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Analysis of Drivers of Incidences of Poverty in Nigeria

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Abstract
Poverty is a phenomenon that affects all nations irrespective of the mark they've attained on the development continuum. The urgent need to address poverty has been in the fore front of developmental goals of both the developing and developed nations. Several studies have been carried out in this regard but most of the emphases had been on the effects of poverty on an economy. Our research interest here is tilted more to the casual factors of poverty as opposed to its effects because it is only when an illness has been clinically diagnosed that the right medications could be administered. The study relied on secondary data spanning through the period 1990 to 2014. While Dickey–Fuller unit root tests were used for preliminary analysis; ordinary least square (OLS) regression analysis was used to estimate the model in the short run. A combination of Johansen Co-integration and a VAR analysis were used for long run estimation. All the tests confirmed the veracity of our models. Findings of the study indicate that; Gross fixed capital formation (GFCF), National savings per capita (NS_{PC}), National Income per capita(NI_{PC}) and National consumption per capita (NC_{PC}), all had an inverse relationship with the prevailing level of poverty in Nigeria at both the short and long runs, though not statistically significant. On the other hand, Gross domestic product per capita (GDP_{PC}) and the lagged value of Poverty index (PI) in periods one and two had a positive relationship with the prevailing level of poverty in the long run. The implications of above results are that an increment in the level of Gross fixed capital formation, National savings per capita, National income per capita and National consumption per capita will bring about a decrease in the prevailing level of poverty in Nigeria at both the short and long runs. The above results also infer that the present level of Gross domestic product per capita encourages poverty in Nigeria. What this simply means is that productivity per head in Nigeria is rather low and poverty inducing. Lastly, the lagged values of poverty index are positively related to poverty. This is a pointer to the fact that the level of poverty in Nigeria is helping to perpetuate poverty in the land. The above result goes to affirm that, the Nigerian society is poor because her citizenry earns a low income. A low income translates to a low saving; the low level of savings translates into low investments, while the high levels of consumption means that, we've acquired a taste and penchant for what we cannot produce and sustain locally. Since our investment profile is low, it means that there is not enough capital to induce investments. This low investment in turn means little ability of the society to expand on its productive frontiers . This eventually culminates into low level incomes in the economy. The findings of study are in tandem with Nurkse's theory on poverty. The study therefore recommends that for Nigeria to break the vicious circle of poverty in the land, she has need to engage in an investment–led poverty reducing employment paradigm..The present efforts at poverty alleviation involving the procurement and distribution of a significantly discounted 3-wheel passenger vehicles to the unemployed youths are not enough. These are mere palliatives ! It goes beyond this as there are underlying and basic fundamental issues that need be addressed. The Nigerian nation needs to invest more in order to increase her low level of fixed capital formation. This in turn is expected to enhance her growth potentials. Nigerians are expected to be discreet in their consumption pattern. It is not economically viable nor healthy to develop a penchant for imported goods. Lastly; there is need for a paradigm shift. We must play down on the continued dominance of primary production, export and low value addition. Nigeria's economic growth need to be driven by a diversified production structure essentially driven by growth in manufacturing that would deliver lots of jobs, raise productivity and incomes; else it will remain trepid, fragile and susceptible to negative shocks. Poverty is likely to persist in Nigeria without a robust manufacturing sector.
Keywords: National savings per capita, National consumption per capita, Gross Domestic Product per Capita, National income per capita.

BACKGROUND OF THE STUDY

Poverty is a phenomenon that no country can boast of having decisively death with. The urgent need to address it has always been at the fore front of development goals of nations. While the poor nations are struggling to lift their heads from this murky water, the rich ones are making frantic efforts to evolve new strategies to make the welfare and quality of lives of their citizenry better. The issue of poverty is one that affects all nations irrespective of the mark they've attained on the development continuum.

As a matter of fact, poverty is a multifaceted phenomenon. One experiences it personally (Ekong, 2010). It is not only an expression of life condition, but a state of mind and a perception of self in the complex web of social relations. Economists tend to view poverty as a distance on a continuum toward zero purchasing power while its polar opposite – affluence, is a distance on the same continuum toward full purchasing power. Poverty refers to the inability of a household to attain a level of income which is necessary to purchase the range of goods and services considered as standard for those in a particular reference group to be sufficient for living.(World Bank, 2011).

Poverty has also being defined as an inescapable commotion of physical want (Illife, 1992).The concept of poverty arises from the inability of an individual or society to acquire basic human needs for existence and the inability to generate productive resources for the purpose of generating a desired level of output in order to enhance the realization of an appreciable income (Imodu, 1999; Olaitan, Onyemachi, Nwachukwu, 2000).

Poverty, in whatever form it is defined, conjures an ugly picture of deprivation, a state of want, insufficiency and helplessness, which a person or group of persons are unable to provide the basic necessities of life such as food ,shelter, clothing, education, employment and health (Okeke 2011). Poverty is the worst plaque of mankind as it exposes individuals to mockery, ridicules and laughter. The menace of poverty though a global phenomenon is most excruciating in the third world Nations. In Nigeria as is the case in many other African countries, human conditions have greatly deteriorated, particularly in the last few decades as:

- Disposable incomes or take home pays can no longer take people home.
- The rate of malnutrition has continued unabatedly.
- Food production has hardly kept pace with the growing population.
- Life expectancy has drastically declined,
- Good health care services and qualitative education are no longer within the reach of the greater populace, as it is now the exclusive preserve of the rich and the affluent political class.

The above condition has forced many of our youths and able bodied men and women into illicit activities and insecurity has become the order of the day (Ojo, 1995).

Poverty in all its manifestation is a socio-economic threat and is anti-developmental in nature. Unemployment and hostile business environment are twin brothers to poverty. We therefore cannot talk of growth and development in Nigeria, when no urgent and meaningful action has been taken to arrest or at least reduce the level of poverty amongst the citizenry.

Poverty in Nigeria is pervasive and our dear nation has been characterized as a country of poverty amidst plenty. Although poverty has existed in Nigeria especially after the civil war in 1970, it became more prominent in the 1980's following the collapse of world oil prices and a sharp decline in petroleum output. Rural poverty has steadily increased in Nigeria in terms of inadequate shelter, clothing and food. The implication of these socio-economic conditions is obvious. The assertion of the World Bank (1996) that Nigeria is a paradox aptly captures the magnitude of the problem of poverty in Nigeria. The Federal Republic of Nigeria has a population of more than 160 million – the largest in Africa – and a fast-growing economy (Okoroafor and Nwaeze,2013).

There is always this difficulty in deciding where to draw the line between the poor and the "non poor". To engender international comparability, however, two poverty lines are often used on purchasing power disparity. A population falling below a US Dollars per day is considered to be moderately poor while those falling below a US Dollars per person per day are considered to be extremely poor (Sarr, 2010). Poverty in Nigeria is prominent among four identifiable groups, namely, the rural landless, the small farmers, the urban under employed and the unemployed. The poor are predominantly located in the rural areas and slums in the urban areas (Tokunbo, 2008).

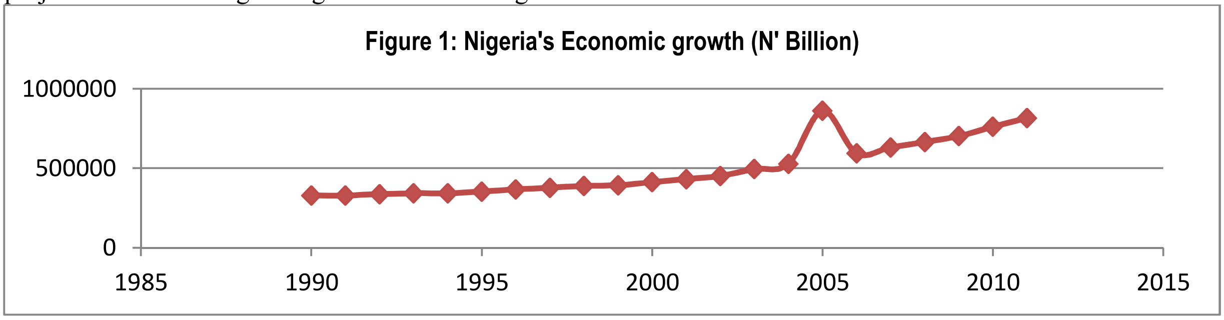
It is a truism that the paramount reason for creation of a nation-state is mainly to provide and create sustainable means of livelihood for a reasonable number of her citizenry. Since it may be practically difficult to reach everyone at the same time, it has become imperative that we make human capital development a basic and a national priority. Though the difference between economic growth and development is a discuss under the purview of public domain, their basic feature lies in the provision, promotion and sustenance of human welfare and the living standard of the people. In spite of the differences that may exist between them, growth and development connotes structural transformation, technological advancement, stability, sustainability and equity (Mohammed, 2008).

The divergence between Nigeria economic indicators, macro-economic variables and economic realities has become a source of concern and has raised so much argument between social and economic analysts and critics. The increases in these economic indicators have not translated into improved welfare packages for the people. The reality is that while many die in abject poverty, the affluent few spend their wealth on frivolities. The rising disparity in the distribution and acquisition of productive resources as well as lack of enabling environment for business has worsened the situation. Unemployment leads to low purchasing power availability which in turn leads to less consumption of goods and services. The cyclical trend of no money no purchase , ultimately impacts negatively on the level of economic development in the country. That is the crux of the matter!

1.1 STATEMENT OF RESEARCH PROBLEM

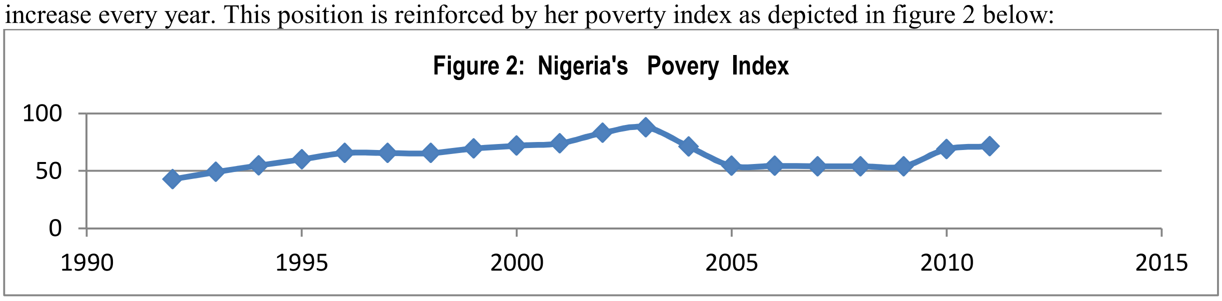
According to Okoroafor and Nwaeze(2013), the average Nigerian is poor. Nigeria is a nation of riches and poverty – splendid wealth in the hands of a few and extreme/abject poverty at the doorsteps of many. The divergence between Nigeria's economic indicators, macroeconomic variables and the reality on ground is a source of concern. The reality is that people die because they cannot afford three square meals a day as well as access to basic public healthcare. As strange as this may sound, this goes on side-by-side with ostentatious display of wealth by the privileged few.

The effects of poverty on the life of an average Nigerian has been reviewed overtime from the standpoint of economic growth and development. Although Nigeria's economy is said to be growing and is projected to continue growing as contained in figure 1 below:



Source: CBN Statistical bulletin 2012

The prevailing level of poverty is likely to get worse as the gap between the rich and the poor has continued to widen. Little wonder Kale (2012), posited that poverty in Nigeria is a paradox – that despite the fact that Nigeria's economy has continued to grow, yet the proportion of Nigerians living in poverty has continued to increase every year. This position is reinforced by her poverty index as depicted in figure 2 below:



Source: Nigerian Bureau of statistics (Various editions)

Nigeria's poverty index witnessed a slow but steady rise (A deterioration along the poverty line) between 1992 and 1997; thereafter it experienced a lull between 1997 and 2001, which degenerated into a peak in 2003 before a gradual descend in 2004 (A mark of improvement). This improvement continued till 2010 when it again looked up (Another bout of deterioration) and has never looked down**.**

In concrete terms, poverty in Nigeria is rising with almost a 100 million of its population living on less than $1 per day despite a strong growth , as Africa's second largest economy (Daniel, 2011). The percentage of Nigerians living in absolute poverty – those who cannot afford the bare essentials of food, shelter and clothing – rose to 60.9% in 2010 compared with 54.7% in 2004 (National Bureau of Statistics, 2011). A cursory review of prevailing levels of poverty in Nigeria and the pace of economic development in Nigeria is given below

Table 1: Nigeria's HDI Trends Based on Consistent Time series Data.

Year	Life expectancy at Birth	Expected years of schooling	Mean years of schooling	Poverty Index	HDI Value
2005	48.7	9.0	5.2	54.4	0.467
2010	51.3	9.0	5.2	69.0	0.493
2011	51.7	9.0	5.5	71.5	0.492
2012	52.1	9.0	5.7	71.5	0.505
2013	52.4	9.0	5.9	71.5	0.510
2014	52.8	9.0	5.9	71.5	0.514

Source: Human Development Report 2015 (UNDP)

The above HDI trends indicate that between 2005 and 2014, Nigeria's life expectancy at birth increased by 4.1 years, mean years of schooling increased by 0.7 years and expected years of schooling remained static, while the prevailing level of poverty deteriorated from 54.4 in 2005 to 71.5 in 2014.

Nigeria's HDI value for 2014 stood at 0.514 — which put the country in the low human development category— positioning it at 152 out of 188 countries and territories. Between 2005 and 2014, Nigeria's HDI value increased from 0.467 to 0.514, an increase of 10.1 percent or an average annual increase of about 1.07 percent (UNDP, 2015). As a matter of fact, the prevailing level of poverty in Nigeria is stifling her pace of economic development.

Past governments have made some concerted efforts at poverty alleviation but that did not achieve the desired results. At this stage; there is need for a paradigm shift on the way forward. We should now be more interested in the casual factors of poverty as opposed to its effects. A review of some key drivers of incidences of poverty in Nigeria (See table 4 below) indicates that while our rate of investments is almost stagnant, our National savings per capita is going down and the propensity to consume is on the increase.

Table 4: Some key drivers of incidence of poverty in Nigeria

Year	GFCF	NS_{PC}	NC_{PC}
2011	15.98	26.08	1846
2012	14.63	33.41	1790
2013	14.47	17.78	2419
2014	14.50	17.78	2530

Source: IMF and the World Bank (2014)

The above trends are quite disturbing. It is far from being satisfactory and obviously points towards a poor and ailing economy. There is no gain saying the fact that a problem is better solved if the causal factors are known. It is only when an illness has been clinically diagnosed that the right medication could be administered. Thus the essence of this study is to analyze the drivers of incidences of poverty and how they have contributed to the prevailing level of poverty in Nigeria. That is the problem of this study!

The aim of this study is to ascertain the key drivers of incidence of poverty in Nigeria. It will investigate the reasons behind a seemingly growing economy which has not translated into improved economic welfare for the people.

The specific objectives are to ascertain the effects of low level investments, income and savings on the prevailing level of poverty in Nigeria. Others are to ascertain how low level productivity and demand has impacted on the prevailing level of poverty in Nigeria

Having stated the above objectives, the following research questions are therefore considered relevant to the study.

1) To what extent has the drivers of incidences of poverty impacted on the prevailing level of poverty in Nigeria.
2) To what extent has low level investments, income, savings productivity and demands impacted on the prevailing level of poverty in Nigeria?

The present study will seek to provide answers to the above questions. We intend to test the following hypotheses:

Ho_1: There is no significant relationship between the drivers of incidences of poverty and the prevailing level of poverty in Nigeria.

Ho_2: There is no significant relationship between low level investments, incomes, savings , productivity and demands on the prevailing level of poverty in Nigeria.

This study will attempt to identify the key drivers of poverty and how this has impacted on the prevailing level of poverty in Nigeria The study will inform policy decisions that could assist policy makers to proffer effective remedies for poverty eradication in Nigeria and to appraise the effectiveness or otherwise of such polices on the economic development of Nigeria. The study will also invoke interests and debates on the need for an all inclusive growth. A pattern of growth that is expected to translate into improved welfare packages for the teeming population. Hence the study will also serve as reference materials for future and further works in this area. It will also provide basis for further comparative studies, on both the developed and less developed economies. Finally, this study will also add to the existing stock of knowledge on the subject matter. It will also help to educate the general public, the private sectors, economists and students alike. This study is focussed on the Nigerian context only. The period of investigation is delineated, from 1990- 2014; a period of 25 (Twenty five years) years.

REVIEW OF LITERATURE

The concept of poverty and material deprivation is so critical that it cannot be ignored. In subsequent sections of this study, we will attempt to review the drivers of incidences of poverty in Nigeria and how this has impacted on her level of economic growth and development. It is only when a problem has been identified that palliative measures could be proffered. The literature review will rely heavily on books (Both physical and e-books), World Bank publications, journals of international repute and some past unpublished works relevant to the objectives of the study. The experience and knowledge gained from these writing coupled with the analysis of empirical data will form the basis of this research. An appraisal of the literature review is handled from the standpoint of a conceptual, theoretical and empirical frameworks.

The concept of poverty has received the attention of stakeholders in many disciplines. This has dominated social and economic fora world over, because attempts are being made in all quarters both in developed and developing economies by local and international organisations and development partners to at least reduce poverty to as low level as possible. The devastating effect of poverty can never be treated with levity due to its effects on many aspects of human life from physical to moral and psychological. It has posed economic, social and political threat to many nations especially in the third world of which Nigeria is counted. Every member of the society is in one way or the other affected by poverty in that, if it does not affect you directly, it will indirectly. Because the poor are materially deprived, socially and politically excommunicated, they may enter into various heinous crimes in attempt to help themselves out of the bondage of poverty. The quest by the poor and down trodden in the society to move to the next level has also exposed the rich and opulent class to the dangers of armed robbery, kidnapping and other crimes from the poor and the under privileged class.

Attempts have been made by various think – tanks to conceptualize what should be the meaning of poverty, but it has been difficult if not impossible to come up with a universally acceptable definition due mainly to the fact that it has multi – dimensional and complex nature. Also, because what may be regarded as poverty in one country may not be in another, it places a hurdle on the universal definition of poverty. However, no matter who is defining it and from what perspective, poor people wherever they are lack access to basic necessities of life and are deprived in power and social affiliation, hence they are resigned to their fate.

However, the economics concept and background seems to have a dominating influence on the other literatures; perhaps because the most teething effect of poverty can always boil down to economic influence. Aboyade (1997), in recognizing the multi - dimensional and complex nature of poverty posit that there seems to be general agreement that poverty is a difficult concept to handle and that it is more easily recognized than defined. Even attempts to categorise some specific areas at which poverty could be viewed are fraught with lack of agreement. For instance, the Organisation for Economic Co – operation and Development (OECD) guideline on poverty reduction (2002) stressed that "an adequate concept of poverty should include all the most important areas in which people either are deprived and perceived as incapacitated in different societies and local content. It should encompass the causal links between the core dimension of poverty and the central importance of gender and environmentally sustainable development. It failed to define poverty; rather it listed the core dimension a definition of poverty should cover which includes economic, human, political, socio – cultural and protective capabilities on the other hand.

From the socio – psychological perspective, poverty is seen in terms of deprivation, lack of access to necessities such as land, inadequate medical facilities, poor living conditions around, lack of access to educational facilities and the inability to realise one's potentials and aspirations. World Development report (1999) see poverty as the inability to attain a minimum standard of living in slums around urban areas or in villages at the territorial level, if what they earn cannot purchase for them the basic necessities of life as has already been enumerated.

Social scientists' understanding of poverty is critical of the economic idea of free choice models where individuals control their own power. Rather than being interested in its measurement, sociologists generally study the reasons why poverty exist .They equally consider some critical issues bothering on the roles of culture, power, social structure and other factors largely out of the control of the individual. It also looks at social aspects as housing poor, health poor, or time poor which should be understood in order to create more effective programmes for poverty alleviation.

According to Boudreaux (2004) "the study of the cause of poverty is the degradation of a large part of human kind". From the above quotation, it is clear that poverty is the symptom of the downgraded class in the society, which constitute more than 60% of the world population.

Sociological approach to the study of poverty maintains that poverty is the state of one who lacks a usual or socially acceptable amount of money or material possessions. It exists when people lack the means to satisfy their basic needs. This means that, there is need for identification of what constitute basic needs. These may be narrowly seen as "those things that are necessary for survival or as broadly as those reflecting the prevailing standard of living of the community''. The criterion would cover only those people near the borderline of starvation or death from exposure; the second would extend to people whose nutrition, housing and clothing though adequate to preserve life, do not measure up to those of the population of the whole. Poverty is associated with poor health, low levels of education or skills; an inability or unwillingness to work, high rate of disruptive or disorderly behaviour and improvidence. While these attributes have been found to exist with poverty, their inclusion in a definition of poverty would tend to obscure the relationship between them and the inability to provide for one's basic needs. Whatever definition one uses, authorities, and lay persons alike commonly assume that the effects of poverty are harmful to both individuals and society.

It is true that poverty is a phenomenon as old as Human history; its significance has changed overtime. Under traditional (i.e. none industrialised) modes of economic production, widespread poverty had been accepted as inevitable. The output of goods and services, even if equally distributed would still have been insufficient to give the entire population a comfortable standard of living by prevailing standards.

Different criteria have been used to conceptualize poverty. Most of these analyses have been towards the conventional view of poverty as a result of insufficient income for securing basic necessities of life. Others view poverty from the standpoint of education, health, life expectancy and mortality rate.

According to Encyclopaedia Americana (1989) poverty can be seen from two perspectives "moneylessness:" which denotes both an insufficiency of cash and chronic inadequate of resources of all types to satisfy basic human needs, such as nutrition, rest, warmth and body care. "Powerlessness" which means those that lack the opportunities and choices open to them and whose lives seem to them to be governed by forces and persons outside their control. That is people in positions of authority or by perceived "evil force" or hard luck. Wikipedia defines poverty as an economic condition of lack of both money and such basic necessities as food, good drinking water, education and shelter. It goes further to attribute it to lack of a predictable and sustainable means of meeting basic needs. Poverty exists where and when certain sections of the people cannot provide for their commonest basic primary needs in terms of food, shelter and clothing. Poverty has been seen as an unmitigated curse of the under-developed nations.

Aku et al (1997) viewed poverty from five dimensions of deprivation: These include:

- Personal and physical deprivation experienced from health, nutrition, education, and lack of self-confidence and esteem.
- Economic deprivation which results from lack of access to property income, assets, factors of production and finance.
- Social deprivation which results from denial of full, voluntary, unrestricted and uninterrupted participation in social activities and belongingness
- Cultural deprivation which stems from lack of access to values, beliefs, knowledge, information and attitude which deprives the individual or group of people the control of their destinies.
- Political deprivation which results to lack of participation in decision about their conditions of living and as it affects their wellbeing generally.

Central Bank of Nigeria (1999) see poverty as a reflection of glaring defects in the economy as evidenced in mass penury, pauperization of the working and professional class including artisans, mass unemployment, and poor and inadequate welfare services. It denotes absence or lack of basic necessities of life including material wealth, common place regular flow of income/wages and inability to sustain oneself based on existing resources. In such economy, the means of achieving minimum subsistence, health, education and comfort are absent.

Harry Johnson (1989) in his own view thinks that poverty is a situation where the resources of individuals ,families and the people in general are inadequate to provide a socially and economically acceptable standard of living.ie the people live below the conventional poverty line. It denotes not having enough to eat ,existence of high rate of infant mortality, a low rate of life expectancy, low educational opportunities, lack of sufficient portable drinking water, inadequate health care facilities and services, unfit housing and lack of active participation in decision making process.(*Federal Ministry of Co-operation and Development* 1992).

Deng (1996) and Atoloye et al (1997) are of the opinion that seeing poverty to reflect the Nigerian situation entails categorizing the poor into

- Households or individuals living below the poverty line whose incomes are insufficient to provide for their basic daily needs.
- Households or individuals lacking access to basic services, political contacts and other forms of direct support
- People in isolated rural areas who lack basic and essential infrastructure to make living worthwhile.
- Female- headed households whose nutritional needs are not adequately met.
- Persons who have lost their jobs and who find it difficult or even impossible to get another employment as a result of economic reforms under SAP and those who are even in the danger of becoming poor.
- Ethnic minorities, who are marginalised, deprived and persecuted economically, socially, culturally and politically.

Obadan (1997), describe poverty as lack of physical necessities, assets, and income which includes but is more than the income of the poor. It is a subset of the general condition of deprivation whose dimensions include social inferiority, isolation, physical weakness, vulnerability, seasonality, powerlessness and humiliated livelihood.

In this work, we will adopt the definition of Central Bank of Nigeria which corroborates some of the definitions above. According to this line of definition, poverty is seen here as a situation where an individual, a household and a greater percentage of a people are unable to carter adequately for their basic needs of food, clothing, and shelter. It went further to explain that it is a situation where socio-economic obligations cannot be met, gainful employment cannot be secured, and infrastructures such as good schools, portable water, good medical facilities, good sanitation and adequate security is elusive.

In classifying the poor, Schultz (1993) identified three indicators which when found shows that an individual, a family, a group of people or country is poor. This include: The cost of food relative to personal income, low level of skills and knowledge. As regards the cost of food relative to income, he observed that where half or more than half of the real income is spent just to acquire food, the people are poor. That is to say that in a society where people spend more than half of their real income on food, the people are relatively poor. On the other hand, people who live in communities, states or countries where less than 30 percent of their real income is spent on food are not poor. In countries where life expectancy at birth is less than 50 years, majority of the people are not poor. In countries where more than 20 percent of people are with low skills, and know-how, the people are poor. This is because knowledge and skill level is a strong indicator of and major indices to measure human capital in any society.

Levitan(1990) in discussing the poor grouped them under four broad headings; the elderly poor, unemployed working age adults, employed working age adults, and children. According to him, few elderly people hold jobs and that is the reason of being poor. But research has shown that many of these elderly ones are still willing to hold regular jobs but cannot find one. This view was supported when he surveyed America's poverty level in 1988. In that study, he observed that 12 percent of the poor people aged 65 and above lived in poverty against 10.5 percent of younger adults. As regards the children, 2 out of 5 children under 18 years of age were classified as poor. This revelation attracted some special concern because poor children who are denied access to basic necessities and opportunity from childhood are hindered in preparing themselves for productive adult lives. The same study revealed that up to 1.9 million working class adults who are engaged in full time work are poor. For this group, poverty is as a result of engaging in low paying jobs as well as from large families and periods of structural unemployment. He finally observed that despite the arguments about the link between adolescence and poverty, most of the youths that are not employed remain unemployed because of such factors as personal handicap or dearth of employment opportunities.

Uniamikogbo(1997) generally identified the poor as those whose ability to contribute to the productive process is insufficient .That means those who are unable to contribute adequately to the productive process to warrant an income that would raise them above the poverty line .Those whom the economy has failed to provide job for even though they are willing, able and capable of holding a regular job that can earn adequate income if only jobs were available.

Although no one requires a meter to measure poverty due to its glaring nature, it is important to design a yardstick especially for measuring the standard of living and therefore establish a cut-off poverty line which separates the poor from the non- poor. Attempts to measure poverty earlier began with the living standard measurement, poverty line determination and array of others involved in measuring absolute and relative poverty. Ajakaiye and Adeyeye (1999) treated poverty measurement under the following headings: Living Standard Approach- where poverty is measured using current consumer spending or income. Standard of living is considered in measuring poverty because current consumption is often taken to be a better indicator than current income because instantaneous utility depends directly on consumption and not on income per se. Also, current consumption could be a good indicator of long term average well - being, as it is capable of revealing incomes at other times in the past and even in the future. This is so because income often varies over time in fairly predictable ways particularly in agrarian economies as ours. In lending support to the above, Alderman and Paxson (1992) and Dalton (1992) further explained that income as a measure of standard of living is often questioned on the ground of incorrect rendition by the respondents. On the balance, consumption expenditure is better preferred to income as the measure of standard of living. Several concepts have been designed to measure poverty .This includes the poverty line approach, the poverty gap and physical quality of life index. Others include human development index.

Eric Jensen (2009) in his book ''Teaching with poverty in mind'' identified six types of poverty. These include; Situational , Generational , Absolute, Relative, Urban and Rural poverty

According to the united Nations (1995) and World Bank 1999 reports , the factors that cause poverty includes structural change, low productivity, market imperfections, political instability, corruption, and lack of sound agricultural and industrial policies, lack of adequate basic infrastructure, rapid uncontrolled population growth, mass illiteracy, cultural and religious practices and beliefs.

According to Umo(2012), the faces and consequences of poverty is important and motivated by the consideration that failure to make facial identification as well as rigorously highlight the consequences has led most policy makers to trivialize its pernicious impact on the society, the economy and individuals. Indeed, experience has shown that poverty is often dismissed as just one of those social irritants that can be settled with good political rhetoric's or a standalone photogenic policy initiatives to assuage the poor. A holistic appreciation of the full range of poverty consequences may perhaps advise or call for a rethink.

Umo (2012), equally stated that, the consequences of poverty can rightly be categorized into five different folds. They are the economic, social and health consequences. Others are the political and socio-psychological consequences.

There is a need to reiterate here that due to the complex nature of poverty, , the causes may manifests as effects and effects as causes. To capture this recursive cycle will necessitate the use of analytical techniques. It is necessary that these faces of poverty be highlighted since they can easily be ignored. They are likely to disappear, only with the application of effective poverty strategy.

Poverty alleviation or complete eradication may remain a mirage in both in the developed and developing nations; this is true because some people no matter how little efforts required to pulling them out of poverty will not do their part. That notwithstanding, efforts are being made by government, authorities and donor agencies to ensure its reduced to a minimum level as possible. Nigeria like other countries is not resting on its oars to watch poverty outgrow the economy. The classical economists view on poverty reduction brought to the fore the social changes that accompanied the technological progress ushered by industrial revolution of 1750-1850.The early development economists of the 1940s and 1950s propounded the theory of forced- drift industrialization through big push, balanced growth and labour transfer (Ijaiya 2002).Here , we need to discuss just two major approaches to poverty alleviation:

Economic Growth Approach to Poverty Alleviation: This is based on the fundamental assumption that economic deprivation is at the root of all poverty and that non –economic causes of poverty are only secondary and arising from the primary economic causes. Attention is therefore, focused on rapid economic growth as measured by the rate of growth in real per capita GDP or per capita National income ,price stability and declining unemployment, among others. All this can be achieved through proper coordination and harmonization of monetary and fiscal policies.

Basic Needs Approach to Poverty Alleviation**:** This approach sees poverty as being broad in perspective and that programmes should be targeted to tackle the wider causes of poverty. The basic needs may be described as those basic necessities which would enable the poor live a decent life. However, the basic needs vary from one country to another. But most of them would include such things as food and nutrition, health care, education and shelter.

POVERTY: THE NIGERIAN EXPERIENCE

According to Sulaiman (2010), Poverty in Nigeria was first measured in 1980 by the then federal Office of Statistics, when 27.2 percent of Nigerians or approximately 18 million people were classified as poor. By 1985, the Federal Office of Statistics estimated that , about 46 percent of Nigerians live below poverty level but this dropped to 43 percent by 1992. This rate surged to 66 percent in a 1996 survey and the total number of poor Nigerians nearly quadrupled, to 67 million. United Nation Development Programme (UNDP 1986), estimates put the poverty rate today at close to 70 percent or 90 million people. Perhaps 40 percent of these number are the "core poor", so impoverished that they cannot meet their basic food needs, and indeed, the stunting rate for young Nigerian children, a measure of chronic nutritional deprivation and food insecurity, stands at 42 percent (World Bank 2008).The phenomenon, of poverty appears to be more concentrated on the rural than the urban areas of the country. The number of rural poor people in Nigeria according to the 1999 World Bank report is roughly twice that of the urban poor. The distribution of poverty is also inequitable on a geographical location basis. In 1997, the National consumer survey indicated that the average family expenditure per month for the country was less than #5,000.It is sad to note that no part of the country is exempted from poverty, however, severe poverty is experienced also in the southern regions though below that of the northern region. Lack of formal education, large household size, living in rural areas and pursuing an agriculture based livelihood are strongly associated with poverty. The head count measure of poverty in Nigeria declined from 43 to 34 percent between 1985 and 1992, primarily due to a 34 percent between 1985 per capita household expenditures. The benefits of growth were not shared throughout the country. It is therefore clear that given the rich natural resources, the level of poverty in Nigeria is still remarkably high. The finding of National Bureau of Statistics (2005) using standard survey 2004 revealed the various nature, dimension, and characteristics of the poor. The report provided an avalanche of evidences on some poverty measurement techniques and dimension; Relative poverty increased sharply between 1992 and 1996, but between 1996 and 2004 the relative poverty dropped from 65.6 percent to 54.4 representing 11.2 percent decline over the period. The disaggregation by sector showed a sharper decline in the urban areas from 58.2 to 43.2 which represented a decline from 69.8 percent in 1996 to 63.3 percent in 2004 representing 6.5 percent decline.

Under the objective poverty (food energy intake) , a 2003/2004 survey revealed that the national incidence of poverty using food consumption of 2900 calories limit was 36.6 percent but when disaggregated by sector gave 26.5 percent and 44.1 percent for urban and rural areas respectively. The national incidence of poverty combining food consumption of 2900 calories with a component of non-food was 54.7 percent. Further sectoral disaggregation showed urban poverty rate of 43.1 percent and 63. 8 percent for rural areas. Usage of Adjusted Dollar per day; the dollar per day gave a national poverty incidence of 51.6 percent. The urban poverty incidence was 40.1 compared with rural poverty of 60.6 percent.

The subjective measure of poverty, which was a self-assessment, indicated a national incidence of poverty of 75.5 percent, which disaggregated into 70.7 percent for urban areas and 79.2percent for rural areas. This measure generally increased poverty results because it is based on perception of the people.

Human Development Dimension of poverty. The status of health is a strong indicator of Human Development and also serves as indicator for poverty. The survey result revealed that about 8.0 percent of the population consulted health care providers because of low level of sensitization, poor facilities and high cost of services. The quintile analysis showed that about a quarter 25.56 percent of the population in the first quintile (least poor) consulted medical doctors. While data on Nigeria's poverty over time remains scattered, evidence abound that Nigeria's poverty levels has actually increased.

2.1.8.1 Poverty Trends in Nigeria

Year	Poverty Rate	Estimated Population
1992	42.7	65m
1996	65.6	102.3m
2004	54.4	126.3m
2007	64.4	142m
2011	69	158.01m

Source: Nwuobi (2004) UNDP 1996, 2009, 2010 and 2011).

Above table shows the trend of poverty in Nigeria from 1992 to 2011. According to UNDP Human Development Report 2009-2011, more than 69% of Nigerians live below the poverty line (about 109 million people).The trend of poverty has been an upward one, the number of Nigerians living below the line have remained on the increasing trend.

Three level of poverty are adduced from Nigerians. The first level are those who are poor but do not give in to being poor. For this group, they struggle some times by all means possible to find ways of keeping their bodies and souls together. They are not limited to those that beg on the streets, those not being able to feed three square meals per day, those unable to cater for their children in terms of education, health and shelter and those that are incarcerated for trivial offences. The second group are those who are not poor but disguised themselves to be equal to the poor. This group is made up of the insatiable greedy minds that will refuse to pay a labourer his paltry wage upon the abundance they swim in. They compete to be the greatest in wealth amassment which arithmetically translates to impoverishing more Nigerians. Some of these people may be gathering the fortunes of a quarter of the entire population of Nigeria. They are the greater problems of this country in that they do not allow any government intervention to get to the core poor, they direct or corner them into their own use. They are not limited to some politicians, including harlots and sycophants, some businessmen and women, hardened criminals who are involved in bank robbery, pen robbery, 419ners, arm smuggling, kidnapping, bunkering and human trafficking. The third group are those who are actually neither rich nor poor and accept what they are. This group contains an insignificant number of Nigerian.

Poverty manifests in every behaviour of a poor man from the way he eats to the way he accepts things and rescind to fate. A look at the crime rate of this country shows poverty at work.

Poverty Rates in Nigeria by Geopolitical Zones

North West	72.2%
North East	71.2%
North Central	67%
South East	26.7%
South South	35.1%
South west	43.1%

Source: National Bureau of Statistics 2010

From the above table, it could be seen that poverty is more prevalent in Northern than in southern Nigeria.

2.1.12. POVERTY AND THE NIGERIAN ECONOMY.

Poverty in Nigeria has remained significant despite the acclaimed economic growth. Poverty still remains significant at 33.1 percent in Nigeria despite the massive wealth and huge population to support commerce, the level of poverty remains a huge set back to the development of the economy. This condition can be traced to factors such as: income inequality, political instability and corruption. Poverty has taken a toll on some key factors of human development in Nigeria. We intend to review this in the subsequent section.

Education

Education in Nigeria is being challenged by poverty like in many other sub-Saharan African countries. A lot of children in the school age roam the streets hawking sachet water and food items just because their parents could not afford the cost of sending them to school. About 10.5 million Nigerian children are currently out of school and this does not present a future for this country. Even when government promise of tuition free education, the cost of providing the necessary aids to support conducive learning is almost impossible. Nigeria education contends with poverty on every sphere because due to the level of impoverishment, feeding is the primary problem of every home. Therefore the children are sent out to go and bring in their quota to the family's welfare / upkeep.

Health

One of the most severe effects of poverty is the health effects that is almost always present. This is as a result of the inability on the poor to maintain a healthy living environment. They are usually lacking in good nutritious foods which would help the body build defence against invading foreign bodies. This exposes such individuals to constant illness. Sanitary conditions are usually very low increasing the chances of contacting diseases. The most unfortunate is that when these diseases are contacted the poor cannot afford to access proper and quality health care services. The most common effect of poverty is malnutrition .This is seen in children of poor families. People living in poverty rarely have access to highly nutritious foods. Even if they have, it is unlikely that they are able to purchase them.

Life Expectancy

Life Expectancy and child mortality are offspring of poverty. Statistics have shown that life expectancy in poor nations is up to 30 years below that of wealthy nations. Child mortality is shockingly high in poor countries up to 13.5 percent of children die before age 5 in poor countries. Some African nations have a child mortality rate of up 20 percent

2.1.10 Poverty Alleviation attempts in Nigeria

According to Ogwumike (2001) Nigeria has witnessed three (3) eras of poverty reduction /alleviation. These are the Pre-SAP Era, SAP era and the democratic Era. In the pre-SAP era, the poverty alleviation measures that were applied were operation feed the Nation, the establishment of River Basin Development authorities , Agricultural development programmes, Agricultural Credit Guarantee Scheme and the Green Revolution.

In the SAP era, it was better life programme. The establishment of the people's bank and community banks, the family support programme, Directorate for Food, Roads and Rural infrastructures (DIFFRI) the National Directorate of Employment (NDE) and Family Economic Advancement Programme (FEAP).

The Democratic era witnessed the introduction of the poverty Alleviation Programmes (PAP) which had as its major focus the provision of employment and empowerment to 200,000 people all over the country. It was also aimed at inculcating and encouraging better attitude towards maintenance culture on high ways, urban and rural roads as well as public buildings. Due to delay in achieving the above mandate, in 2001 the PAP was phased out and fused into the newly created National Poverty Eradication Programme (NAPEP) which stemmed from the National Economic Empowerment and Development Strategy (NEEDS).

The NAPEP serves as the secretariat of the National Poverty Eradication Council (NAPEC) the apex body that is responsible for the formulation of policies on poverty in the country. The main objective of NAPEP was to reduce to a reasonable extent the number of poor people in Nigeria by the year 2010 in line with the United Nations Millennium Development Goals (MDG) of reducing to half the proportion of people living in poverty by the year 2015.

NAPEP Designed the following programmes to achieve the above mandate.

a) Youth Empowerment Scheme (YES) b) Capacity Enhancement Scheme (CES)
c) Community Enlightenment and Sensitization Scheme (COMESS). d) Social Welfare Service Scheme (SOWESS)
e) Rural infrastructure Development Scheme (RIDS) f) Natural Resources Development and Conservative Scheme (NRDCS) .g) Youth Empowerment Scheme (YES):

This programme aimed at reducing the number of youths that are unemployed through capacity acquisition programme which created avenue for youths to acquire skills with which they can establish businesses of their own. At the completion of the programme NAPEP provided each participant with start-up capital.

Capacity Enhancement Scheme: The scheme was designed for people who have already acquired but need additional resources to pull them up and ensure wealth creation. Through CES, beneficiaries are provided with credit, information and tools/equipment that may be needed for their trade, occupation or businesses.

Keke-NAPEP: This was the star programme of NAPEP as it brought the activities of NAPEP to the limelight. In this programme, a beneficiary purchases at a significantly discount a 3-wheel passenger vehicle, which he/she must operate for business. Beneficiaries attend various seminars and workshops that may be required by NAPEP to strengthen their capacity in the ownership, operation and management of a small scale transport enterprise.

The above programmes and others have been pursued by NAPEP to eradicate extreme poverty in Nigeria. Unfortunately, as noble as the intentions of government were towards tackling the menace of poverty, certain factors militate against them. Collier (2003) maintained that certain factors have contributed to the failure of NAPEP among which are lack of proper targeting mechanism for the poor and the fact that most of the programmes do not focus directly on the poor; political and policy inconsistency and instability which resulted in each institution carrying out its own activities with resultant duplication of efforts and inefficient use of limited resources. Also, there has been overlapping functions which ultimately led to institutional rivalry and conflicts. Antai (2007) added that severe budgetary, management and governance problems have afflicted most of the programmes resulting in facilities not being completed, broken down and abandoned. Lack of accountability and transparency made the programme serve as conduit pipes for draining national resources. Over extended scope of activities of most institutions resulted in resources being overstretched and spread too thinly on too many projects.

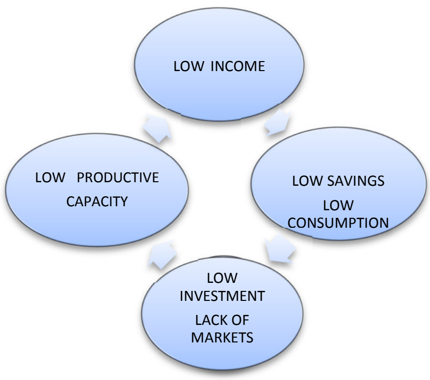
2.2 THEORITICAL FRAMEWORK ON POVERTY

Several theories have been postulated to help explain the concept of poverty .This includes the conflict Structuralism or Marxist theory, the Individualistic theory and the Necessity Theory on Poverty .Others are the evolutionist theory, the Capitalist Entrepreneurial theory, the Individual Attributes theory, the capitalist entrepreneurial theory, the individual attributes theory, the natural circumstantial theory, the power theory and Nurkses theory of poverty.

From the above array of theories, one can say with certainty, that each of them is correct judging from the perspective it is coming from , but we will pulse to state here too that, none of them is a cap that fits all shades and levels of poverty in Nigeria. For the purpose of our present study, we intend to build our model from the Nurkeses theory of poverty

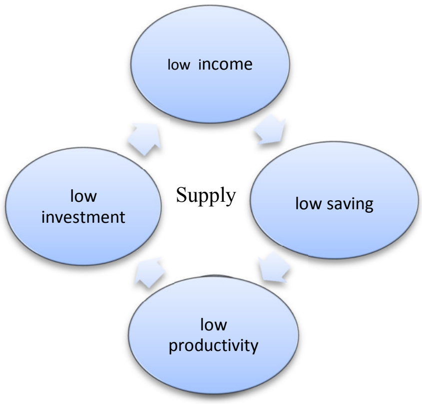
2.2.1 The Nurkse's Vicious Circle of Poverty

According to Nurkse'(1953), a society is poor because it is poor. He maintained that a society with low income has low levels of savings and low levels of consumption. The low level of savings translates into low investments, while the low levels of consumption means that, there is not enough market to induce investment, that is, even if capital for investment was made available. This low investment in turn means little ability of the society to expand its productive capacity or transform the quality of the productive forces as a whole. This finally leads to continuation of low incomes in the economy and thus a vicious circle of poverty. According to Nurkse, one of the most prominent reasons why the third world or backward countries like Nigeria have been prevented from enjoying the stimulating effects of the manufacturing industry is not the exploitative nature of foreign capitalists and their exclusive concern with raw material supplies but merely the limitation of the domestic market for locally manufactured products. See figure four below:



Nurkse maintained that there are two sides to the vicious circle of poverty; the supply and demand side. On the supply side there is small capacity to save resulting from low level of national income. The low real income is a reflection of low productivity, which in turn is due largely to the lack of capital. The lack of capital is a result of small capacity to save and so the circle is complete. See the figure below:

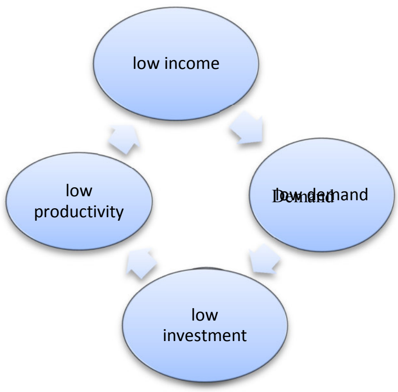
The supply side of vicious circle of poverty.



In a third world country like Nigeria, majority of the farmers are poor. Their income is very low because they are engaged in subsistence farming. The method of farming are semi crude, the productivity of labour is low due to unskilled labour, disguised unemployment and immobility of labour. Under such situation, a huge chunk of national product is consumed on consumption purposes. In this way, we lack savings, investment and capital formation. Although, the rich in the society is in a position to save, they spend their savings on luxurious goods instead of savings. They give preference to foreign goods. Thus their demand does not enlarge the size of the local market. Basically, in an economy investment does not depend only on savings, but also on ability and willingness to invest. In third world countries like Nigeria, lack of investment facilities are basically due to low level of demand and patronage. The quantity of investment depends to some extent on the capacity of an entrepreneur as they undertake a lot of risks to set up new industries.

Demand side of the Vicious circle.

According to Nurkse "on the demand side of the vicious circle of poverty", the inducement of investment may be low because of the small purchasing power of the people, which is due to small real income, which again is due to low level of productivity. The level of productivity however is the result of the small amount of capital used in the production process which in turn may be caused or at least partly caused by small inducement to invest.



A major reason why poverty thrives in the poor countries of the world is due to the low level of demand. Consequently, the size of the market remains low. The small size of the market becomes a hurdle in the path of inducement to invest. Thus, the investors do not establish industries on large scale and productivity remains low and so the income. A critical look at this theory will expose in no small measure the reason why poverty persists even in Nigeria. Those who have the resources to invest (like our politicians) will prefer to invest elsewhere, where the market is already developed.

Having highlighted the above theoretical framework ; it behoves of us now to take a look at the empirical frameworks. The essence is to ascertain what previous researchers have done on the subject matter.

2.4 EMPIRICAL REVIEW

Many scholars and researchers have studied the relationship between poverty and economic growth and made meaningful attempts to establish the direction of such relationship. Most of the previous studies seem to conclude that the poverty –growth debate remains unsettled even with this study. Thus, for the sake of brevity; we intend to restrict our review to some of the more recent works.

Osinubi (2005) , did a study on the macro- econometric analysis of economic growth, unemployment and poverty in Nigeria and the steps that need be taken to ensure that growth bring about a decrease in unemployment and poverty rates using annual data series of 1970 to 2000 in a three stage least square analysis, the study showed that there was a high level of poverty in Nigeria and that Unemployment is highly correlated with poverty. However the estimates of the model showed an inverse relationship between poverty level and unemployment rate. He concluded that when people become unemployed in the official sense in Nigeria, many still engage themselves in various types of jobs though on irregular bases which may not be officially regarded as forms of employment. These irregular jobs make many of the workers better-off, increase their quality of life and bring them out of poverty. Some also have working relatives who are well to do enough that they can depend on them for survival and in many cases, their non-poor relatives make them to be better-off and bring them out of poverty.

Tanimu and Saifullahi (2014), in their work titled "Relationship between poverty, inequality and Economic Growth in Nigeria" applied the bound testing approach to co-integration and granger causality test to determine the relationship between poverty, inequality and economic growth in Nigeria, using the secondary time series data in the study from 2000 to2006. In explaining the causal relationship among the variables, the result showed that there is a unidirectional causal relationship running from (RGDP) Real Gross Domestic Product) to poverty; which means that an increase in GDP in Nigeria did not lead to reduction in poverty. In addition, the result revealed that the real GDP Granger causes the literacy level without a feedback. The result further infers that a bidirectional causal relationship existed between literacy and poverty. The study also indicated that population growth Granger can increase illiteracy without feedback while unidirectional causality exists between poverty and population. The policy implication of this is that demand management policies aimed at reducing the Gap between the rich and the poor should be vigorously and vehemently pursued in order to minimize the rate of lingering inequality in Nigeria and spur institutional change that will bring about betterment of the Nigerian masses.

More so, concerted effort is needed to strengthen small and medium enterprises through tax holidays, access to finance and temporary protection so that more employment would be generated which in turn will reduce poverty and inequality.

Muhammad et al (2011) examined the role played by unemployment in the making of Nigeria Gross Domestic Product (GDP) for a period of nine years (2000-2008) using ordinary least square. The result of study showed that, unemployment and poverty have enormous effect (over 65 percent) on the making of the Nigeria GDP and that there exist an inverse relationship between poverty, unemployment and the GDP.

Evelyn Iyoko((2011), in her work "Investigating the implications of unemployment for poverty reduction in Nigeria"; posits that majority of the poor in our society have no jobs or secured sources of income, resulting in a two-way causation between poverty and unemployment, the study examined the challenges confronting the realization of the goals of poverty and unemployment reduction in Nigeria. The Nigerian data on unemployment ratio, poverty (head-count), and other macro-economic variables were used for the period 1980-2010 in an auto-regressive distributed lag model with the two-stage least square method of estimation. The study found out that there exists negative bidirectional (feedback) and a statistical significant impact between the two variables. The lag of poverty had a positive insignificant impact on unemployment contrary to the lag of unemployment on poverty and manufacturing index proved to have a greater impact on the reduction of poverty and unemployment while agriculture showed otherwise. The paper suggested imbibing some sketched contours which include revitalizing the agricultural sector, enhancing the growth in the manufacturing sector and human capital development.

Yusuf et al (2012) in their study on the relationship between corruption, poverty and economic growth in Nigeria, applied the VEC Model with co-integration test using data from 1970-2011 to test the causality relationship between the variables .The result showed a long run relationship between corruption, poverty and economic growth in Nigeria. Evidence from the dynamic economic growth model established a linkage of growth influence on corruption. Their findings strongly suggested a significant reduction in corruption through institutional good governance approach. They found out that, there was significant improvement in the Gross Domestic Product (GDP) within the study period. Their policy recommendation was that; to grow the economy in a more reasonable way, emphasis should be laid on the development of critical sectors that could help to grow the economy both in the short and long terms.

Okoroafor and Nwaeze (2013) did a study on poverty and economic growth in Nigeria for the period 1990 to 2011. Data were sourced from secondary sources and the Ordinary Least Squares (OLS) technique was adopted in this study using a multiple regression model to determine the effect of poverty and discomfort index on the economic growth of Nigeria. Empirical results from the single – equation regression model, though contrary to economic expectations, show a zero – correlation between poverty, discomfort index and economic growth in Nigeria. None of the parameter estimates of Human Development Index (HDI) and Discomfort Index is statically significant in explaining economic growth in Nigeria. This result is attributable to poor attitude of the government towards human capital development and hence, Nigeria is a nation in paradox – wealthy nation, poor people. The paper recommend among others, that government should direct attention towards making human capital development a priority by investing in quality education as well as encouraging entrepreneurship development among Nigerians through small scale business

Finally, Nwagwu (2014), in his study captioned ‘’ Unemployment and Poverty: A link to National Insecurity’’ noted that for a majority of the Nigerian population, the poor people in an affluent society, is enmeshed in the net of poverty. The Nigerian government seems to have failed in its contractual obligation to respect and sustain its social contract with the people. There is a seemingly total collapse of social security, increase in unemployment rate and consequently inbreed of youth restiveness. This study was set out to investigate the relationship between unemployment, poverty and insecurity of lives and properties in the country. The primary objective of the research was to ascertain whether the increased wave of violence in Nigeria is as a result of unemployment and poverty. The study underscores the fact that unemployment and poverty are universal phenomena, not necessarily a peculiar characteristic of any particular segment of the society.

The research revealed that unemployment and poverty have direct link to security challenges in Nigeria. He reiterated the need for a radical reform in the areas of skill acquisition centers, agricultural development scheme for creation of employment opportunities and holistic restructuring of peace, building of mechanisms to curb these social ills and reposition the drifting nation to a more purposeful track.

2.5 STUDY GAP: From the above reviews, it could be said that most of the research efforts were geared towards ascertaining the effects of poverty on economic growth and development. In our present study, we intend to be different. Our interest , lies more on causal factors of poverty as opposed to its effects. That is a study gap we intend to fill,.

RESEARCH METHODOLOGY

This work drew some inspiration from Nurkes vicious circle of poverty theory that was postulated in 1953. This theory expresses the circular relationships that afflict both the demand and supply side of capital formation in economically backward states. According to Nurkse, a society is poor because it is poor. He maintained that a society with low income has low levels of savings and low levels of consumption. The low level of savings translates into low investments, while the low levels of consumption means that, there is not enough market to induce investment, that is, even if capital for investment was made available. This low investment in turn means little ability of the society to expand its productive capacity or transform the quality of the productive forces as a whole. This finally leads to continuation of low incomes in the economy and thus a vicious circle of poverty. Thus, a model could be couched out of this theory thus:

1) From the supply side of the theory:

»Vicious circle of poverty » Low investments » low income » low savings » low productivity

2) From the demand side of the theory:

»Vicious circle of poverty » Low investments » low income » low demand » low productivity»

3) Combining the two sides of the theory thus:

»Vicious circle of poverty » Low investments » low income » low savings » low demand » Low productivity»

Put in the format of an equation:

Vicious circle of poverty= *f* (Low investments » low income » low savings » low demand » Low productivity)

To derive a mathematical notation, we will ascribe proxies to the variables thus:

- Let the “vicious circle of poverty” be represented by poverty index and with the notation: “PI”
- Let “Investments be represented by “Gross Fixed Capital Formation” and with the notation : “GFCF”
- Let “Income” be represented by “National Income per Capita)” and with the notation : “NI_{PC}”
- Let “Savings ” be represented by “National Savings per Capita)” and with the notation :” NS_{PC}”
- Let “Demand ” be represented by “National Consumption per Capita)” and with the notation : “NC_{PC}” and
- Let “Productivity ” be represented by “ GDP per Capita)” and with the notation : “GDP_{PC}”

  Put in a mathematical form:

  $PI = F\,(GFCF, NI_{PC}, NS_{PC}\ NC_{PC}\ GDP_{PC})$ And as an equation: $PI = F\,(GFCF + NI_{PC} + NS_{PC} + NC_{PC} + GDP_{PC}) + e$

And as a model **:** $\mathbf{PI = F\,(a_o + a_1GFCF + a_2NI_{PC} + a_3NS_{PC} + a_4NC_{PC} + a_5GDP_{PC}) + e}$ **....Eq 1**

3.5.1 SPECIFICATION OF MODELS

Thus our model is given as: $\mathbf{PI = F\,(a_o + a_1GFCF + a_2NI_{PC} + a_3NS_{PC} + a_4NC_{PC} + a_5GDP_{PC})} + e$ ....Eq 1

3.5.2 JUSTIFICATION OF THE CHOSEN VARIABLES:

Poverty Index (PI) is a composite index which assesses three elements of deprivation in a country. They are longevity, knowledge and a decent standard of living. Longevity here is defined as the probability of not surviving to the age of 40.

Knowledge is assessed by looking at the adult literacy rate. Decent standard of living assesses the ability to use improved water source and the percentage of children under-weight for their age.

Gross fixed capital formation (GFCF) , refers to the net increase in physical assets (investments minus disposal of fixed assets) within the measurement period. It does not account for the consumption (depreciation of fixed capital and also does not include land purchases .It is a component of expenditure approach to calculating GDP. According to the World Bank, gross fixed capital formation (Net Investment) is the net amount of fixed capital accumulation. It measures the increase in capital stock less disposal of fixed assets .It excludes purchases and depreciation.

National Income per capita (NI_{PC}), is the measurement of the total output of a country(GDP), divided by the number of people in the country. It shows the relative performance of a country. A rise in NIPC signals growth in the country and tends to reflect an increase in productivity.

National savings per capita (NS_{PC}) refers to the percentage of gross domestic product (GDP), divided by households in a country .It indicates the financial state of and growth of the country , as household savings is the main source of government borrowing to fund public services.

National consumption per capita (NC_{PC}), refers to the average consumption per person within a population.

Gross Domestic product per capita (GDP_{PC}), is a measure of average income per person in a country. It measures a country's output per person .It divides the country's Gross domestic product by its total population.

3.5.3 EXPECTED RESULTS OR APIORI EXPECTATIONS

The coefficient of Gross fixed capital formation (GFCF), National income per capita (NI_{PC}), National c0nsumption per capita (NC_{PC}) and Gross domestic product per capita (GDP_{PC}) are expected to be negatively related to poverty levels in Nigeria. i.e. $a_1, a_2, a_3, a_4, a_5 < 0$. An inverse relationship between poverty and the above variables infers that an increase in the identified variables will bring about a reduction in poverty levels.

3.6 MODEL FORMULATION

Since there are short and long run relationships, mathematically, we present an the drivers of incidence of poverty and the prevailing level of poverty in Nigeria thus:

$$PI = F(a_o + a_1GFCF + a_2NI_{PC} + a_3NS_{PC} + a_4NC_{PC} + a_5GDP_{PC}) + e \text{......Eq 1}$$

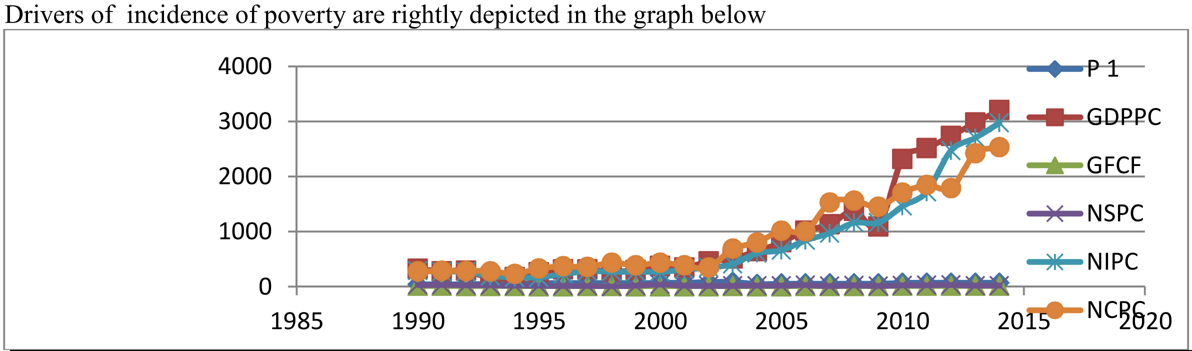
The above equation simply means that, the level of poverty in a given year is a function of the above stated drivers of poverty in that particular year. In the long run, the equation is given as:

$$PI = F(a_o + a_1GFCF + a_2NI_{PC} + a_3NS_{PC} + a_4NC_{PC} + a_5GDP_{PC} + PI_{(t-1)} + PI_{(t-2)}) + e \text{ ....Equation 2}$$

Where; a0 = the intercept parameter, a1----------- a5 (betas) are the regression coefficient or the slope parameter for the various regressors (explanatory variables HDI as stated above. The term, Ut, otherwise called the stochastic term of the regression is introduced to represent the random or unexplained variation encountered in the modelling since in real life which we are trying to mimic through this estimation, chance events do occur which would make our model not to be 100% deterministic.

DATA PRESENTATION AND ANALYSIS

Drivers of incidence of poverty are rightly depicted in the graph below



Source: World Bank (World Bank Development indicators), NBS, and CBN Statistical bulletin (2014)

4.2.1 DATA ESTIMATION

The unit root test is carried out using Augmented Dickey–Fuller test .Here we observed a mixed bag scenario. While GDP_{PC} and NS_{PC} turned stationary at '' first difference'', others were at '' second difference''.

Table 4.2: UNIT ROOT TEST

	Augmented Dickey fuller Test				
Variable	**T-statistics**	**Critical Value@ 1%**	**Critical Value@ 5%**	**Order of Integration**	**Sig.**
PI	-5.42	-3.86	-3.04	2^{nd} Difference	Sig.
GDP_{PC}	-5.34	-3.75	-3.00	1^{st} difference	Sig.
GFCF	-7.43	-3.78	-3.01	2^{nd} Difference	Sig.
NS_{PC}	-6.90	-3.77	-3.00	1^{st} difference	Sig.
NI_{PC}	-5.35	-3.81	-3.02	2^{nd} Difference	Sig.
NC_{PC}	-7.65	-3.78	-3.01	2^{nd} Difference	Sig.

Source: Computed from E-Views version 7. ** Significant at 5%; * Significant at 1%.

INFLUENCE OF DRIVERS OF POVERTY ON INCIDENCES OF POVERTY IN NIGERIA.

Ho_1: There is no significant relationship between the drivers of incidences of poverty and the prevailing level of poverty in Nigeria?

Table 4.3: SUMMARY OF PARAMETER ESTIMATES

Test Statistics	**Model 1 (OLS)**	**Model2(VAR)**
R-Square	0.4920	0.5164
Adjusted R-Square	0.3583	0.2908
S.E of Regression	10.074	9.829
Sum of Squared Residual	1928.54	1449.17
Log Likelihood	-89.794	-80.28
Mean Dependence variance	61.676	63.34
Akaike Information criterion	7.6635	7.68
Schwarz Criterion	7.9569	8.07
F-Statistics	3.68	2.29
Prob-(F-Statistics)	0.016	NA

Source: E-Views version 7.
Where OLS = Ordinary least square model and VAR = Vector Autoregressive model

OLS MODEL FOR SHORT RUN PREDICTION: THE INFLUENCE OF DRIVERS OF POVERTY ON INCIDENCES OF POVERTY IN NIGERIA.

$$\mathbf{PI = 93.55 + 0.04GDP_{PC} - 1.99GFCF - 0.03NC_{PC} - 0.01NIPC - 0.62NS_{PC}}$$

The model posted an R-Square of 49.2%, Adjusted R-Square 35.8%, Standard Error 10.07, Log Likelihood-89.79, Akaike information criterion 7.66 and Schwarz criterion of 7.95

4.3.2. TEST OF MODEL SIGNIFICANCE:

In order to confirm the specification status of our model, we employ the analysis of variance or ANOVA, for short.

DECISION 1: Employing the E-views software, since F-ratio calculated 3.68 greater than F-ratio critical (2.71), at 5% levels of significance. We reject H_0 and conclude thus that ; the drivers of incidence of poverty have a significant relationship with the level of poverty in Nigeria in the short run.

4.3.3 VAR MODEL FOR LONG RUN PREDICTION OF THE DRIVERS OF INCIDENCES OF POVERTY IN NIGERIA.

$$\mathbf{PI = 0.03GDP_{PC} - 0.66GFCF - 0.02NC_{PC} - 0.33NS_{PC} + 0.42P1_{(-1)} + 0.02P1_{(-2)}} \quad \textbf{........Equation 2}$$

The model posted an R-Square of 51.65%, Adjusted R-Square 29.08%, Standard Error 9.83, Log Likelihood-80.28, Akaike information criterion 7.67 and Schwarz criterion of 8.07

4.3.4. TEST OF HYPOTHESES 2 -6

Ho_2 - Ho_6:: There is no significant relationship between low level investments, incomes, savings, productivity and demands on the prevailing level of poverty in Nigeria. Having tested the significance of the model:

$$\mathbf{PI = 93.55 + 0.04GDP_{PC} - 1.99GFCF - 0.03NC_{PC} - 0.01NIPC - 0.62NS_{PC}}$$

We go a step further to test the significance of the drivers of incidences of poverty in Nigeria and its contribution to the total variation in the level of poverty in Nigeria. This is achieved through the student t-test. We refer to the regression result in Table 4.4 below:

Table 4.4: T-STATISTICS FOR SHORT RUN PREDICTION ON THE RELATIONSHIP BETWEEN DRIVERS OF INCIDENCES OF POVERTY AND THE PREVAILING LEVEL OF POVERTY IN NIGERIA.

Variable / Test Statistics	GDP_{PC}	GFCF	NS_{PC}	NI_{PC}	NC_{PC}
Coefficient of the variable	0.04	-1.99	-0.613	-0.011	-0.03
Standard Error	0.013	0.8333	0.2834	0.013	0.011
T-Statistics calculated	3.08	-2.38	-2.16	-0.88	-2.63
T-Statistics Tabulated@1%	4.10	4.10	4.10	4.10	4.10
T-Statistics Tabulated@5%	2.71	2.71	2.71	2.71	2.71
Significance	Sig at 5%	Not Sig	Not Sig.	Not Sig.	Not sig.

Source: E-Views version 7. ** Significant at 5%; * Significant at 1%

The above table shows that Gross Domestic Product per capita (GDP_{PC}) proved to have positive significant relationship with the level of poverty in Nigeria at 5% Alpha level in the short run, while Gross fixed capital formation (GFCF), National savings per capita (NS_{PC}), National Income per capita(NI_{PC}) and National consumption per capita (NC_{PC}), all has an inverse relationship with the prevailing level of poverty in Nigeria, though not statistically significant. The resulting estimated model for Nigeria in the short run is given as:

PI = 0.04GDPPC – 1.99GFCF-0.003-0.012NIPC – 0.613NCPC...**Equation 4.1**

Equation 4.1 shows that the Alpha coefficient of GDP_{PC} is 0.04. This implies that there is a positive relationship between Gross domestic product per capita and the level of poverty in Nigeria. This is so, as most individuals are unemployed, and productive output is quite low, thus the desired effort is not being made at curbing the high incidence of poverty in Nigeria. While there is an inverse relationship between Gross fixed capital formation (GFCF), National savings per capita (NS_{PC}), National consumption per capita (NC_{PC}), National income per capita (NI_{PC}) and the incidences of poverty in Nigeria. The implication of this result is that a 1 unit decrease in Gross fixed capital formation (GFCF), National savings per capita (NS_{PC}), National consumption per capita (NC_{PC}) and National income per capita (NI_{PC}) leads to 1.99 unit in poverty levels........et etc; all things being equal. Next, is to ascertain the impact of drivers of incidences of poverty in Nigeria in the long run.

Table 4.5: T-STATISTICS FOR LONG RUN PREDICTION ON THE RELATIONSHIP BETWEEN THE DRIVERS OF INCIDENCES OF POVERTY AND THE LEVEL OF POVERTY IN NIGERIA

variable / Test Statistics	GDP_{PC}	GFCF	NS_{PC}	NI_{PC}	NC_{PC}	$PI_{(t-1)}$	$PI_{(t-2)}$
Coefficient of the Variable	0.028	-0.67	-0.33	-0.01	-0.01	0.42	0.019
Standard Error	0.014	1.22	0.32	0.013	0.013	0.23	0.26
T-Statistics Calculated	0.028	0.55	-1.04	-0.97	-1.54	1.77	0.77
T-Statistics Tabulated@1%	3.84	3.84	3.84	3.84	3.84	3.84	3.84
T-Statistics Tabulated@5%	2.58	2.58	2.58	2.58	2.58	2.58	2.58
Significance	Not sig	Not sig	Not sig	Not sig	Not sig	Not sig	Not sig

Source: E-Views version 7.

Table 4.5 shows that Gross domestic product per capita (GDP_{PC}) and the lagged value of (PI) in period one and two had a positive relationship with the prevailing level of poverty in the long run, while Gross fixed capital formation (GFCF); National savings per capita (NSPC), National income per capita (NIPC) and National consumption per capita (NCPC), all had an inverse relationship with poverty, though not statistically significant. The resulting estimated model in the long run is given thus: **PI = 50.22 + 0.028GDP_{PC} -0.67 GFCF – 0.33NS_{PC} – 0.01NC_{PC} -0.01NI_{PC} + 0.42 $PI_{(-1)}$ + 0.019$PI_{(-2)}$ ..Equation 4.2**

Equation 4.2 shows that, the Beta coefficient of $GDP_{PC,}$ GFCF, NS_{PC} ,NC_{PC} , $NI_{PC,}$ $PI_{(-1)}$ and $PI_{(-2)}$ are 0.028, -0.67, -0.33, -0.01, -0.01 , 0.42, and 0.19 respectively**.** This implies that, while there exists a positive relationship between GDP_{PC} , $PI_{(-1)}$, $PI_{(-2)}$ and PI; there a negative relationship between GFCF ,NC_{PC} , $NI_{PC,}$ NS_{PC} and PI in the long run. The implication of this result is that a unit increase in GFCF leads to 0.67 points decrease in PI ; …….etc, etc; all things being equal

DECISION 2 : Since F-ratio calculated (2.29) is less than F-ratio critical at both 1% and 5% levels of significance i.e. at (3.84, 2.58) respectively; thus we accept H_{01} and conclude that, the drivers of incidences of poverty in Nigeria have no significant level of relationship with the level of poverty in Nigeria in the long run.

4.4. CO- INTEGRATION TESTS

The tests below strongly reject the null hypothesis of no co integration .i.e. no long run relationship between the dependent and the independent variables in favour of at least 2 co-integrating vectors for the trace and Max–Eigen value tests respectively.

Table 4.14 - JOHANSEN CO-INTEGRATION TEST

Trace test					Max Eigen value test				
Hypothesized No. of CEs	**Eigen value**	**Trace Stats**	**0.05 Critical value**	**Prob****	**Hypothesized No. of CEs**	**Eigen value**	**Max-Eigen Stats**	**0.05 Critical value**	**Prob****
None *	0.953464	151.9289	95.75366	0.0000	None *	0.953464	61.35050	40.07	0.0001
At most 1 *	0.916404	90.57842	69.81889	0.0005	At most 1 *	0.916404	49.63516	33.88	0.0003
At most 2	0.689360	40.94326	47.85613	0.1905	At most 2	0.689360	23.38243	27.58	0.1577
At most 3	0.389601	17.56083	29.79707	0.5986	At most 3	0.389601	9.872835	21.13	0.7565
At most 4	0.241095	7.687993	15.49471	0.4993	At most 4	0.241095	5.517571	14.26	0.6756
At most 5	0.102840	2.170422	3.841466	0.1407	At most 5	0.102840	2.170422	3.84	0.1407
Trace test indicates 2 co-integrating equations at the 0.05 level * denotes rejection of the hypothesis at the 0.05 level						Max-eigenvalue test indicates 2 co-integrating equation(s) at the 0.05 level * denotes rejection of the hypothesis at the 0.05 level			

Source: E-view statistical package- version 7

4.5. DISCUSSION OF RESULTS:

In this section, we will discuss the findings of study in relation to previous studies on subject matter.

In our present study, it was ascertained that National savings per capita (NS_{PC}), National income per capita (N_{IPC}) and National consumption per capita (NC_{PC}) had an inverse relationship with poverty, though not statistically significant.

Osundina and osundina(2009), opined that savings has a positive and significant effect on investment in Nigeria, investment has a positive but insignificant effect on economic growth while savings has a positive and significant effect on economic growth in Nigeria.

Nwachukwu and Odigie (2009), reiterated that saving rate rises with both the growth rate of disposable income and the real interest rate on bank deposits. Public saving seems not to crowd out private saving; suggesting that government policies aimed at improving the fiscal balance has the potential of bringing about a substantial increase in the national saving rate.

In our present study, it was ascertained that the level of productivity per head and investments are very low and poverty inducing i.e. the level of gross domestic product per capita and gross fixed capital formation encourages poverty in Nigeria. This was in tandem with the earlier works of Tushar Seth (2015), where he adduced the following reasons for low capital formation in underdeveloped countries. This includes domestic savings are very small, dearth of daring, honest and dynamic entrepreneurs who should perform the task of making investment and bearing risks and the Inducement to invest is very weak.

This study also ascertained that in the long run Gross domestic product per capita (GDP_{PC}); had a positive relationship with the prevailing level of poverty in the long run, though not statistically significant. What this simply means is that our individual outputs are low and poverty inducing. It was also ascertained that, Gross fixed capital formation(GFCF) maintained a negative but not significant relationship with the prevailing level of poverty in Nigeria. This position corroborates the earlier works of Adekunle (2012), where he posit that the rate of investment does not assist the rate of growth of per capital GDP in Nigeria. Simply put, investments have not translated into capital formation and has not aided growth in Nigeria.

Abiola and Egbulawo(2007) in their study affirmed that there is a positive relationship between savings and investment. It also confirms the existence of a positive relationship between Investment and economic growth, while our present study has made us to understand that as national savings per capita increases , the prevailing level of poverty in Nigeria decreases.

Lastly, Linda Richard (2013) in her study on the relationship between income and expenditure asserted that when disposable income rises, consumption increases. The fraction of each dollar spent is the marginal propensity to consume. Consumption may exceed disposable income for low-income individuals. As the disposable income increases, the average propensity to consume falls. In other words, the consumer spends a smaller percentage of the extra dollars. Consumption increases with increased income, but short-term increases affect consumption less than long-term increases. For an income increase of a year or less duration, consumers tend to change spending habits less than for permanent increases in income. Our present study affirms that National savings per capita (NS_{PC}), National income per capita (NI_{PC}) and National consumption per capita (NC_{PC}) has an inverse relationship with poverty, though not statistically significant. The implication of this result is that an increment in the level of National savings per capita, National income per capita and National consumption per capita will bring about a decrease in the prevailing level of poverty in Nigeria .

5.0 SUMMARY, CONCLUSION AND RECOMMENDATIONS

The above array of tests was able to produce the following results:

- Results of the unit root test indicate a mixed bag scenario. While GDP_{PC} and NS_{PC} turned stationary at

''1st difference'', other variables namely GFCF, NI_{PC}, NC_{PC} and PI turned stationary at '' 2nd difference''

- Drivers of incidences of poverty have a significant relationship with the prevailing level of poverty in Nigeria in the short run but that was not the case in the long run.
- Gross Domestic Product per capita (GDP_{PC}) proved to have positive significant relationship with the level of poverty in Nigeria at both 1% and 5% Alpha levels in the short run, while Gross fixed capital formation (GFCF), National savings per capita (NS_{PC}) and National consumption per capita (NCPC) has a significant inverse relationship with the prevailing level of poverty in Nigeria.
- Though National Income per capita (NI_{PC}) has an inverse relationship with the level of poverty in Nigeria, the relationship was not statistically significant.
- This study also ascertained that in the long run Gross domestic product per capita (GDP_{PC}), lagged value of (PI) in periods one and two had a positive relationship with the prevailing level of poverty in the long run, while Gross fixed capital formation(GFCF), National savings per capita (NS_{PC}), National income per capita (NI_{PC}) and National consumption per capita (NC_{PC}) had an inverse relationship with poverty, though not statistically significant.
- The implication of above result is that an increment in the level of Gross fixed capital formation(GFCF),National savings per capita, National income per capita and National consumption per capita will bring about a decrease in the prevailing level of poverty in Nigeria.
- The above result infers that the level of gross domestic product per capita encourages poverty in Nigeria. What this simply means is that our level of productivity per head is low and poverty inducing.
- Lastly, the lagged value of poverty index (for the first and second lags) is positively related to poverty. This is a pointer to the fact that the level of poverty in Nigeria is helping to perpetuate poverty in the land.

5.2 Conclusion

Several policies and fights against poverty have failed in Nigeria as a result of failures to link poverty reduction policies with employment and wealth creation strategies, equitable income and opportunity distribution. Others include the inability of such policies to link up with key set of complimentary infrastructures, engaging the rich and the poor in the poverty fighting efforts, non engagement of micro and macro agents operating in the economic space and the inability of the poor to regard poverty escape as personal decisions to make. These defective approaches are briefly discussed below:

- There is no way poverty can meaningfully and sustainably be addressed without engaging in wealth creation. In other words, poverty and wealth creation are not stand alone issues as contemporary analysis and policies tend to make them. The fate of both the poor and the rich are integrally linked in any market economy and thus it is particularly true as the world is becoming increasingly globalized.
- Failure to link poverty reduction measures to employment creation is perhaps one of the most conspicuous disconnect. There is no way any poor man can substantially get out of poverty , no matter how broadly defined , without having a means of livelihood, which is employment.
- Poverty reduction and wealth creation cannot occur in a society without peace. One of the societal elements disturbing the peace of nations is an entrenched sense of inequality either in income distribution or opportunity distribution or both. Thus, a realistic poverty reduction effort must mainstream distributional strategies into the plan.
- key complementary infrastructures need to be put in place as basic amenities are still lacking.
- Given the continuum along which poverty and wealth are situated, any realistic strategy has to engage the interest of the two groups on a voluntary basis. In modern development parlance, poverty fighting and wealth creation efforts must be seen as complimentary and participatory process engaging the interest of both the rich and the poor .This is so because the fate of each group is linked to the other.
- Since the concept of Macro is an aggregation of the Micro, the expected macro behaviour must be consistent with the behaviour of the micro agents. Most contemporary macro policies fail because of the failure to recognize, let alone establish a linkage between micro and macro behavioural pattern.
- The erroneous belief that provision of jobs is the sole prerogative of government had stifled the self help motivation and the entrepreneurial drives of the poor while the rich are not oblivious of the transient nature of wealth unless self motivated efforts are not made to continuously sustain such wealth.
- Lastly, there is a need to reiterate that, the present trend of poverty alleviation programs involving the procurement and distribution of a significantly discounted 3-wheel passenger vehicles to the unemployed youths are not enough. These are mere palliatives ! It goes beyond this as there are underlying and basic fundamental issues that need be addressed

5.3 Recommendations

Nigerian poverty challenge is a major economic war and to win such a war, it requires fighting the battles on several fronts and by different stakeholders.

This study reviewed some drivers of incidences of poverty in Nigeria; and true to the apriori expectations; Gross fixed capital formation (GFCF), National savings per capita (NS_{PC}) and National consumption per capita (NC_{PC}) has a significant inverse relationship with the prevailing level of poverty in Nigeria in the short run. In the long run, National savings per capita (NS_{PC}), National income per capita (NI_{PC}) and National consumption per capita (NCPC) were found to have an inverse relationship with poverty.

Now that we have ascertained empirically the drivers of poverty in Nigeria, it is expedient that, we tackle them headlong. It is recommended that we break the vicious circle of poverty in Nigeria. This we can do by:

- Engaging in an investment–led poverty reducing employment paradigm. There is need to create employment for the teaming unemployed but knowledgeable youths. A fight against unemployment is a fight in the right direction towards eradicating low incomes and by extension poverty.
- The workforce will need to earn a living wage. A meaningfully employed person is expected to have some level of savings. This could be set aside for a rainy day, for commercial or for speculative purposes.
- Productivity is another issue impeding moving up the wealth ladder .At both the individual and national level is the loss of productivity. One of the conditions undermining productivity in Nigeria is the dethronement of meritocracy and enthronement of mediocrity. Whenever/ wherever this process upholds, progress is stalled and economic progress along with wealth creation suffers.
- There is also a need to build an effective and efficient labour force. Performance management system is slack and lacks focus in Nigeria. It is necessary to institutionalize a performance management system in order to ensure an effective and efficient service delivery. It is when services are delivered as envisaged in any investment move that poverty can be reduced and wealth created. Our abysmal low level of productivity is an open window for poverty to thrive in the land.
- Nigeria must be self sustaining in food production.
- Macroeconomic stability is also a critical condition for exiting poverty through creation of employment and wealth.
- Nigerians need to invest more in order to increase their low level of fixed capital formation. This in turn is expected to enhance her economic and growth potentials.
- Nigerians are expected to be discreet in their consumption pattern. A situation where we have a penchant for imported goods is not a healthy attribute. In most cases, this has crowded out our local produce. We should produce more to consume more.
- To find an exit path out of poverty; there is need to acknowledge that poverty actually exists in the land. Our leaders live in denial of the prevailing poverty situation. In most cases, escape responsibility and shift it to others that cannot solve it and so the poverty situation remains unresolved.
- Lastly, it is only when the different stakeholders at personal, community, state and national levels decide to confront the drivers and incidences of poverty in the land that we can all in unison say **"Goodbye to poverty and welcome to an enduring growth path and economic development in Nigeria.**

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