THE IMPACT OF FOREIGN AID ON POVERTY REDUCTION/ALLEVIATION PROGRAMMES IN LAGOS STATE, NIGERIA

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Abstract
Foreign aid is a concept that has taken centre stage since the past decades in world affairs. There have also been arguments whether or not foreign aids serve a useful purpose in poverty reduction/eradication in the developing nations. However, this paper believed that such facility should be utilized by the developing countries to improve upon the lives of their citizens. This paper, therefore, discusses the impact of foreign aid on poverty reduction, and or eradication programmes in Lagos State, Nigeria. It examined literature on foreign aids and poverty as well as the nature of foreign aid and its strategy for poverty reduction in Lagos State. It also investigated and analysed, how foreign aid has impacted poverty eradication/reduction programmes in Lagos State. The methodology for the study is exploratory that made use of both primary and secondary sources of data collection. The primary sources of data were collected through interview and government document; while the secondary data were collected from textbooks, library search, scholarly peer-reviewed journal articles and internet. The data collected were content analysed. The paper found out that there are serious challenges militating against the effective use of foreign aid on poverty alleviation programmes, amongst which are; misappropriation of funds, and lack of statistics on who should benefit from the programme. The paper recommended that the government should strengthen the institutional framework to ensure adequate monitoring and deployment of training centres to accommodate more people who are willing, to effectively monitor the sessions, among others.

Keywords: Foreign Aid, Poverty, Poverty Reduction/Alleviation.

Introduction
The need to reduce poverty especially in the developing countries, Nigeria inclusive, has become a great burden to most governments and the international community as a whole due to its consequence or effects on the well-being of the people. One of the ways of achieving poverty reduction is through foreign aid which if handled properly would enhance economic growth and development. As Killick (1999 cited in Ijaiye & Ijaiye (2004) puts it “aid that comes in a form of technical co-operation would affect the quality of a nation’s labour force through the provision of training and imported skills which is essential for economic growth and poverty reduction, if an enabling environment is allowed to exist”. However, studies on the impact of foreign aid seem to provide contrary view. Some of the factors attributable to these include, aiding corrupt
and altering the very market forces that could help lift Africans out of poverty. It also creates a damaging dependency that robs the recipients of the incentives to solve their own problems (Masci, 2004 p. 260). The main focus of this paper therefore, is to examine these facts using content analysis approach to analysis the impact of foreign aid on poverty reduction programmes in Lagos State, Nigeria. The conceptual and theoretical framework on poverty and foreign aid and the consequences of foreign aid are examined. Also the paper mentioned some of the donors aid the type of aid given to Lagos State.

STATEMENT OF THE PROBLEM
Despite the enormous human and natural resources that Nigeria is endowed with being the Africa’s largest oil producing nation and the largest oil producer in the world, and with country with the largest gas deposit (Nwanakoala & Osiguee, 2013) about 75% of her 170million citizens are poor. The paper therefore, intends to evaluate the impact of foreign aid in Lagos state, Nigeria which is the most populous city in Nigeria as well as the largest city in Africa with an estimated population of 21million in 2014. Moreover, Lagos state is the state with the highest internally generated Revenue in Nigeria.

OBJECTIVE OF THE STUDY
The main objective of this paper is to investigate the impact of foreign aid on poverty reduction programmes in Lagos state, Nigeria. The other objectives are to determine the causes of poverty in Nigeria generally, identify some of the poverty reduction programmes undertaken by the state, examine the effect of foreign aid on the state in terms of poverty reduction and finally, mention some of the donor agencies to Lagos State.

METHODOLOGY
The study is an exploratory design that made use of qualitative research method both primary and secondary sources of data collection were used. The secondary data were from textbooks, peer-relieved journal articles, internet, etc; while the primary source of data was the interview. This was used to supplement information from the secondary data. About 10 of the officials of the Ministry of Women Affairs was purposively selected where the poverty alleviation programme is domiciled were interviewed and few beneficiaries of the programme.

CONCEPTUAL FRAMEWORK
Our understanding of the concept of foreign aid is a definition of the cause of poverty in the developing countries, especially in Africa. For ease of understanding, the study well attempt to conceptualize some of these words that words that will be useful in the study, foreign aid, poverty and poverty reduction.

The word poverty is very difficult to define because of its nature. This has led it to different definitions. The World Bank (2004) defines poverty as that level of income below which a certain percentage of the population is to live. They described it in terms of the inability of a person to earn a daily income of $1; not having access to safe drinking water; poor health services; having high rate illiteracy and high infant mortality rate. This is true as most people in Nigeria live on less than US$2 per day. (CBN, 2010, Louis, 2010).

Poverty has equally been described by Asikhia, (2010) and Nyasulu, (2010) as the condition that limits one’s ability to provide for himself and his loved ones. This condition manifests in several ways including, the lack of food, clothing, shelter, etc. Nobody wants to be poor. Nyasulu explained further that poverty is circumstantial and exacerbated by social economic and political deprivations which if positively altered and could make the individual hitherto noted as poor,
able to provide for him and loved ones. Similarly, the oxford Advanced learners dictionary (2008) defines poverty as the state of being poor, while it defines being poor as having little money or not having enough money for basic needs.

On the other hand poverty alleviation or reduction is a strategic programme designated to curtail or eradicate poverty from the society. It also means measures adopted to reduce poverty in the society. For instance, the Nigerian government since the 1970s to the present has introduced one form of programme or another cushion the effect of poverty. Some of these are Operation Feed the Nation, the 1979 Green Revolution. Family Economic Advancement Programme (FEAP), NAPEP – 1999 which coordinates the activities of all poverty eradication ministries in Nigeria.

Foreign aid or official Development assistance as some will call it, has been defined as the international transfer of capital, goods, or services from a country or international organization for the benefit of the recipient country or its population (The Encyclopedia Britannica 2015). This can be in form of economic, military, or emergency humanitarian, for example, aid given following natural disasters. The Encyclopedia further stated that the common of aid is the official development assistance (ODA) which is given primarily to promote development and combat poverty.

THEORITICAL FRAMEWORK
Since there is no definite definition of poverty, it follows also that there is no universally acceptable theory of poverty. A number of theories have been developed to explain the causes of poverty in every society. These theories are the individual theory of poverty, cultural theory, geographic theory of poverty and structural theory of poverty (Brandshaw, 2006; Makhaleme, 2009; Mead, 1986 and 1997 as cited in Jordan, 2004). Each of these theories has attributed poverty to different causes and therefore, important to explain them to the situations majority of people find themselves.

The individual theory of poverty blames the individuals for being responsible for their poverty situation/condition (Brandshaw, 2006 p.6). The proponent of this theory are of the view poor individuals create their own problems. They maintain that if poor individual work harder and smarter, they will be able to remedy their poverty situation. This view was supported by the neo – classical economists who said that individuals are responsible for the choices they make in life which includes, market, investment education, job search or employment. Thus, Herbert Spencer, the 19th Century sociologist blamed poverty on the poor claimed that the poor are lazy and that those that do not want to work should not eat, finally, he attributed poverty to bad character (Blacks academy, 2002, p.1). For the economists, they maintained that increase in welfare expenditures increase poverty. This theory may not entirely hold true for Nigerians. This is because whatever welfare packages that are supposed to be given to the citizens are usurped by the government officials thereby impoverishing the citizens.

The cultural poverty theory which was conceptualized by Oscar Lewis during his study of the urban poor in Mexico and Puerto Rico asserts that culture of poverty constitutes a design for living that is passed on from one generation to the next. The cultural poverty of poverty identified cultural values, norms and practices perpetuated by people, within a society as being the cause of poverty. The theory suggests that poverty is created by the transmission over generations of a set of beliefs, values and skills that are socially generated but individually held. Individuals should not take all the blames because they are victims of a dysfunctional subculture (Bradshaw 2006, p.8).
In the real sense, this theory is typical of most African states. In Nigeria, where culture holds sway, individuals accept whatever condition they find themselves they solution should be for them to challenge their fate and break loose so that they become creature and productive.

The geographic poverty theory maintained that people, institutions and culture in certain areas lack the objective resources needed to generate well being and income and the power to claim redistribution (Brandshaw, 2006 p. 12). It further explains that poverty differs from region to region and so blames high poverty rate in poor communities and rural areas of the society to limited opportunities. Economically, this is true because lack of basic infrastructure and natural resources will tend to make the people poor.

The structural theory of poverty attributes poverty situation in a country to the defective social, political and economic structure of the country (Makhalane, 2009; Sameti, Sameti, Esfahani, Haghighi, 2012). This study has adopted the structural poverty theory because of its relevance to the present study. In Nigeria, it is only the blind that ill disagree that the entire system is defective thereby causing serious poverty to the people. The gap between the rich and the poor keeps widening despite the foreign aid to alleviation/reduce poverty.

LITERATURE REVIEW
Foreign aid first began as international post war assistance in the 18th century, that is, the late 1940s with the statement of the Marshal plan in which its purpose was to reconstruct the war-torn economy of Western Europe. Its success in the post WW11 period led to the development of more optimistic thinking about the role of foreign aid. The gap model and the push theory according to the United Nations (2006), propose that an access to transfer the resource, low income countries and/or the Less Developed Countries (LDCs) could come to the development track as Western Europe countries did. In addition to this, foreign aid was also set as an essential prerequisite for the economic advancement of developing countries by (which is low due to the vicious cycle of poverty) and propelling the economy out of “lo-level equilibrium trap.

Based on this the more wealthy countries of the west and some international organization decided to help the low income or less developed nations to come up to the desire level of economic growth as well as well being. This aid according to the Encyclopedia Britannica (2015), come in form of economic, Military or emergency humanitarian for example, aid given following natural disaster. The commonest type, the encyclopedia explained, is the Official Development Assistance (ODA) or the economic which is given majority to promote development and combat poverty. There is substantial evidence that the African continent is poor nearly half of its population live in dire poverty and only 15 percent live in an environment conducive to economic growth and development. (Masci, 2004 p. 260).

Louis (2012), affirmed that Nigeria being part of Africa still ranks among the poorest countries in the world, Many Nigerians also are wallowing in abject poverty with less than 50% living on less than US & 2 per day (CBN, 2010).

There have been arguments as whether the foreign aid that goes to Africa generally is efficacy of foreign aid, argue that aid, for all its problems has helped Africa and has resulted in poverty reduction and thereby contributed to their development progress. (CAREs Carter cited by Masci, 2004 p. 261). in defense of this argument, Ambassador Lyman of the United States maintained that, “Things in Africa are not good right now, but if we didn’t have aid, I guarantee there would
be much human suffering than there has been. Similarly, CARE Carter stated that ‘s wrong, many indicators in Africa in areas like education and health are higher today than they were 50 years ago, and that due to aid. No question about it” (Masci, 2004 p. 261). In another study, David Dollar and Craig Burnside found that aid has a positive effect on growth in a good policy environment. (Dollar & Burnside 2000). This implies that countries with sound monetary policy, rule of law, open trade and other hallmark of developed economies will be able to put foreign aid to good use.

On the contrary, the opponents of foreign aid to Africa were of the vie that aid has not impacted Africa positively rather, it has worsen poverty (Easterly, 2003 p. 35; Easterly, 2005 Pasicolen as cited by Masci, 2004 p. 260; Magnon, 2012; Preble and Tupy 2005). All these scholars pointed to the fact that many countries in Africa are still very poor despite the hundreds of billions of dollar in aid over the last five decades. Other reasons given against the effectiveness of aid in Africa is that it does not help Africans rather it hurts them. They contend that foreign aid is not an effective way to promote prosperity that it makes things worse because it strengthens the very institutions that thwart or work against prosperity. They also mentioned that aid damages free market and will not allow Africans to develop economically. Some even suggested that the aid should be tied with some conditions otherwise the countries may not use the resources well and how and what they use the money is based on political consideration. This position truly marches the situations in most African countries. For example, in Nigeria 1985 when the International Monetary Fund (IMF) intervened/assisted Nigeria to come out of its economic quagmire, it gave Nigeria many conditions before the assistance.

Preble, one of the opponents of aid to Africa continuing the arguments stated that given money to this countries to establish small business men is always based on political consideration and this frustrate the people. Others argue that aid creates a damaging dependency for African countries which they see as welfare. (Pasicolen). This is true as aid obstruct initiative especially in Nigeria. The opponents of aid further stated that instead of given more aid to Africa, it will be better to open their domestic markets to Africa by removing trade barriers for instance, eliminating agricultural subsidies and tariffs. However, all these critics agree on one thing, that much work needs to be done before Africa can begin living up to its enormous potential, and that all the developed countries have important role to play. There is a modicum of truth in these arguments for and against aid to Africa. In addition to the points they raised, the African governments and or the developing countries should do an institutional over haul and diversify their economics to try to catch up with the developed countries. From the forgoing, these arguments underscore the need to undertake this study in Lagos, Nigeria and to investigate on whether foreign aid has impacted on poverty reduction programmes.

CAUSES OF POVERTY IN NIGERIA

Many factors have been given as to the causes of poverty in the developing nations which range from adverting international developments like colonialisms to world economic recession that have adverse effect on the developing nations. In Nigeria, many factors are responsible for poverty in the society. Some of them are according to Adeyeye, (2001), slow development of human resources, minutes wage and productivity in the informal sector, sluggish economic growth, inappropriate micro economic policies and imperfection in labour market leading to unemployment. Other causes as enumerated by Owolabi (2009) include corruption, poor
governance, and population growth rate, the economic nature, absence of basic infrastructure, and joblessness. Inadequate human capital development as explained by these authors has led to increased poverty which lowers the living standard of the populace. Most of the poverty alleviation programmes that focus on human development are not localized. They argued that indigenous, process of human development is essential at the rural levels. Nigerian government train people more on the acquisition of certificate and paid employment instead of entrepreneurial skills. This has led to reduced opportunities, lowering productivity and decreases earning power. Corruption has been seen by many as the cancer that have destroyed the fabric of the Nigerian society. It is believed that corruption has been one of the major causes of poverty in the country. Thus, Owolabi (2009) traced the history of corruption in the public life of the nation from the 1950s when the first panel of inquiry set up to look into the African Continental banking (ACB) that charged Dr. Azikiwe of abuse of office by allowing public funds to be investigated in ACB where he had interest; in 1962 Chief Awolowo was charged to court for lack of accountability, the cement scandal of 1974 involving the ministry of defense, where the price of tone of cement was inflated by & 75 tones for 16.23 million tones. The Gowon regime was not spared as all his administrators (except Mobolaji Johnson and Oluwole Rotimi) were found guilty of gross abuse of office. In the Obasanjo’s regime, a huge sum of £2.84 billion proceeds from scale of crude oil disappeared into thin air. However, Owolabi reported that the money was returned through “backdoor” after several years. Corruption during the Babangida and Abacha’s regime was thought to have reached the climax when the transparency international ranked Nigeria as the most corrupt nation in the world for a consecutive period of more than seven years level of poverty in Nigeria. Another factor that is contributing to Nigeria’s poverty level is the population growth rate. It is estimated that the population of Nigeria is about 170 million. This could be an advantage to the nation if other indices of economic growth are available. However, the population is a major source of poverty to the country. The absence of basic infrastructure that has been supposed to be provided by the government also contributed to the level of poverty by not providing the basic amenities, water, power, good road and security. If all these were in place, the artisan workers will have good business and frequent travels by the middle class people overseas will be reduced.

FOREIGN AID AND POVERTY REDUCTION IN LAGOS

Following the report of the World Bank in 1999 which showed that Nigeria’s Human Development Index (HDI) was 0.416 and about 70% of the population lived below poverty line, The Federal Government of Nigeria reviewed and the Corruption Perception Index (CPI) rated Nigeria as the 6th most corrupt nation in the World. But alas, little did we know that the worst is yet to come in the immediate past administration of Goodluck Jonathan. Despite that though Nigeria is harvesting enormous wealth from oil and gas, the money from this sector is being stolen and misappropriated thereby emptying the treasury. Nigeria is one of the poorest countries of the World due in part to corruption (World Bank, 2013). Corrupt practices led to the collapse of many poverty alleviation programmes such as Operation Feed the Nations, Green Revolution, War Against Indiscipline, Peoples Bank, Community Banks, Directorate of Food and Rural Infrastructure (DFRI), Nigeria Agricultural Land Development Authority (NALDA), National Directorate of Employment (NDE), Family
Economic Advancement Programme (FEAP), Better Life for Rural women, and National Poverty Eradication Programme (NAPEP).

Poor governance has inflicted poverty on the people on the people. There has been looting of the treasury by the ruling class, no accountability, poor economic development, and lack of good living standard, no rule of law, probity and good leadership. These have exacerbated the already existing poverty alleviation schemes and this led to the establishment of National Poverty Eradication Programme (NAPEP). Its objective is to completely wipe out poverty from Nigeria by the year 2010. Four sectarian schemes were introduced as strategies for achieving the programme objective, this include: Youth Empowerment scheme (YES) aimed at providing unemployed youth opportunities in skills acquisition, employment and wealth generation; Infrastructure Development Scheme (RIDs) geared towards ensuring the provision and development of rural infrastructure needs in transport, energy water and communication; Social Welfare Services Scheme (SOWESS) tailored at ensuring the provision of basic social services including primary and special education, strengthening the economic power of farmers and providing primary health care; National Resources Development and Conservation Scheme (NRDCs) aimed at creating a participatory and sustainable development of agricultural, mineral and water resources.

After the launch of NAPEP by the Federal government of Nigeria in 1999, the 36 states of the federation followed suit.

In Lagos State, the NAPEP was started in 2000 and domiciled in the Ministry of Women Affairs. One wonders why the programme will be given to the Ministry of Women Affairs for supervision. Some of the people, the writer interviewed was of the opinion that women are better managers than men.

The Lagos State government has been in the forefront of poverty reduction/alleviation in the four (4) areas listed in the paper. However, three major areas have received much attention, the skill acquisition, infrastructural needs in transportation and Agriculture. Worthy of mention is the area of health – immunization, the Lagos State Ministry of Women Affairs and Poverty Alleviation (2015), 18 skills Acquisition Centres were constructed across the 3 Senatorial Districts of the State –Erao – Epe, Igbo – Oye, Ikorodu I, Kosofe, Lagos Island, Surulere, Ejigbo, Egbeda, Amuwo, Shibir – Ojo, Badagry, Egan, Iba, Ikorodu II, Ibeju – Lekki, Mushin, Ayobo and Isheri. Each of the skills acquisition centre is headed by a principal. At these centres, different skills are taught – hat making, soap, tailoring, pomade making, general home management. More centres have also been constructed at Ketu, Ijesha and Ibeshe. The Women Affairs department has direct oversight of responsibility of these SACs.

The Poverty Alleviation Unit of the Ministry on behalf of the Lagos State government, established fifteen (15) hectares of cassava plantation in Abuja, Farm, Badagry and also, the training of women and interested young people in vegetable production in Avbia farm. The ministry also gave out taxi caps to the Association of Lagos State taxi drivers and cab operators to help create jobs and reduce the problem of transportation in the state. For example, in 2010, the poverty alleviation unit gave out and handed over additional 250 new taxi cabs to the Association of the Lagos State Taxi Drivers and Cap Operators.

The other area that the Poverty Alleviation Programmes focused on is health. The reason being that health is wealth, the primary area of focus here is the Immunization Programme that is done
monthly. The purpose is to target the young ones to prevent majorly polio since it is the major cause of disability.

All these programmes require huge sums of money. And one of the sources of finance for the Lagos State in carrying out these programmes in addition to its Internally Generated Revenue (IGR) is foreign aid. Some of the donors of the aid to the Lagos State government are the World Health Organization (WHO), the United Nations Children’s Fund (UNICEF), Clinton Health and Access Initiative, Glaxosmithkline and other partners. Japan is among the donors of these aids to Lagos State government to prosecute. Polio and other related diseases. It was reported that Japan donated cold room to Lagos state government in 2013 to be storing vaccines for immunization. (www.modernghana.com/news/614920/1/nigeria-depend-on-foreign-donors-to-procur-html).

It was observed that most of the donations/aids are given to the federal governments of Nigeria who will in turn disburse to the various states governments for use. As was stated by the report, Japan seem to be the highest donor to Nigeria government on war against polio & other related diseases in March, 2015, the Japan International Cooperation Agency (JICA), supported Nigeria Government on DWN Donations, with a loan worth of ₦18.6 billion. Between 2000 to 2007 she made a total donation of ₦4.5 billion to UNICEF to procure polio vaccine, cold chain equipment, long lasting insecticide and nets and child survival supplies that could be used during Immunization Plus Days.

**FINDINGS**

The paper found out that the Lagos State government did receive some foreign assistance directly and indirectly to finance the poverty alleviation/reduction programmes. The indirect ones were through the federal government. It should be noted here that due to official donor and secrecy that marked bureaucracy in Nigeria, Lagos inclusive, the officials of the Ministry of Women Affairs and Poverty Alleviation could not disclose the amount they have received from either the Federal government or direct from the donors.

However, the poverty alleviation programme of the Lagos State, Nigeria was impacted by foreign aid. What is in question is how much impact was made.

From Interactive, Lagos State has a population of 21 million as at 2014, 3 senatorial districts and 35 Local Government Areas (www.finelib.com/cities/Lagos/governments/state-government/local-g---). It is on record too that it currently has about 18 skills acquisition centres and three that are still under construction for the entire state; some 15 hectares of land for cassava plantation, an undisclosed number of taxi cabs in addition to the 250 that were given to the taxi drivers and cab operators. Some of the officials of the Poverty Alleviation Unit of the State interviewed on whether the foreign aid received by the Lagos State government did impact on the poverty alleviation/reduction programme responded in the negative while a few said that foreign aid impacted on the poverty alleviation/reduction much. The reasons given by those that said that foreign aid impacted negatively included among others, the large population of the state, the number of skill acquisition centres provided, delay in the remittance of aid by the Federal government, corrupt officers that embezzled the available fund and ineptitude of leaders.

On the positive side, the few interviewees stated that the programme generated employment for the trainees; provided skills for some people, and provided income for many families even though it is not much.

In all, foreign aids made some impacts on poverty alleviation in Lagos State.
SUMMARY, CONCLUSION AND RECOMMENDATION

The paper examined the impact of foreign aid on poverty reduction/alleviation in Lagos State, Nigeria. Foreign aid serves a number of purposes such as helping to reduce poverty and boost economic growth. However, the need for foreign aid is controversial. The paper looked at the concept of some of the key words such as foreign aids, poverty, and poverty alleviation/reduction. Also, the causes of poverty were undertaken as well as foreign aids and Poverty Alleviation programmes in Lagos State. The study made some important findings about foreign aids in Lagos and its impact.

It was discovered that the major area of impact was mainly on health – immunization where the state had many donors, the other areas of achievement as on skills acquisition and in agriculture. Based on these findings, the paper will make some recommendation thus:

- Even though foreign aid is good, the state should look inwards to find some areas of funds in addition to its huge Internally Generated Revenue to fund some of these programmes.
- There should be close monitoring by the government on the supervising Ministry to make sure that the funds are adequately utilized.
- The government should try to spread the poverty reduction/alleviation centres to go round the 35 Local government areas of the state.

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