

## ISSUES AND CONCERNS TOWARDS VARIOUS POVERTY REDUCTION STRATEGIES IN LAGOS STATE: A META-ANALYSIS APPROACH

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### Abstract

*Poverty is a global phenomenon which has been taking its tolls on the third world countries from time immemorial. The rising rate of poverty in Africa, particularly in Nigeria, has since raised concerns among governments and the Lagos State Government (LASG). Despite significant efforts to reduce poverty in line with the Millennium Development Goals and Sustainable Development Goals, high poverty rates among the people most particularly at the grassroots persist. This paper therefore adopts the meta-analysis model to review poverty as a social factor bedeviling the Lagos state residents and various strategies adopted by the state government to militate against it. The study concludes that despite the positive impact of the state government on poverty reduction and various programmes embarked upon, much is still needed, especially in redirecting the programmes to the vulnerable. Part of the recommendations of the study is that the state government should expand its coverage to accommodate more residents and increase budgetary allocations to poverty alleviation through the ministry of women and poverty alleviation. Also, the state government should ensure merit is taken into consideration during the process of selecting the beneficiaries through a transparent process which should be monitored by all stakeholders.*

**Keywords:** Poverty, Issues, Concerns, poverty reduction strategies, Lagos State.

### Introduction

Poverty is a significant societal issue, affecting human development in both developing and developed countries (Ajayi, 2016). Developed countries, like the US, UK, Japan, Russia, and Germany, have higher poverty rates despite good governance and resource use. However, poverty levels in these advanced economies are relatively low compared to developing economies, particularly in Africa (Ebong, 2011). Poverty in Nigeria is primarily caused by rising unemployment, high dependency, and a lack of infrastructure, corruption, inflation, inconsistent policies, and a lack of visionary leaders. It also leads to increased violence, crime, hunger, high mortality rates, human trafficking, forced labour, and child labour, causing citizens to become frustrated and depressed. Despite government efforts, Nigeria's poverty rate continues to rise, making Nigerians vulnerable to political manipulation. Political elites manipulate poverty through menial empowerment, such as wheel barrow distribution, and the high poverty rate affects economically vulnerable states like Lagos, Kano, and Rivers (Adebayo, 2010).

Lagos State, a former capital city, is experiencing an increase in poverty due to its overpopulation. This overcrowding leads to stretched facilities and infrastructure, resulting

in high living costs and a higher poverty incidence compared to other Nigerian states (Imran, 2009). Lagos, Nigeria's second-most expensive city, has a high poverty rate despite its vibrant economy and infrastructural development. Despite government efforts like agricultural youth empowerment schemes and skill acquisition schemes, the poverty rate continues to increase. This highlights the need for further research on government strategies to address poverty in Lagos State.

### **Research objectives**

The study aims at examining the various strategies embarked upon by the government of Lagos state to reduce poverty among the residents. Other specific objectives include;

- i. to investigate the challenges faced by the state government in the cause of embarking on these strategies
- ii. to interrogate various methods used by the state government to find solutions to the identified challenges.

### **Conceptual framework**

#### **Poverty**

Poverty is a global and endemic issue, with incidences varying across nations. Defining poverty is challenging as it reflects a person's life status, mental condition, and perception of their social relationships (Filani, 2015). Despite most people's understanding of poverty, defining it is more complex than most people can comprehend. Poverty is often defined based on basic needs, income, and human capability, making it challenging to establish a universal definition that considers an individual's economic, social, and political background. The Central Bank of Nigeria (1999) defines poverty as a condition where an individual cannot meet their basic needs of food, clothing, and shelter, cannot meet social and economic obligations, lacks gainful employment, skills, assets, and self-esteem, and has limited access to social and economic infrastructure such as education, health, portable water, and sanitation, resulting in limited welfare advantages. The Lagos State Government acknowledges that poverty extends beyond basic necessities like daily meals, including clean water, nutrition, healthcare, education, clothing, shelter, and resistance to political elite manipulation during electioneering periods (Ebong, 2011; Ajayi, 2016).

The Federal Government of Nigeria (1992) defines poverty as inadequate food, high infant mortality, low life expectancy, low educational opportunities, poor water, inadequate healthcare, unfit housing, and a lack of active participation in decision-making. The World Bank (2002) defines poverty as the lack of resources for material well-being, including food, shelter, and land, which aligns with the Federal Government's definition. Adebayo (2010) defines poverty as the absence of material possessions or money. This definition appears to be widely accepted due to its simplicity and ease of categorization. However, Nigeria's income-based definition is inadequate due to the non-monetized economy and difficulty in assessing the calorie intake needed by the poor compared to the rich. Therefore, the qualitative definition of poverty lacks precision.

Orji (2008) identifies poverty at national, household, and individual levels. National poverty is a result of socio-economic underdevelopment due to poor human resource endowment, low production, stagnating income, and inadequate social infrastructure. Community poverty

is caused by environmental degradation, inadequate employment, and the physical decay of community assets (Kpelai, 2011). Household poverty is the inability to access basic necessities, fulfil economic and social obligations, and lack self-esteem. Factors contributing to poverty include inadequate income, a lack of skills, access to productive assets, and social constraints on self-improvement (Orji, 2008).

### **Poverty Reduction Strategies**

Poverty alleviation strategies are methods used by governments, non-governmental organizations, or groups to reduce poverty in a community, state, or country. Economists categorize these strategies into economic growth, basic needs, rural development, targeting, resource-based, and capability (Adebayo, 2010). Kpelai (2011) defines poverty reduction as formal activities aimed at reducing poverty prevalence. Writers have proposed strategies for poverty reduction, categorized into three groups: those focusing on rapid economic growth, those focusing on rural development, and those addressing the basic needs of the poor. Imran (2009) supports the classification of poverty reduction approaches but introduces a target approach to the list.

The strategy aims to target specific poverty reduction programmes, such as safety nets, microcredits, and the school meal programme, by accurately identifying the target group to minimize leakages. Ebong (2011) categorizes poverty reduction approaches into three main segments: removing policy inefficiencies to boost economic development's "trickle-down effect," investing to improve the human and material capital of those in poverty, and providing goods and services to achieve a minimum level of "quality of life" for the poor. Governments at all levels worldwide aim to reduce poverty, but strategies vary across countries, as poverty reduction is a means to an end, not a standalone goal.

The World Bank defines poverty reduction strategy as "a comprehensive, country-led approach to reducing poverty and promoting sustainable development. It involves coordinated actions by governments to improve the well-being and livelihoods of their people, particularly those who are most vulnerable" (World Bank, 2001). According to the UNDP, a poverty reduction strategy is "a government-led plan of action aimed at reducing poverty and inequality and improving the well-being of the poor. It encompasses policies, programmes, and projects that address the multiple dimensions of poverty and involve a range of stakeholders" (UNDP, n.d.).

A poverty reduction strategy is a comprehensive plan or set of initiatives aimed at addressing and alleviating poverty within a specific region or community. Such strategies often involve a multi-dimensional approach that goes beyond immediate financial assistance, seeking to create sustainable improvements in economic, social, and environmental conditions. A successful poverty reduction strategy often requires a coordinated and sustained effort involving the active participation of various stakeholders to address the root causes of poverty and promote long-term positive change.

### **Study area**

Lagos State, located in Nigeria's southwestern region, has a rich history dating back to pre-colonial times. The area was initially inhabited by the Awori people and was founded around

the 15th century. The Portuguese arrived in the 15th century, marking the beginning of European influence in the region. Lagos became a prominent trade centre and was part of the Oyo Empire and Dahomey Kingdom. In 1861, Lagos became a British colony and served as the centre of colonial administration. In 1914, it became the capital of Nigeria and remained the capital until 1991. After Nigeria gained independence in 1960, Lagos played a crucial role in hosting political events and serving as an economic and cultural hub. In the latter half of the 20th century, Lagos experienced rapid population growth and urbanization, becoming one of the largest and most populous cities in Africa.

### **Poverty reduction strategy in Lagos state**

As an economic hub, Lagos has diversified its economy into the finance, entertainment, and technology industries. Lagos State, Nigeria's economic hub, is home to a diverse range of agricultural practices, including maize, rice, cowpea, groundnut, melon, cassava, cocoyam, sweet potato, and yam. The state's proximity to the sea has led to a thriving artisan and contemporary fish business, with seafood production increasing due to increased demand and advancements in fishing techniques. The government has established abattoirs in Agege and Ojo to ease livestock bottlenecks. Small and large-scale fisheries are common in coastal areas, while rice farming is carried out in Itoikin, Lekki, and Epe.

Lagos State, Nigeria, is a significant economic region with a diverse and robust economy. It serves as the commercial hub, hosting a significant portion of Nigeria's financial institutions. The state is home to the Apapa and Tin Can Island Ports, which handle a significant portion of Nigeria's maritime trade. The state also has a vibrant services sector, including banking, insurance, and real estate, with many national and international financial institutions headquartered or having major branches. The Yaba technology cluster, also known as "Yabacon Valley," is a hub for tech start-ups, innovation, and entrepreneurship. Lagos has a diverse industrial base, producing goods such as textiles, beverages, pharmaceuticals, and building materials. The state's transportation and logistics are crucial, with a complex network of roadways and bridges contributing significantly to the economy. The real estate and construction sectors are prominent, reflecting rapid urbanization and population growth. Lagos also has a substantial informal economy, with a significant portion of the population engaged in small-scale trading, services, and entrepreneurship.

Lagos State, a major urban area in Nigeria, is facing numerous challenges and criticisms. These include severe traffic congestion due to rapid urbanization and population growth, infrastructure deficiencies, housing issues, environmental concerns, security issues, the informal economy and unemployment, social inequality, poor drainage and flooding, urban planning and zoning regulations, and waste management challenges. Critics argue that Lagos' infrastructure has not kept pace with its rapid population growth, leading to issues such as inadequate road networks, insufficient waste management systems, and occasional flooding. Housing issues include informal settlements, a lack of affordable housing, and urban sprawl. Environmental concerns include pollution, deforestation, and climate change impacts. Security issues include crime and traffic-related offenses. Despite these challenges, the government and stakeholders are actively working to improve living conditions in Lagos.

Poverty in Lagos State is primarily caused by rural-urban migration, overpopulation, and the government's efforts to transform the city into a megacity. Overpopulation leads to high living costs and overstressing of facilities and infrastructure. The government's desire to transform Lagos into a megacity has resulted in the demolition of houses and shops, causing hardship for affected residents. Unemployment is also a significant issue, with 7.3% of the 18 million people in the state unemployed as of 2011 (National Bureau of Statistics 2012). The ban on motorcycles as transportation has displaced Okada operators, further exacerbating poverty and posing risks to crime and property insecurity (Ajayi, 2016). Governments, both in the past and present in Lagos State, have made it a point of duty to embark on poverty reduction strategies that are aimed at reducing poverty in the state through the establishment of the Ministry of Women Affairs and Poverty Alleviation (MWAPA). The poverty reduction programmes include skill acquisition, agricultural youth empowerment, enterprise registration, greening, horticulture, landscaping, beautification, microfinance, yellow taxi, entrepreneurial, Coscharis Group-Eko limited liability partnership automobile centre, and Lagos State Economic Empowerment Development Strategy (LASEEDS).

**Skill Acquisition Programme:** Skill development facilities were established in Lagos State to help unemployed young people and various women, including widows, working-class women, and HIV-positive women (Adebayo, 2010). The state government has been tackling poverty by establishing both short-term and long-term initiatives in various regions. The Women Development Centre and 18 Skill Acquisition Centers (SAC) are under the direct supervision of the Women Affairs Department. The Poverty Alleviation Department collaborates with the Lagos State Micro-Finance Institution (LASMI) to ensure disbursement of LASG funds provided as micro-credit funds to relevant respondents, such as graduates of the Skill Acquisition Centers, Agric Youth Empowerment Scheme, and the active poor, to develop their businesses. These initiatives aim to provide necessary skills for independence and help reduce poverty in the state (Udom, 2015).

**Agricultural Youth Empowerment Scheme (Agric-Yes):** This programme, which is situated in the state's Epe axis, is referred to as the Agric-Yes Programme. The youth are expected to use their training from the programme to make agriculture their primary source of income. According to Lagos State Micro-Finance and Microfinance Africa (2012), the Agric-Yes scheme aims to empower youths and create jobs in the agricultural sector. The Lagos State Government, in its drive to provide food security, in line with the Millennium Development Goals (MDGs), established the Agric-YES Programme, which started in 2009. The policy thrust of the scheme is to engage, equip, and empower youths with resources to become world-class agro-entrepreneurs that would replace the ageing farmers in the state in an organized manner. The ultimate goal of the programme at the institution training facility in Epe is to create the next generation of agro-entrepreneurs in the fields of poultry, fish farming, beekeeping, and all-year vegetable growing.

Before being left to establish themselves as full-fledged farmers, institute participants typically undergo six months of intensive training as well as a term of internship. Following the training, the government provides the participants with financial aid and some land parcels to help them transition to mechanized agriculture (LASG, 2014). The participants will be split up into co-operatives, and each cooperative will receive N100, 000,000 to use towards

its agricultural endeavour. The participants would receive N100 million in addition to housing where they could reside with their own households (Eteghe 2012). The first batch of 100 youth farmers who successfully completed the course were empowered with the sum of N500 million by the state government through LASMI. Another sum of N500m was approved for disbursement to 200 youth farmers for the 2nd and 3<sup>rd</sup> batches of the scheme (Vanguard, 2012).

The farm's achievements are a result of the state government's investment in agriculture as a means of boosting local employment and ensuring food security. Also, the scheme has fully automated layer pens, which generate 500 crates of eggs per day. The scheme also produces 2.5 metric tons of rice per hour and an approximate 15,000 to 20,000 metric tons per year, which is about four hundred bags of 50 kg of rice.

In addition to the Agric-Yes activities, the Lagos State Ministry of Agriculture reports that the Agric-Yes Summer School Programme for Secondary School pupils in Lagos has assisted no less than 360 pupils. The programme was created by the government to increase the interest of students in agriculture. The Agric-Yes Summer School Programme was established to give participants the technical knowledge that would be taught during field exercises and practical instruction on farms. The programme's goal was to inspire individuals to grasp agriculture's commercial side, which is distinct from subsistence farming, as many people think of it. Over the years, agricultural programmes such as aquaculture, greenhouse vegetable farming, and some agro-processing programmes have been introduced to schools. Young Farmers Clubs were also established by the state government in some of the state's public educational institutions. Through the feasible farming knowledge and training required in education for a turn-around, the programme was created to develop teachers' technical expertise (Udom, 2015).

**Microfinance Scheme:** The microfinance programme was initiated to reduce poverty in the state and was created in collaboration with other financial institutions. The Lagos State government disbursed loans to beneficiaries of skill acquisition and the Agricultural Youth Empowerment Scheme (Agric-Yes) and petty traders through approved microfinance banks. In 2008, 5,000 Lagos residents received checks from the LASG using the Lagos State Micro Finance Institution (LASMI) to fund their businesses and improve their financial status.

The Lagos State Microfinance Institution (LASMI) has successfully recruited three new microfinance institutions for cooperation, resulting in eight (8) microfinance banks working together with the LASG through LASMI to extend the benefits of the Lagos State Microfinance Scheme throughout the entire state. LASMI is responsible for the implementation, management, and monitoring of the micro-credit scheme policy of the state government. Its main objective is to alleviate poverty by providing funds to selected partner microfinance banks, which in turn disburse the funds to micro-entrepreneurs at a reduced interest rate. For instance, LASMI works with Ojokoro Microfinance Bank, Infinity Microfinance Bank, and Cowries Microfinance Bank to achieve its objectives. The institution monitors and manages the microcredit loans disbursed to these banks.

Coscharis Group-Eko Limited Liability Partnership Automobile Centre: The Lagos State Government and Coscharis Group partnered to train local artisans and young people in state vehicle engineering. The partnership aims to create 160 car mechanics annually, creating 66 permanent jobs and 200 more. The goal was to develop new skills and jobs, fostering potential technical entrepreneurs and workers. The majority of vehicle mechanics in Nigeria currently receive training from the roadside, which is limited due to technological advancements in car manufacturing and engine designs. The Coscharis Group and the Lagos State Government agreed to create hundreds of automobile mechanics over the years, with the state government incurring no costs. The centre offers a driving school, sales, after-sales support, a maintenance workshop, and a place to learn auto mechanics. The centre aims to improve the standard of living in Lagos through ingenuity and labour, as long as they follow the law.

### **Challenges of the Poverty Reduction Strategies in Lagos State**

Lagos State confronts a multitude of challenges in implementing its poverty reduction strategies, primarily driven by the rapid increase in population. This surge has exerted immense pressure on infrastructure and social amenities. Several critical issues impede the effectiveness of poverty alleviation initiatives, including the challenging task of monitoring the success rate of Skills Acquisition Centers (SACs).

Additionally, the poor enforcement of rules and regulations concerning women and children compounds the complexities. There is a noteworthy lack of corporate participation in initiatives targeting women and children, further hindering progress. The absence of sufficient data on women and children poses a significant hurdle to effective planning. Moreover, the Centre's limited support for MDG programs and inadequate rescue efforts for reported cases of abused women and children compound the challenges faced.

Examining the historical evolution of Lagos reveals a metropolis grappling with the consequences of rapid urbanization. Unfortunately, the development has not been competently controlled, planned, or managed to lead to sustainable urbanization. The issues encompass out-of-control urban growth, inadequate infrastructure, housing shortages, economic and social marginalization, high youth unemployment driven by an informal sector, insufficient funding for urban development, increasing violence and unrest, prolonged legal procedures, and minimal readiness for disaster management.

The intricate task of implementing poverty reduction strategies in Lagos State is compounded by a range of factors. Rapid urbanization results in the emergence of informal settlements and slums, posing significant obstacles to poverty reduction efforts.

The high cost of living, spanning housing, transportation, and essential goods and services, strains low-income households, creating challenges for poverty reduction initiatives to keep pace with the escalating cost of living. Unemployment and underemployment present substantial hurdles, with the demand for jobs outstripping available opportunities, particularly for the youth.

Inadequate infrastructure, encompassing roads, water supply, and sanitation, restricts economic opportunities and impedes poverty reduction efforts. Housing challenges,

characterized by a high demand for affordable housing, contribute to the proliferation of informal settlements and slums. Addressing social disparities is pivotal for comprehensive poverty reduction but necessitates multifaceted interventions.

Climate change and environmental issues, exemplified by flooding and pollution, disproportionately affect low-income communities, resulting in property loss and disrupted economic activities. Limited access to quality healthcare services exacerbates the challenges. Educational disparities and security concerns further compound the obstacles faced in poverty reduction efforts in Lagos.

### **Conclusion and Recommendations**

The paper suggests that poverty reduction programmes in Lagos State should be reformed and expanded to address the endemic poverty in the state. The Lagos State Government should establish Agric-Yes Ministries in each of the nineteen renaming local governments and skill acquisition centers in all 20 local governments to enhance capacity in poverty reduction. A conducive environment for business development should be created, and institutions such as government ministries, non-government agencies, international and local organizations, social groups, and philanthropists should be encouraged to improve poverty reduction programmes.

The government should monitor the release of funds to agencies using the State Audit Department to avoid misappropriation of funds and increase budgetary allocations to the Ministry of Women Affairs and Poverty Alleviation (MWAPA) to have a greater impact on respondents. A monitoring framework should be developed to ensure prompt repayment of loans given through microfinance schemes by respondents, and feasibility studies should be conducted to ensure the strategic location of projects.

The government's role in active programme implementation should be emphasized, with a focus on coordinating government and non-governmental programmes aimed at reducing poverty. A multi-dimensional approach to poverty reduction should be developed and implemented, targeting the poor at all levels of articulation, implementation, monitoring, and review of poverty reduction strategies. A comprehensive reorientation scheme should be launched to alter the poor's attitude towards government projects, recruitment, and empowerment programmes.

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