by the monster call corruption in Nigeria. In sum, a sound reliable health care system do not only provides development and economic, but it contribute to the reduction of poverty and income inequality eradication.

Education is considered the bed rock of all human development, the system of education in Nigeria has very much inconsistent and marred by fall in standard, infrastructure decay, poor learning environment for both teachers and student, examination practices and in most cases issues of cultism in the institution of higher learning. As mentioned in the health sector, the education sector among other issues is suffering brain drain. University lecturers prefer crossing the borders in search of “greener pasture” rather than staying in the country with low pay, decay in infrastructures etc. children from well to do families often opted to send their wards to other countries to pursue their educational careers However, while sending children abroad is assumed the best option available to parents that can afford it, attention is not paid to the impact of environment on the child’s development. No doubt, environment has come to be accepted as one of the major factors that influences personality evolution (Weiten, 2008).

Therefore, a ‘privileged’ child sent abroad to acquire ‘good’ education is being sent into a new environment that will have far reaching impact on his or her personality development. Consequently, the child will face several issues that include cultural shock and peer influence. In the end the child when returned to the original country may not fit properly in the society.

Governments’ deliberate attempt to make education affordable to all has not yielded result either. More universities are said to be establish by this administration in each geo political zones of the country and indeed each state for those states that do not have federal universities, but the problem is for the secondary schools to produce student that will meet up the university entry requirement due to lack of foundation. Unless the whole education system is over hauled right from the grass root to the university level, government desire to provide affordable for its teeming populace will still be a dream to be realized. A nation without a sound education system will certainly find it very difficult to bridge gap in inequality, human development and economic growth.

Corruption

Corruption is an abuse of power, office, and resources by those in positions of influence for personal gain. It is a phenomenon that has emerged as one of the factors sustaining inequality and poverty in Nigeria. It affects all facets of the country’s development. According to National Bureau of Statistics (NBS) (2007), “corruption undermines economic development by generating considerable distortions and inefficiency”. The seriousness of the problem is underscored by the assessment of the Transparency International (TI), which has continued to view the country as a country where corruption is perceived as very high. Government in recognition of the damage have established anti-corruption institutions and embarked on several anti-corruption reform aimed at reducing incidence of corruption. Although not much is achieved is eradicating corruption, Nigeria has improved on the TI corruption index suggesting that incidence of corruption is declining, however the reality suggest that corruption continues to play a negative role in the Nigeria’s economic development and needs to be tackled if equitable distribution of income and poverty alleviation will be achieved.

Spending

Spending in economics is one of the theories in economics that generates debates among development practitioners and policy makers. Spending is assumed will stimulate the economy, create jobs and ultimately ensure income equality. Early theorist in the field such as Keynes and Kuznet assume that spending (aggregate spending) will impact positively on the development of a country (Snowdon & Vane, 2002). Kuznet also went further to assume that spending will help in solving the problem of inequalities. According to Kuznet’s hypothesis, inequality will increase over time during a country’s development but will begin to decrease when a certain average is attained in income.

These theories and hypothesis supports the view that spending is necessary in an economy that desires growth. However, achieving growth through spending can only be possible in an economic system that has no or little leakage. Where there is substantial leakage, it is always difficult to keep track of spending and its measurement becomes impossible. Secondly, often spending is done in a way that it does not have any impact on the general well-being of the populace. Also, in an economy with less developed manufacturing capacity, spending may indirectly be funding other economy that has well developed manufacturing capacity. In this

instance, China and other developed economies might be the biggest beneficiaries of Nigeria's spending. Nigeria's spending is targeted at those projects that will direct positive impact of the general well-being of the people. It is also important that attention is paid to critical sectors such as manufacturing sector for the creation of more job opportunities and increase spending as well.

Policy Instability

Policy instability is one of the factors that are negatively affecting Nigeria's human development strategy due to the incessant political instability and corruption. According to Fredriksson & Svesson (2003: 1883), "induce socially optimal governmental policies with potentially large adverse effect on social welfare". It is very common to see policies discontinued and new one commenced at the beginning of new government. For instance, from 1985 through 2003, Nigeria has witnessed reversal of policies by successive governments. Also several 'pro poor' and rural development policies such as People's Bank and DFRRRI initiated in the early 1990's were discarded. In addition, a novel rural development initiative that focused on women that was initiated in the late 1980's was also discarded as soon as the government that initiated it left office. This no doubt sends wrong signal and reverses whatever gains achieved. Rather than discard policies initiated by former governments, arguably, reform of the policies may be what is needed to ensure policy stability sustained and equitable human development.

Lack of Employment

One of the major problems facing Nigeria is unemployment especially youth unemployment. According to Akintoye (2008: 97), "unemployment is one of the developmental problems that face every developing economy in the 21st century". Annually, hundreds of thousand youth graduate from various institutions but find it difficult to find a job. Youth unemployment rate in Nigeria is estimated at over 55% according to various independent studies. However, the Federal Office of Statistics in 2005 put the rate at 11.9% with 12.6% and 10.1% for rural and urban areas respectively (NBS 2007). The huge disparity that exists between the independent and government agency study may be explained through various ways. One of the explanations is that quality of data available to either or both of them may be questionable. Nevertheless, the reality seems to support the independent study as thousands of young men and women are roaming the streets without jobs.

However, this disparity has continued to sabotage government programs to tackle unemployment. Thus, a lot of programs put in place by the government to tackle unemployment have failed to make any impact. Part of the solution to this nagging problem lies in placing more emphasis on entrepreneurship development. It is also very important that quality of data is maintained to ensure that the programs put in place are strengthened enough to tackle the problem. While the country is producing high number of graduates every year, placement in both the private and public sectors remain far in distance to meet up with the gap. This is worsening due to lack of infrastructure especially power which supposed to be the driving wheel in bridging the gap in income distribution.

Lack of Access to Financing

Another major problem that is confronting Nigeria is non-accessibility to finance especially by the rural and informal economy. A recent study conducted by EFINA identified income related factors as a dominant in promoting non-accessibility to finance in Nigeria (Stone 2010). In addition non-sophistication of the informal and rural economy, the financial institutions find it very difficult to make finances available to them.

It is quite evident that with the operational and regulatory structure of commercial banks, it is difficult for rural and informal economy to benefit from commercial banking financing. Hence, there is urgent need that the rural and informal economy is stimulated. Such stimulation will encourage and empower entrepreneurs in the informal sector. In recognition of this, concepts of micro financing are promoted to cater for the financial needs of the informal and rural economy.

For instance, several corporate organizations both in the financial and non-financial sector have access to development financing. However, the micro finance institutions seem to have abandoned their role and locked themselves in competition with commercial banks. This competition increased their overhead and they had no other option than to recover by increasing interest rate to as much as 100% on lending. Reacting to this development, Nigerian monetary regulatory and supervisory body, the Central Bank of Nigeria has commenced overhauling of the sector's regulatory approach. While it is important that the sector is regulated to ensure that they play their original role in the provision of finance to the rural and informal sector, there should be caution as it is being carried out to avoid an over regulation of the sector which may be counterproductive. However, there is an urgent need that the entire operational parameter of micro finance sector is reformed.

It is important that the sector is structured as an inclusive financial market, with low operational and interest charges, that will guarantee equal accessibility (Demurgic-Kunt et. al., 2008). A situation where such micro institutions in country charge interest as high as 100% for lending and pay as low as 5% on savings

arguably is not sustainable. It is important and imperative that micro finance sector is strengthened and focused in order to channel funds to the rural and informal economy. Through this way, wealth can be distributed equitably.

Gender and Income Discrimination

Gender and income discrimination is another factor that is slowing Nigerian's human development and affecting income distribution in the country. It is found in almost all strata of Nigerian's society. It is largely exacerbated by cultural and religious rhetoric. While gender discrimination could be traced to the cultural and religious belief, income discrimination is largely caused by nepotism and corruption. For instance, girls and women in some parts of the country are denied good western education that could earn them good career thereby denying them from earning substantial income for their basic livelihood.

Also, there is a disparity in income of women and men at the same status working in the same establishment. Such discrimination no doubt has continued to prevent equitable distribution of wealth and slows human development. While such discrimination is not peculiar to Nigeria, it is affecting the country's socio economic development (Vasquez, 2011). Thus, policy makers in realization of this have focused on promotion of those tools that will remove all forms of discrimination. However, such effort has not achieved its aim, as discrimination is still very prevalent in the country.

One of the solutions lies in encouraging parents to give widens opportunities for female by giving them quality education so that they can compete with their male counterparts. Further, efforts should be made either through legislation, to remove all income discrimination in the country's public service and compel private sector to observe strictly such policies and legislations.

Conclusion

Nigeria is ranked 158 in the recent HDI ranking and included among the low developed countries despite recording GDP economic growth of at least 6% in the last three years with a nominal per capita of \$1,142. With a sustained economic growth since 2001, it is expected that Nigeria's HDI ranking would have improved more. Therefore, the growth has not translated to the general well-being of the populace. Income inequality is still very high, life expectancy rate remains below 50 years and education standard is deteriorating. In addition, income discrimination based on gender is still very common while the rural dwellers lack access to basic facilities that will improve their well-being. In the urban area, inequality that exists generates social tension, which sometimes degenerates to violence. Thus, there is urgent need to ensure that economic growth recorded in the country translates to the general well-being of the populace. Hence, focus should be paid to the three main indicators of HDI, which includes education, health and income based on GDP. Although education as a HDI indicator has improved based on the literacy level of the country, standard of education remains very questionable. None of the Nigerian universities is ranked among the best 1000 in the world. Public schools that are patronized by the poor are in an 'ugly shape' and abandoned. In view of this, there is urgent need for a targeted investment in the education sector that focuses on the development of the "person". This method will equip students with entrepreneurial skills that will promote entrepreneurship in the country.

Secondly, health sector is another indicator of HDI that requires sustained investment if the country desires to achieve an improvement in its HDI ranking. Policy makers should focus on improving the country's life expectancy rate. This can only be done when the populace is given enabling environment that allows equitable access to health services.

Security is still remains a serious issue in the country. This is evidence with the recent concluded general election where hundreds of people were killed and thousands injured as a result of the post-election demonstration. Policy stability has to be maintain to achieve and continuity of programs by successive governments. Corruption is another endemic has to be curtain if meaningful progress is to be achieved in term human development. This is one thing that has touched all most aspect of life in Nigeria and has been on the increase.

Finally, policy makers should consider reform of the economic system towards preventing leakages in the system. Through this way, the wealth generated from the economic growth will effectively stimulate the economy and create more jobs. Arguably, creation of more jobs will solve income inequality problem and also tackle income discrimination based on gender.

In conclusion, it is imperative that a comprehensive rural development strategy is formulated in order to close the gap that exists between the urban and rural areas. Infrastructure should be provided to allow rural populace equal access to basic services such as education, health and income as obtainable in the urban area. Therefore, it is important that spending is targeted at those projects that will have direct positive impact on the general well-being of the country's populace.

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