

Strategic Development Plan and Inequality Reduction in Nigeria

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Abstract

This paper attempts to diagnose the strategic development plan and its resultant effects on inequality reduction in Nigeria. Having heavily relied on secondary methods of data collection, it will examine the objectives, problems and the relevant programmes of strategic development plan and how long it has gone to reduce the chronic inequality in Nigeria.

This paper consequently concludes that the strategic development plan inequality in Nigeria has done little to reduce economic, social and political inequality in Nigeria. It will therefore suggest that more need to be done to ensure the success of the plan in reducing inequality in Nigeria ecosystem.

Key words: Development; Strategy; Programmes; Plan and inequality

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INTRODUCTION

It should be properly understood as students or intending practitioners of public administration that Nigeria has one of the greatest development potentials in Africa given the immensity of her resources most especially the human resource endowment. However, in spite of her ample resources, Nigeria is still one of the countries with the widest inequality in the world. On the basis of pervasive economic crisis, Nigeria is unable to close the

ever-widening inequality gap between the 'haves' and the 'have-nots' due to the inability to improve the standard of living among its citizens.

The narratives of growing inequality in Nigeria have led to various findings and researches into what actually reinforced the social and economic disparities in the country. Obviously, some notable research evidence exists on rising inequality in Nigeria. In furtherance of our explanation on the rising inequality in Nigeria, it is important to understand that despite the growth in the Nigerian economy which is being driven by non-oil sectors, inequality has uncontrollably continued to rise. Notably, the main challenge of the widening inequality in Nigeria actually signifies that only about ten per cent of the population in Nigeria enjoys the benefit of economic growth. The most worrisome part is that growth in Nigeria is unequal in diverse socioeconomic aspects; hence, inequality is high and rising.

However, Nigerian Gross Domestic Product coefficient has declined from about 0.38 to 0.48 which is where we are today. The absence of social, economic and political inclusion in the political system is highly exceptional. Nigeria is growing, but just the small percent of the population has been able to capture most of this growth for their personal aggrandizement. In Nigeria, it is clear that the top 10 percent of the population is capturing most of the economic growth and the remaining people at the bottom are being left behind. Inequality is highly concentrated in both the urban and rural regions of the country. A small powerful segment of the population (politicians, captains of industry and former militants to mention a few) who either enjoy alliance with the ruling classes or have access to government contracts and revenues has grown spectacularly wealthy and powerful with most Nigerians remain chronically poor and held as hostage to the generosity of the wealthy elite.

As a result of power outages, the majority of the poor classes are forced to live in darkness. However, crude oil

provides roughly 87 percent of government revenues, 90 percent of foreign exchange earnings, 96 percent of export revenues, and almost half of Gross Domestic Product. In spite the fact that the Nigerian government takes in about \$50 billion oil revenues annually, more than 90 percent of Nigerians still live on less than \$2 a day and 70 percent live on less than \$1 a day.

In Nigeria, where legitimized corruption has concentrated extreme oil revenue into the hands of a small group of elites, while systematically excluding most of the population access to even the most basic amenities, a great many rely on individuals to fill the safety net, where the state has failed. Those who have no connection to the revenues flowing from the existing government are subjected to an uncertain life of day-to-day struggle for survival. As far as Nigeria is concerned, inequality is rising in both the urban and rural parts of the nation; Almost 100 million Nigerians are still living in abject or extreme poverty.

It is against this backdrop that the Strategic Development Plan strives to reduce the intensifying inequality in Nigeria. It also came to proffer solutions to the some internal and external problems that have contributed to the growth of inequality in Nigeria. The Strategic Development Plan in Nigeria examines the key policy and regulatory measures that have been put in place to prevent those problems of the rising inequality which has become highly phenomena in the country.

1. CONCEPTUAL DEFINITIONS

1.1 Strategic Development Plan

This has been defined various authors and scholars to mean different things. What is important to understand in this work is that Strategic Development Plan in Nigeria actually aims to ensure that the nation is internationally recognised as an outstanding nation in term of sustainable economic growth and development, sociopolitical stability as well as prolonged growth in human development. Strategic development Plan is more focused on maintaining and enhancing a nation's special qualities thereby advocating and promoting delivering high quality programmes aimed at bridging the gap among the citizens.

Therefore, Strategic Development Plan also create a platform for a coherent national development framework that will the nation a resilient place in the context of further growth and development which are vital to the future prosperity of the nation. The Strategic Development Plan sets out a national development strategy which emphasizes existing development commitments and promotes a sustainable pattern of growth. The strategy is usually supported by a framework for service delivery which will promote and secure economic growth and the delivery of development services.

1.2 Inequality

There is no universally acceptable definition of inequality and any attempt to provide one will only lead to chaos and unnecessary debates. It should be noted that the definition of inequality in this work will largely depend on those put forward scholars in the related fields. Hence, according to Perkins, Redelet, Snodgrass, Grills and Roemer (2001), inequality is referred to as relative welfare of different groups.

Distinctively, inequality refers to the existence of disproportional distribution of income and opportunities among the individuals; it equally denotes a situation whereby the share going to rich persons in a country is far greater than that going to poorer persons. The pervasiveness of inequality is largely due to differences in the amount of income derived from ownership of property and to a lesser extent the result of differences in earned income. According to Todaro and Smith (2009), the magnitude and extent of inequality in any country depend on two factors; the average level of national income and the lop-sided income distribution.

2. THE OBJECTIVES OF STRATEGIC DEVELOPMENT PLAN IN NIGERIA

The aims and objectives of sustainable development plan regarding the reduction of inequality include the followings;

- i. Enable growth in the economy by developing prominent economic sectors, acting as the national focus for development and supporting local and rural development.
- ii. Set out a strategy to eradicate or reduce the level of inequality and to enable delivery of development requirements to support inclusive growth and meet basic need and demand of the citizens irrespective of their status and locations.
- iii. Promote the provision of improved infrastructure to enhance growth and development that will improved the standard of living of the citizens.

3. PROBLEM IDENTIFICATION: FACTORS CONTRIBUTING TO INEQUALITY IN NIGERIA

There is no one cause or determinant of inequality. On the contrary, combination of several complex factors contributed to inequality in Nigeria. They include the followings;

- i. Low or negative economic growth,
- ii. Inappropriate or outdated macroeconomic policies,
- iii. Deficiencies in the labour market resulting in limited job growth,
- iv Declined productivity and low wages in the informal

sector, and

v. Inadequacy in human resource development.

Furthermore, some other scholars and researchers in the fields of development studies, economics, public administration and other related fields have also identified some other factors as the causes of inequality in Nigeria. These include the followings;

i. Inadequate access to employment opportunities;

ii. Inadequate physical assets;

iii. Inadequate access to markets;

iv. Destruction of natural resources;

v. Lack of power to participate in design of development programs; and

vi. Inadequate access to assistance for those living at the margin.

The consequences of poverty, there exists general loss of confidence in a society affected by chronic inequality and this actually renders government policies ineffective. Poverty also results in increasing the fragility and vulnerability of members of society to external influences. Furthermore, poverty makes production remain largely subsistence due to lack of capital needed for expansion. Labor becomes intensive and marginal productivity remains low.

4. ASSESSMENT OF STRATEGIC DEVELOPMENT PLANS IN NIGERIA

In reaction to the terrible inequality problems in Nigeria, different programmes have been established by every successive government. The strategic development plan implemented so far in Nigeria has focused more on growth, basic needs and rural development approaches. However, Strategic Development Plan in Nigeria is the means through which the government aims to bridge the inequality gaps and reconstruct the national economy. The high incidence of inequality in the country has made strategic development plan a vital policy option over the years with unstable results.

Several measures taken to checkmate the growing inequality in the country actually started at the inception of Nigeria's statehood. This was actually proposed to be achieved through the adoption of diverse strategic development plans. Simply put, the existing literatures on development in Nigeria have classified government's strategies into two distinct eras which include the Pre-Structural Adjustment Programme Era, and Structural Adjustment Programme Era.

4.1 The Pre-Structural Adjustment Programme Era

During this era, inequality reduction was never direct, government only showed concern for inequality reduction indirectly. For example, the objectives of the first Strategic Development Plan in Nigeria included the development of opportunities in health, employment and education as well

as improvement of access to these opportunities. These objectives, if achieved could no doubt lead to inequality reduction. Similarly, the first Strategic Development Plan, which appeared to be more accurate in the specification of objectives that are associated with inequality reduction, emphasized increase in real income of the average citizen as well as reduction of income inequality, among other things.

During this era's strategic development plans, many of the programmes which were put in place by Nigerian government definitely had positive effects on reducing inequality even though the target population for some of these programmes was not specified explicitly as poor people or communities. The relevant programmes of this Pre-Structural Adjustment Programme Era are usually described as essentially informal and they included the followings:

i. Operation Feed the Nation (OFN);

ii. Free and Compulsory Primary Education (FCPE);

iii. Green Revolution;

iv. Low Cost Housing;

v. River Basin Development Authorities (RBDA);

vi. National Agricultural Land Development Authority (NALDA);

vii. Agricultural Development Program (ADP);

viii. Agricultural Credit Guarantee Scheme;

ix. Strategic Grains Reserves Program (SGRP);

x. Rural Electrification Scheme (RES); and

xi. Rural Banking Program (RBP).

It should be well-understood that some of these programmes were designed to achieve the objectives of reducing inequality through employment generation, enhancement of agricultural output and income, and controlling the tide of rural-urban migration. In spite of some momentous measure of success achieved by some of these programmes, it is regrettable that most of them could not be sustained because as time goes by, many of the programmes failed as a result of diversion from the original focus.

4.2 The Structural Adjustment Program Era

Programmatic effort by government towards the reduction of inequality really began in Nigeria during the era of the Structural Adjustment Program; the severe economic crisis in Nigeria in the early 1980s sharply created a wide income inequality among most of Nigerians. The government thereby embarked on a resolute effort to address the alarming inequality crisis through the adoption of Structural Adjustment Program.

However, the implementation of Structural Adjustment Program further aggravated the conditions of living for many Nigerians especially the poor classes who represent the most vulnerable groups. This made the government to propose and implement many strategic development plans between 1986 and 1993. Also, under the guided deregulation that spanned the period 1993 to 1998, more

plans for strategic development were put in place by government. These programs for strategic development included the followings:

- i. Directorate for Food, Roads and Rural Infrastructure (DFRRI);
- ii. National Directorate of Employment (NDE);
- iii. Better Life Program (BLP);
- iv. People's Bank of Nigeria (PBN);
- v. Community Banks Program;
- vi. Family Support programs (FSP); and
- vii. Family Economic Advancement Program (FEAP).

Nonetheless, most of these strategic development plans suffered the severe setbacks just as the recent government assessment revealed. It found that they all failed due largely to the fact that:

- i. They were mostly not designed to alleviate poverty;
- ii. They lacked a clearly defined policy framework with proper guidelines for poverty alleviation;
- iii. They suffered from polity instability, political interference, policy and macroeconomic dislocations;
- iv. They also lacked continuity;
- v. They are in most cases poorly implemented; and
- vi. They are characterized by corruption on the part of government officials and public servants.

Despite these inequality reduction measures, it can be seen that inequality is consistently increasing in Nigeria, showing the inefficiency of the strategic development plans. The strategic development plans in Nigeria policies have failed to eradicate the widening inequality in Nigeria due to lack of targeting mechanisms for the poor; political and policy instability; inadequate coordination of various programmes; multiple budgetary, management and governance problems; absence of accountability and precision; as well as inadequate machinery for the sustainability of the programmes.

5. IMPLEMENTATION OF STRATEGIC DEVELOPMENT PLAN IN NIGERIA

The implementation of the Strategic Development Plan in Nigeria proceeded with several 'National Consultative Workshops' that allowed for diverse inputs by various stakeholders on thematic areas affecting the implementation of the Strategic Development Plan. These inputs came from the participants at the workshop which included over 200 representatives of carefully drawn from the following:

- i. Federal Ministries, Departments and Agencies (MDAs);
- ii. 36 States of the Federation and the Federal Capital Territory;
- iii. Committee on Strategic Development Plan from the National and State Assemblies;
- iv. Civil Society Organizations (CSOs);
- v. Non-Governmental Organizations (NGOs);

- vi. International Development Partners (IDPs);
- vii. Private Sector Group; and
- viii. The Media.

The National Consultative Workshops also provided an opportunity in which to sensitize the public on the Strategic Development Plan was marked by heightened publicity in the print, electronic and even social media platforms.

The National Consultative Workshop' programme comprised of two general plenary sessions and six parallel thematic technical sessions for eliciting key information on progress and status of Strategic Development Plan implementation by each stakeholder. More so, the Ministry of Budget and National Planning as well as the National Bureau of Statistics were principally involved in the consultations and collaborations in order to get economic and statistical data, respectively.

6. PROGRAMME DESCRIPTION: THE STRATEGIC DEVELOPMENT PLANS IN NIGERIA

It should be noted that the Strategic Development Plan actually came with the birth of democracy and inauguration of Nigeria's fourth republic in 1999. It was estimated that about 70% of Nigerians lived in poverty which is deemed as the root cause of the widening inequality in the system. The Strategic Development Plan came on board to drastically reduce the widening inequality in Nigeria. It came with the implementation of some inequality reduction programmes in order to close the growing gaps in income and/or opportunity distribution pattern in Nigeria. Some of the inequality reduction programmes under the Strategic Development plan in Nigeria include the followings:

6.1 Poverty Alleviation Programme (PAP)

This programme was specifically designed to programmatically address the deficiencies of the past efforts of alleviating the socioeconomic inequality through the provision direct jobs to about 200,000 unemployed Nigerian citizens. Despite the introduction of this programme aimed at reducing inequality in Nigeria, the incidence of socioeconomic inequality in Nigeria remained perpetually high. Following the ineffectiveness of the programme, the government came up with the National Poverty Eradication Program in 2001.

6.2 The National Poverty Eradication Programme (NAPEP)

Based on the approved blueprint for the establishment of National Poverty Eradication Programme in Nigeria, the programme will serve as a central coordination point for all anti-inequality reduction efforts from the grassroots level to the national level by which schemes would be executed with the sole purpose of reducing

absolute socioeconomic inequality. This is the first time the government embark on eradication which makes the programmes a total diversion from the conventional concept of alleviation. However, this program has been systematically structured to integrate four (4) sectoral schemes which include:

- i. Youth Empowerment Scheme;
- ii. Rural Infrastructure Development Scheme;
- iii. Social Welfare Service Scheme; and
- iv. Natural Resources Development and Conservation Scheme.

On the whole, these schemes were designed to spearhead government's ambitious program of eradicating absolute socioeconomic inequality with a take-off grant of N6 billion approved for it in 2001. The difference between this Programme and past inequality reduction agencies is that it is not a sector project implementation agency but a coordination facility that ensures that the core inequality eradication Ministries were effective. Although National Poverty Eradication Programme appears to be well designed to address the alarming socioeconomic inequality, but the prevalence of inequality in Nigeria is still on the increase, hence the need for another inequality reduction programme.

6.3 The National Economic Empowerment and Development Strategy

It is important to mention the "National Economic Empowerment and Development Strategy" in the discussion of the various inequality reduction programmes in Nigeria. However, this strategy is often described as a "medium-term strategy". The implementation of this inequality reduction strategy is largely dependent on four major strategies which the followings:

- i. Reforming government and institutions by fighting corruption, ensuring transparency and promoting rule of law and strict enforcement of contracts.
- ii. Growing the private sector as the engine of growth and wealth creation, employment generation and poverty reduction.
- iii. Implementing a social charter with emphasis on people's welfare, health, education, employment, poverty reduction, empowerment, security, and participation.
- iv. Lastly, fourth key strategy is value reorientation.

The National Economic Empowerment and Development Strategy denote a national framework of action, which at the state and local government levels is known as *State Economic Empowerment and Development Strategies and Local Economic Empowerment and Development Strategies* respectively. The implementation of this strategy also stresses collaboration and coordination between the federal and state governments, donor agencies, the private sector, civil society, Non-governmental Organisations and other stakeholders.

6.4 The Seven-Point Agenda

In order to reduce the widening inequality in Nigeria, the civilian administration that started in 2007 under the leadership of late President Umar Musa Yar'Adua proposed a Seven-Point Agenda for inequality reduction. The main objectives and principles of the agenda include the followings;

- i. The first key area is reducing socioeconomic inequality; improving the general well-being of Nigerians; and making the country become one of the biggest economies in the world by the year **2020** through the provision of critical infrastructure. These infrastructures include power, transportation, national gas distribution and telecommunication.

- ii. The second key focus is to address the existing issues in the Niger Delta.

- iii. The third key area of focus constitutes Food Security;

- iv. The fourth key area is human capital development; and

- v. The land tenure reform represents the fifth key area.

- vi. The sixth key area is national security; and

- vii. The seventh key area focuses on poverty alleviation and wealth creation.

In spite of the fact that the Seven-Point Agenda appears to possess a wide coverage to address the growing inequality challenges facing the nation, it has received a wide criticism by development, economic and policy experts. They detest the programme because it allows little room for proper monitoring and effective implementation due to the problem of inadequate resource.

CONCLUSION

It should be understood that in this work, we have been able to provide a brief background to the strategic development plan and its linkages to inequality reduction in Nigeria. Undoubtedly, we can see that various attempts were made by each of this programme to identify how each strategic development plan has been instrumental to reducing the chronic inequality in Nigeria. However, the strategic development plans in all ramifications are largely ineffective in curbing the widening inequality in Nigeria due to weakness of these intervention strategies, lack of continuity of programmes due to the fact that some programmes were abandoned before reaching their maturity. Moreover, considering the current socioeconomic inequality incidence in Nigeria, it can be concluded that strategic development plan in Nigeria has been unable to achieve much. This is perhaps linked to those problems earlier identified above which serve as hindrances to the effective implementation of the strategic development plan. It is against this backdrop that this work recommends the reformulation of a programmatic development plan capable of achieving optimum results in inequality reduction in Nigeria.

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