

RESEARCH ARTICLE:

Poverty in Nigeria: Potential Aggravating Factors

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Abstract

Nigeria has grappled with poverty for decades despite the abundance of natural and human resources. This study explores poverty from the income and multidimensional perspectives and reconnoitres some contemporary challenges that might potentially perpetuate poverty and snowball its level in Nigeria. This study is anchored on the state fragility theory. The study utilised the qualitative research method based on literature search from secondary sources including journal articles, books, institutional documents, and newspapers. Information was also sourced from verified internet materials, while data was descriptively analysed. Contemporary issues like weak state institutions, inflation and weak local currency, unemployment, gaps in infrastructure, corruption, poor access to health, and security challenges are conduits to keep the majority of Nigerians in poverty, and dip more people into poverty. The study recommends that government should strengthen state institutions to address these contemporary issues to alleviate poverty in Nigeria. Positive attitude towards challenges through adherence to good values and value re-orientation is also recommended.

Keywords: poverty; Nigeria; aggravating factors; state institutions

Introduction

Tackling the threat that poverty poses to the world population remains at the forefront in policies and programmes of the United Nations and several countries (Global Multidimensional Poverty Index, 2022). This is also evident in the Millennium Development Goals (MDGs) (2000 to 2015) and the Sustainable Development Goals (SDGs) (2016 to 2030) which are intended to eradicate extreme poverty and hunger, and no poverty features as goal one for MDGs and SDGs respectively (The Millennium Development Goals Report, 2015; Global Multidimensional Poverty Index, 2022). In Sub-Saharan Africa, more than 40 per cent of the population in the region still lived in extreme poverty in 2015, with Nigeria and the Democratic Republic of Congo jointly contributing the highest figures as at 2011 (The Millennium Development Goals Report, 2015). According to the Global Multidimensional Poverty Index (2022), when using the \$1.90 per day poverty line, the number of poor individuals in Sub-Saharan is higher than the total of those with similar conditions of deprivation in South Asia, East Asia, and the Pacific. Nigeria is an economically buoyant country domiciled in Sub-Saharan Africa. However, this economic feat has not translated to significant achievements in pruning the level of poverty in the country. This contradicts the country's economic strides achieved in terms of its high Gross Domestic Product (GDP). It maintained the position of the country with the highest GDP in Africa between 2018 and 2022. However, the level of poverty in Nigeria is higher when compared with African countries with high GDP, e.g. Morocco, Algeria, Egypt and South Africa (UNDP (United Nations Development Programme), 2022). Hence, Nigeria's economic progress has not been translated into significant poverty reduction.

An understanding of the complex nature of poverty in Nigeria is imperative. Contemporary issues do not only serve as catalysts for poverty, but they might aggravate it (Danaan, 2018). These issues include weak state institutions, inflation and dwindling local currencies, unemployment, infrastructural deficit, corruption, constraints in the health sector and security challenges. Although these issues have persisted for several years, their magnitude in

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contemporary Nigeria calls for key role players to urgently pay attention to them. Exploring poverty on these pedestals offer important knowledge into the complex interactions involved, thus revealing the niceties of government's capacity to respond to the situation effectively. This study seeks to explore the dynamics of poverty in Nigeria. This will be pursued by examining its various forms and origins, as well as the evolving challenges in the country. The crux of this research is that without tackling some of these contemporary issues staring at the country, poverty may increase. The research is made up of five sections. The first section describes poverty and its causes, while the second part focuses on the theoretical framework. The third section focuses on poverty and its manifestation in Nigeria, whereas the penultimate section focuses on factors that could serve as catalysts to exacerbate poverty in the country. The final part concludes the study and offers recommendations.

Poverty as a Concept and Its Causes

Poverty is a complex phenomenon. A succinct and universally agreed-upon definition of poverty remains problematic due to its impact on various facets of human existence. These encompass physical, moral, and psychological dimensions (Ajakaiye and Adeyeye, 2001). In some societies, a person or household regarded as being poor may be considered to be not living in poverty in other societies (Jolliffe and Prydz, 2021). Societies have diverged histories, resources, standards of living, vegetation, and topography. These dissimilarities could sway the perception and assessment of poverty within various societies. Thus, multiple insights of poverty have been presented. Some commentators view poverty from the conventional perspective by depicting it as insufficient income to access essential goods and services. In contrast, others conclude that poverty is influenced, at least in part, by features like education, health, life expectancy, and child mortality among others (Ajakaiye and Adeyeye, 2001). Azevedo (n.d) describes poverty as 'pronounced deprivation in well-being.' The same author submits that those classified as being poor have inadequate income or consumption to elevate themselves above a predetermined threshold. Nonetheless, Omomowo (2018) defines poverty as an undesirable level of well-being. The author provides two forms of poverty, namely, absolute and relative property. Absolute poverty means an individual's income is insufficient to meet his basic needs of life (Jaiyeola and Bayat, 2020). It also implies that the poverty line sets a threshold that demarcates the poor from those who are not poor (Omomowo, 2018). Conversely, relative poverty means being deprived in comparison to others (Lok-Dessallien, 1999; Jaiyeola and Bayat, 2020). The multifaceted nature of poverty requires researchers to explore how poverty is determined. This will consequently render the definitions of poverty more comprehensible.

Income has been widely regarded as barometer to measure poverty. However, this approach relies on the credence that individuals and households are poor due to their income, or consumption falling below a certain threshold. This is often referred to as a minimum social standard of well-being by certain people (Lok-Dessallien, 1999; Carr, 2021). This threshold is dynamic due to inflation and other peculiarities in countries. Nonetheless, the international income poverty line is measured in terms of the Purchasing Power Parity (PPP) in United States (US) Dollars (\$). Thus, the income poverty line increased from \$1.25 to \$1.90, then to \$2.15. There are also different national monetary poverty lines (The Millennium Development Goals Report, 2015; UNDP, 2024). A positive attribute of income poverty indicator is that it is expressed per unit, but its primary limitation is that it excludes cashless items such as goods and services provided by government (Lok-Dessallien, 1999). An additional limitation is the non-inclusion of time required to obtain a commodity (Lok-Dessallien, 1999; Abubakar, 2022). Nonetheless, the poor do not always regard income as their problem. Instead, they describe the lack of education, health, housing, empowerment, employment, and personal security among others, as the building blocks of their poverty status (Alkire and Santos, 2011). Furthermore, the poor conclude that lack of income cannot be regarded as a comprehensive indicator of poverty. Consequently, multidimensional approaches of measuring poverty have been developed. Therefore, the Human Development Reports (HDRs) which embrace the Human Development Index (HDI) as an integral part have been in use since the 1990s. The purpose of the HDRs is to gauge poverty using various indicators including the income-based method (Alkire and Santos, 2011).

The tripartite dimensions of the HDI are a long and healthy life with life expectancy at birth as the indicator; increase in knowledge with expected and mean years of schooling as indicators, and a decent standard of living with the Gross National Income per capita (PPP \$) as the indicator (UNDP, 2024). The conglomeration of these dimensions determines the HDI values and to rank countries accordingly. The Global Multidimensional Poverty Index (MPI) was introduced in 2010, and it co-exists with the HDRs (Alkire and Santos, 2011; Vollmer and Alkire, 2022). In order to measure acute poverty on a country-by-country basis, Alkire and Foster have developed the Alkire-Foster MPI which is a product of the incidence and intensity of poverty. The incidence of poverty connotes the proportion

of individuals within a population who are poor, while the intensity of poverty is a criterion within the MPI used to measure the extent to which the multidimensionally poor are deprived (Alkire *et al.*, 2021; UNDP, 2022). For instance, if country A and country B have the same incidence of poverty, but country A has more intensity in the number of dimensions, then country A is regarded as poorer (Alkire and Santos, 2011). This approach is relatively simplified compared to other highly statistical approaches and substantially flexible because it incorporates dimensions and indicators (Fransman and Yu, 2019). Subsequently, the MPI has gained global acceptance, hence countries have developed their own versions of the MPI to suit peculiarities. Another advantage of the MPI is that it enables comparisons of the incidence and intensity of poverty among countries or regions, ethnic groups, rural and urban areas, and other crucial household and community features (Alkire and Santos, 2011; Alkire *et al.*, 2021).

Global MPI is mostly used to analyse households. However, in some instances, national MPI may encompass individual-level data (Alkire and Santos, 2011; Stats SA, 2014; National Bureau of Statistics, 2022). The MPI is scaled between 0 and 1, with higher values representing high multidimensional poverty. The Global MPI comprises of three dimensions and seven indicators. The indicators of health dimension are nutrition and child mortality. Indicators to measure education are the years of schooling and school attendance, while living standards are measured in terms of cooking fuel, sanitation, drinking water, electricity, housing and assets (Global Multidimensional Poverty Index, 2023). The national or regional MPIs reflect domestic realities and information that are country- or region-specific (Alkire and Santos, 2011). The variation in national and regional MPIs is crucial because poor people in different countries are not evenly deprived (Alkire *et al.*, 2022). For example, a poor or middle-income individual in a developed country may fall within the middle class and rich categories respectively in a developing country. Another instance is that the deprivation of indicators used to measure poverty in rural areas may not be applicable in urban areas, and vice versa (UNDP, 2022). Hence, the MPI provides inimitable insights into poverty situations, illuminating their complexity among various age groups, urban and rural environments, as well as subnational units. Irrespective of the yardsticks used to measure poverty, there are several factors that contribute to this condition.

Poverty is attributed to various reasons depending on individual circumstances in each society. However, context in the process of determining the causes of poverty for individuals matter. Individual differences when determining the causes of poverty encompass family background, race, religion geographical background and location, age, as well as income and educational variations (Campbell *et al.*, 2001). Scholars have attributed the causes of poverty to various reasons. Lok-Dessallien (1999) identifies psychological and sociological deprivations as causes of poverty. He submits that physiological deprivations mean that people are poor due to lack of income, food, clothing and shelter. He further establishes that sociological deprivation depicts the existence of basic structural inequities and inherent disadvantages that inhibit the poor to optimally leverage resources from sectors that are dominated by them. Davids and Gouws (2013) advocate that there are three broad causes of poverty, namely, individualistic, structural and fatalistic. Individualistic factors link poverty to internal causes like imprudent spending habits (Maseko *et al.*, 2015). In contrast, structural factors ascribe the causes of poverty to influences which are external to the individual, e.g. societal and economic factors (Campbell *et al.*, 2001; Maseko *et al.*, 2015). Whereas, fatalistic factors attribute poverty to misfortune and destiny (Campbell *et al.*, 2001). Nonetheless, Addae-Korankye (2014) attributes the causes of poverty to cultural factors. The same author posits that inadequate traits of impoverished individuals, coupled with their non-conforming actions, create a self-perpetuating cycle that hinders their ability to achieve economic stability and prosperity. Some of these causes which are mentioned apply to Africa. Other causes of poverty in Africa are poor leadership and governance, weak institutions, corruption, political instability, unfavourable policies in the global system, illiteracy, and conflicts among others (Adjei, 2017). Nigeria is not insulated from most of these causes of poverty.

Theoretical Framework

The theoretical lens of this study is the state fragility theory. The concept of fragility has been connected to various dysfunctions, including inability to provide basic services and meet essential needs of citizens, unstable and weak governance, persistent extreme poverty, lack of territorial control, and a high susceptibility to conflict and civil war (Bertocchi and Guerzoni, 2010). It is the responsibility of government to respond to these issues through strong state institutions. A fragile state falls short of performing some of its functions as expected. The Organisation for Economic Co-operation and Development (2008: 16) defined a fragile state 'as one unable to meet its population's expectations or manage changes in expectations and capacity through the political process.' This indicates that if

the core functions of the state, which encompass ensuring the security of lives and property, and welfare are not achieved or under-achieved, then the expectations of the populace will be adversely affected. Moreover, fragility signifies the weakness of the state. Therefore, fragile states are characterised by political instability, violence, weak institutional and administrative capacity, as well as waned or non-functioning physical and social infrastructure. The consequence of these characteristics (exhibited by fragile states) are low human development and high levels of poverty (African Development Bank Group, 2011). Government may not effectively address the matters raised without vibrant state institutions. The anchor point of the state fragility theory is the weakness or otherwise of state institutions (Kaplan, 2014). The political class and public servants formulate public policy, provide public infrastructure, regulate the economy and ensure the protection of lives and property among other functions through state institutions. Hence, if these institutions are weak, government may not be effective. The Nigerian government has been a theatre of political instability, weak state institutions, deficient public policy implementation, security challenges, economic deterioration and other attributes that signify a state with substandard performance. Successive governments have performed below expectations in one role or another and these have effects on the level of poverty in the country. These governments have been slow to catch up with the dynamism associated with societal problems. The Nigerian government has been struggling to cope with the historical and emerging complexities that cause poverty. Thus, poverty has a potential of surging if these matters are not attended to.

Poverty and Its Manifestation in Nigeria

Poverty in Nigeria has evolved through different economic and political dispensations. Public policies and actions by government have historically determined the levels of poverty and the yardsticks for determining poverty. Poverty in Nigeria will be measured by means of the tripartite approaches, *i.e.*, income, MPI and HDI. In the 1960s, the focus was on income indicators of poverty, but from the 1990s and beyond, non-monetary indicators have been included to determine poverty (Ajakaiye and Adeyeye, 2001). From pre-independence to pre-1980 period, the economy was performing relatively well, hence Nigerians were not as poor as they currently are. As at 1960, 15 per cent of the population were poor, and the country did not perform dismally until the late 1970s (Obadan, 2001; Oshewolo, 2010). Prior to the oil boom of the 1970s, agriculture was the mainstay of the Nigerian economy. Most Nigerians were employed in the agricultural sector, it accounted for the bulk of the country's foreign earnings. As a result, the well-being of Nigerians was transformed. The Nigerian agricultural sector where most of the economically active population earn a living has been subjected to volatile pattern of growth from the 1970s (Saji and Sudharshan, 2002). The authors submit that during the oil boom, the volume and value of agricultural exports decreased by 50 per cent. Furthermore, the economy experienced a decline due to the drop in oil prices in 1982 and the drought of 1983 (Saji and Sudharshan, 2002; Uzomba, 2020). Prioritising oil production above agriculture has negatively affected the Nigerian economy (Uzomba, 2020). Consequently, by the mid-1980s, Nigeria was affected by a significant economic crisis characterised by shrinking oil revenues, a substantial debt burden, an extensive production crisis, and the weakening purchasing power of salaries and wages due to inflation as well as a general drop in the production of goods and services in the economy (Jega, 2000), loss of job opportunities and income, and more reliance on government for salaried jobs (Uzomba, 2020). Table 1 illustrates the description of poverty in Nigeria from 1980 until 2022.

Table 1: Poverty in Nigeria from 1980 to 2022

Years	Poverty Description as a Percentage (%) of Population and Other Non-percentage Values
1980	Poverty incidence- 27.2%
1985	Poverty incidence- 46.3%
1992	Poverty incidence- 42.7%
1996	Poverty incidence- 65.6%
1997	Poverty incidence- 69.2%
2004	Poverty incidence- 54.4% Absolute poverty- 54.7%
2010	Poverty incidence- 69% Absolute poverty- 60.9% HDI value- 0.488
2011	Global MPI- 0.239 Population in multidimensional poverty (headcount)- 43.3% Population in multidimensional poverty (intensity of deprivation)- 55.2%
2013	Global MPI- 0.279 Population in multidimensional poverty (headcount)- 50.9%

	Population in multidimensional poverty (intensity of deprivation)- 54.8% Population below (income) national poverty line- 46% Population below (income) poverty line PPP \$1.25 a day- 62%
2014	HDI value- 0.514
2016	HDI Rank- 156
2017	HDI value- 0.532 HDI Rank- 157
2018	HDI value- 0.534 HDI Rank- 158 Global MPI- 0.254 Population in multidimensional poverty (headcount)- 46.4% Population in multidimensional poverty (intensity of deprivation)- 54.8% Population below (income) national poverty line- 40.1% Population below (income) poverty line PPP \$1.90 a day- 39.1%
2020	HDI Rank- 163 HDI value- 0.535
2021	HDI value- 0.535 HDI Rank- 162 Global MPI- 0.175 Population in multidimensional poverty (headcount)- 33% Population in multidimensional poverty (intensity of deprivation)- - 52.9% Population below (income) national poverty line- 40.1% Population below (income) poverty line PPP \$2.15 a day- 30.9%
2022	HDI value- 0.548 National MPI (incidence of poverty)- 62.9% National MPI (intensity of poverty)- 40.9%

Sources: Authors from different sources

Table 1 shows that poverty has been on the rise in Nigeria since 1985. Government implemented austerity measures to mitigate the effect of a drop in oil prices which adversely impacted on the country's economy (Uzomba, 2020). One of these interventionist measures was the Structural Adjustment Programme (SAP), which was internationally designed and indirectly imposed by the International Monetary Fund and the World Bank but it was introduced in the country by national actors (Uzomba, 2020) and was implemented from 1986 (Sulaiman *et al.*, 2014). The major components of SAP include currency devaluation and exchange rate deregulation; reduction in public expenditure majorly in the social services sector and removal of subsidies on state provided goods and services; and privatisation and commercialisation of government owned enterprises and services (Jega, 2000). However, there has been mixed outcomes on the performance of the SAP. Saji and Sudharshan (2002) assessed the SAP from 1986 to 1992. The assessment of the SAP by these authors established that these measures have led to an increase in rural earnings through improvement in the production of domestic food crops and cash crops. Thus, growth and poverty reduction were recorded between 1986 and 1992. In contrast, Anyanwu (1992) posits that the SAP has contributed to the surge in poverty and inflation, courtesy of the removal of subsidies and other liberalisation measures. Similarly, Jega (2000) submits that there was decline in the capacity of the manufacturing sector, huge overall fiscal deficits in the economy, increase in external debt, rise in inflation, and job losses due to the implementation of the SAP.

Furthermore, Table 1 illustrates that poverty has remained a problem in the country after the implementation of the SAP. While poverty may be attributed to over-dependence on oil and the effects of the SAP implementation, other factors are attributable for a rise in poverty in Nigeria. These factors are captured by Omoniyi (2018). The author attribute the root causes of poverty in Nigeria to factors such as minimal or diminishing economic growth, disparities in income distribution, unemployment, corruption, governance shortcomings, misallocation of funds towards non-developmental ventures, embezzlement of funds, inappropriate macroeconomic strategies, insufficient investment in human capital, debt accumulation, labour market inadequacies characterised by limited job opportunities, low productivity, meagre wages in the informal economy, and inadequate human resource development. Other factors are environmental degradation, rural-urban migration, health issues or diseases, and political instability among others (Omoniyi, 2018). Some of these root causes double as aggravating factors that this study covers. Nevertheless, this study points out some developments that transcend the factors raised by Omoniyi (2018). Succinctly, the failure of government to tackle the root causes of poverty aggravates the existing causes and make them potential poverty boosters.

Potential Issues that may Snowball Poverty in Nigeria

The proportion of Nigerians who live above the poverty threshold may slip into poverty, while those who are under the poverty threshold may remain as such perpetually. This is because the contemporary issues affecting the political, social and economic fabrics of the country are prospective catalysts to render food and other necessities unaffordable for individuals and households. These issues are captured in this section.

Weak state institutions

State institutions are the institutional architecture through which government carry out its responsibilities. Their functions include the provision and maintenance of infrastructure, anti-corruption, security, defence, currency operations, trade regulations, and foreign affairs among others. However, if these institutions are weak, the situation could be a conduit to perpetuate and increase poverty. In Nigeria, some of these institutions have displayed operational weakness. Some individuals in government are powerful than some state institutions. Some of these institutions operate on double standards with respect to dealing with the elites and the masses. Reality portrays a situation where some of these institutions dance to the whims and caprices of the political and public leadership (Faluyi, 2023a). The attitude of these leaders and the performance of these institutions are cumulative factors that lead to the emergence and perpetuation of some of these contemporary issues which will be highlighted.

Inflation and weak local currency

Inflation rate in Nigeria has been escalating. The National Bureau of Statistics (2024) recorded that inflation in Nigeria was 29.9 per cent in January 2024, but increased to 31.7 per cent in February in the same year. The same source has it that the components of inflation are food and non-alcoholic beverages; housing, water, electricity, gas and other fuel, clothing and footwear, transport, furnishings and household equipment and maintenance, education, health and communication. Other components are restaurant and hotels, alcoholic beverage, tobacco and kola, recreation and culture and miscellaneous goods and services. A rise in prices of these means that there will be drop in the quantity and quality of food, basic necessities, goods and services that people will be able to purchase. The situation is complicated if an increase in income is not commensurate with the rise in the prices of goods and services. Moreover, an increase in prices of goods and services in Nigeria cannot be detached from the removal of the fuel subsidy and the weakness of the Naira. The value of the Naira against the US Dollar fell drastically in the last few months. Subsequently, the purchasing power of the Naira has plummeted such that Nigerians can hardly afford most of the essentials. The situation was aggravated by investors who have left the country due to the depreciation of the Naira (Ikpotu, 2023). Firms that have disinvested from Nigeria import most of their raw materials and trade in US Dollars. Hence, the cost of importing and operating their businesses has increased. Moreover, the cost of diesel has also compounded the situation, thus negatively affecting the operations of some of the firms, hence their eventual exit from Nigeria. Consequently, the prices set by the firms for their finished products will be too high for ordinary Nigerians. It is also worth noting that these firms will hardly break-even. Consequently, government will record a shortage in tax collection, and job losses becomes inevitable. If appropriate measures are not implemented to curtail the rise in prices, more Nigerians will fall below the poverty line, thus become multidimensionally poor.

Unemployment rate

In Nigeria, unemployment rate in quarter one of 2023 was 4.1 per cent, while in quarter two of the same year was 4.2 per cent (National Bureau of Statistics, 2023). The same source recorded that the unemployment rate in urban areas for quarter two of 2023 was 5.9 per cent, while in rural areas was 2.5 per cent. The unemployment rate in Nigeria appears to be low, but the inflation rate in the country has resulted in a decrease in the purchasing power. A cogent reason for the low unemployment figures in Nigeria is because informal platforms and small-scale businesses account for the bulk of the economically active residents in the country. However, the manner in which these businesses are structured affect the level of income generated by these firms adversely, they earn less income when compared with businesses in the formal sector. Consequently, the income earned by employees in the informal sector is not adequate (Omoniyi, 2018) to buy food and non-food items which are expensive to such an extent that Nigerians can hardly afford most of these items.

Gaps in infrastructure

The Global Competitiveness Report (2019) underscored Nigeria's state of infrastructure in relation to global performance in a ranking of 141 countries. For instance, Nigeria is ranked 130th in transport infrastructure, it ranked 124th in utility infrastructure. Utility infrastructure refers to a fusion of water and electricity. The provision of infrastructure and service delivery in Nigeria have been hampered by corruption and nepotism (Faluyi, 2023a). Nigerians might be expected to spend more money to provide themselves with these services. Thus, the funds that households and individuals would have deployed for other basic needs are being used in maintaining generators, buying solar panels, and making boreholes among others. In addition, the epileptic power supply has made firms to resort to the use of diesel to operate, thus increasing their operational costs. Hence, if these infrastructures are not adequately provided, businesses will operate at higher costs, and this has effects on the remuneration they will offer their employees, or even employ fewer staff members.

Corruption

In Nigeria, corruption and a feeling of immunity from prosecution are widespread among government officials (Global Organized Crime Index, 2023). Despite multiple government prosecutions, reforms and initiatives in addressing the situation, corruption is getting worse (Global Organized Crime Index, 2023). Corrupt practices in Nigeria include public officials conniving with the private sector and multinational corporations to siphon public funds and mineral resources, diversion of public funds, contract racketeering, and budget padding among others. These have negative effects on the availability of funds for infrastructural provision and security of lives and property. The abuse of public office by security personnel and some non-state actors' excesses are also a significant issue. For instance, the police extort motorists due to poor pay of the former (George, 2024). In addition, transport unions and touts collect 'levies' at most bus stops from commercial transport operators (Oloniniran, 2023). It is disheartening that these 'levies' are not channelled into fixing roads and other infrastructure. Consequently, those involved in transportation business are discouraged because their profit reduces and they might resolve to charge passengers more to make up for the cost. Hence, the actions of the police and transport unions increase the cost of transportation which has negative effects on the drivers, commerce and passengers with a long-term effect of increasing poverty in the country.

Access to health

Nigeria has performed poorly in terms of health services. Most government hospitals are not free, and the cost implication is reduction in the funds possessed by individuals and households to cater for other basic needs. The habit of the political class to seek medical attention abroad has created a scenario where they are less concerned with equipping public hospitals. The poor can hardly afford the cost of treatment locally and they hardly try medical tourism because it is more expensive. The masses face the negative consequences of the poor health situation the most. The weakness of the Naira against the US Dollar has also affected the prices of medicines. This is because most pharmaceutical companies in the country import some of their raw materials, equipment and products. The cost of accessing medical services and medication have made some medical products to be beyond the reach of the common man and an unhealthy nation will not be productive and have the propensity to fall deeper into poverty. Another issue that has worsened the health sector's unpleasant situation is the mass emigration of health workers abroad due to poor working conditions in Nigeria (Akor, 2022). Therefore, for those who can afford public and private hospitals, they face the challenge of longer waiting periods to access services because the institutions are understaffed. This situation might result in avoidable deaths and poor treatment. Some patients who die in such situations may be the breadwinners. As a result, their families might plunge into poverty. On the other hand, the poorly treated patients might continue to suffer from their ailments, or their health conditions could be aggravated. Therefore, this situation might drain the resources of the affected families and/or make such individuals less or non-productive. Consequently, employers may lay off some affected employees, while those with businesses might experience low output or collapse of such businesses.

Security challenges

Security has equally been a challenge in Nigeria. These include cybercrime, financial crime, arms smuggling, human trafficking, banditry, militancy, insurgency, kidnapping, farmer-herder conflicts, communal violence, and robbery among others. Reported kidnapping cases are on the rise. According to the Global Organized Crime Index (2023), kidnappers have focused on expatriates living in housing complexes, individuals on public transportation routes, and oil facilities both onshore and offshore. Kidnapping for ransom is sometimes carried out without violence, but often includes deadly force and the rich and poor are not spared (Global Organized Crime Index,

2023; Akinpelu, 2024). Bandits and insurgents are also involved in kidnap activities. The situation is so terrible that in more than one instance, over 100 people have been kidnapped in one kidnap operation (Akinpelu, 2024). The security situation, especially, banditry, insurgency, farmer-herder conflicts and kidnapping has affected farming. Farmers are being killed and kidnapped and most of them are unable to go to their farms. In some places in Northern Nigeria, residents have to pay taxes to non-state actors in order to access their farms (Faluyi, 2023b).

Consequently, these challenges with the dual issues of high cost of fuel and weak state of the Naira, food is almost beyond the reach of the common man. The security challenges have also resulted in the internal displacement of Nigerians. In the North East alone, 2,295,534 were in Internally Displaced Persons (IDP) camps as of June 2023 mainly due to insecurity (International Organisation of Migration, 2023). Those living in IDP camps have the propensity to lack access to clean drinking water and sanitation, electricity, schools, clean fuel and safe disposal of household waste (Admasu *et al.*, 2021). They also face challenges like unemployment, poor access to banking, food insecurity, early marriage and threats to physical safety (Admasu *et al.*, 2021). Most of the people in these IDP camps are farmers and because of the threat to their mobility, they have not been able to go to farms and carry out other businesses. Consequently, they are being drafted into the poverty cycle and the availability of food and its prices have been negatively affected which means other Nigerians share in the poverty cake baked by insecurity. These security challenges in Nigeria obstruct the effective running of local businesses and discourage foreign investors. For some businesses to operate, they might be required to devote more resources into providing security which should be provided by state institutions. The cost implications are that the funds devoted to respond to security challenges would have been used to develop their businesses, offer better packages to employees, or even increase their number of employees.

Conclusion and Recommendations

This study explored poverty in Nigeria; The concept was defined, and its causes were highlighted. Poverty remains a multifaceted subject with peculiarities in different countries. The levels of poverty in Nigeria from the three yardsticks of income level, HDI and MPI remain high. These issues identified as potential poverty-expansion stimulators have existed for years, but the manner in which they evolve due to political, social and economic situations make them contemporary catalysts of poverty in Nigeria. These are weak state institutions, inflation and weak local currency, unemployment, gaps in infrastructure, corruption, poor access to health and security challenges. Thus, the study addressed how these problems manifest and how they can be contained to prevent increase in poverty and ultimately alleviate poverty in Nigeria. This study recommends that state institutions should be made stronger so that every individual in the country irrespective to their status will obey the laws. This will also allow these institutions to discharge their functions to enforce, regulate and harness resources effectively. The use of US Dollars for most trades should be discouraged. This will strengthen the Naira and reduce the level of inflation. However, this can be aided by encouraging more exportation than importation. The informal sector should be empowered through the provision of infrastructure and security to ease the operations of their businesses. There should be no sacred cows in addressing corruption. The bane should be tackled in the public and private sectors. Healthcare should be more accessible to Nigerians and the hospitals should be well equipped. The security institutions should be empowered to tackle the security challenges in the country and political or ethnic sentiments should not be a determining factor in stemming the tide of insecurity in the country. Promotion of good values and value re-orientation on patriotism and commitment should be encouraged for the citizens and those in government.

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