HARNESSING THE ECONOMIC POTENTIALS OF BORNO STATE FOR POVERTY ALLEVIATION IN NIGERIA

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ABSTRACT

Poverty alleviation is one of the most difficult challenges facing any country in the developing world, where, on the average, majority of the population is considered poor. Evidences in Nigeria shows that the number of those in poverty has continued to increase and Borno state was acknowledged to be at the forefront. Governments and institutions have the capacity to enhance both the viability and the attractiveness of options by providing programme and incentives, leading to the promotion of peace and development and reduction in poverty. This paper, therefore, attempted to identify sustainable poverty alleviation strategies for harnessing the economic potentials of Borno state, Nigeria. The paper ascertained the economic potentials for poverty alleviation in Borno State. The paper, also, identified the approaches for designing sustainable poverty alleviation programmes and investigated sustainable strategies in harnessing economic potentials for poverty alleviation in Borno State. Furthermore, challenges of harnessing economic potentials for poverty alleviation in Borno State were identified. The paper recommended that among others conducive policy environment should be established through strengthening development partnerships, supporting the agricultural sector and development of infrastructure in Borno state.

Key words: Economic potentials, Harnessing, Poverty alleviation, Sustainable strategies, Nigeria

1.0 INTRODUCTION

1.1Background to the study

Restoration of adequate economic growth and improvement of people’s welfare has been the primary objective of governments in Nigeria since the 1960’s [1]. At that time, it was believed that the benefits of higher rates of economic growth would “trickle down” to the lower income groups of the population. However, existing evidence concludes that, although higher economic growth is a sine-qua-non for sustained poverty reduction, it has often resulted in a “trickle up”, in favor of the small middle class and the very rich. This paper considers economic potential as the capacity of a nation/state to produce goods and services that leads to future success or usefulness. Recognizing the potential of people as agents of positive change necessitates providing them with viable, attractive choices. In order for choices to be both viable and attractive, they must lead to positive outcomes for the individual and society as a whole. Governments and institutions have the capacity to enhance both the viability and the attractiveness of options by providing programs and incentives, leading to the promotion of peace, development and reduction in poverty.

The United Nations (UN) made the reduction of extreme poverty and hunger, the first item in the millennium development agenda. This is because, poverty is degrading and dehumanizing. According to African Union (2006) poverty is pain; it feels like disease, attack a person not only materially but also morally, it eats away one’s dignity and drives one into total despair”. This was why, Nigeria, even before the setting up of millennium development goals by 2015 and vision 20: 20 -20 by 2020, had been vigorously pursuing development agenda to forestall extreme poverty and hunger in her citizenry (Alimi, 2013). Programmes like National Directorate of Food, Roads and Rural Infrastructure (DFRRI),
Agricultural Development Projects (ADPs), Back to land, Better life for rural people, River Basin Development Authorities (RBDA) and so on were formulated and introduced prior to the introduction of Millennium Goals (MDGs) and vision 2020 in 2009. Nigeria being a stakeholder quickly adopted the Millennium Development Goals when it was introduced to reduce the scourge of abject poverty in the country. Then, in recent time, Nigeria came up with 11 years Development plan in 2009 known as Nigeria Vision 20: 20-20 of which one of the targets is equally poverty reduction.

1.2 Problem Statement

Poverty alleviation is one of the most difficult challenges facing any country in the developing world including Nigeria, where, on the average, majority of the population is considered poor. Evidences in Nigeria shows that the number of those in poverty has continued to increase and Borno state is acknowledged to be at the forefront. The high incidence of poverty in the country has made poverty alleviation strategies important policy options over the years with varying results. What is disheartening is that Nigeria does not lack development strategies, but implementation of sustainable strategies. More so, Nigeria is blessed with both human and material resources but harnessing and utilization of such resources is the question or the basic issues of concern.

Whereas, a number of economic potentials have been identified, proven and documented in literature, unfortunately, no attempt has been made to document in Borno state with a view to developing sustainable poverty alleviation strategies that could harness such potentials. This paper, therefore, attempted to identify sustainable poverty alleviation strategies for harnessing the economic potentials of Borno state, Nigeria.

1.3 Objectives of the paper

The main objective of the paper was to identify sustainable poverty alleviation strategies for harnessing the economic potentials of Borno state. The specific objectives were to:

(i). ascertain the economic potentials for poverty alleviation in Borno State,
(ii). identify approaches for designing sustainable poverty alleviation programmes
(iii). investigate sustainable strategies in harnessing economic potentials for poverty alleviation in Borno State, and
(iv). identify challenges of harnessing economic potentials for poverty alleviation in Borno State.

2.0 RESEARCH METHODOLOGY

The methodology employed was the use of secondary source of information, including the consultations of experts on the subject matter. Information was gathered through reports, publications, the internet and other secondary sources of information. That is existing current documents/literature on economic potentials and strategies to alleviate poverty were assembled and critically reviewed, considering their currency. The gathered information was presented herein.

3.0 RESULTS AND DISCUSSION

3.1 Economic Potentials for Poverty Alleviation in Borno State

Borno State possesses significant agricultural, industrial and other resources including a landmass that provides huge economic potentials for reducing poverty. In terms of harnessing the economic potentials, Borno state government is making some efforts to progress into agro – industrial economy so as to achieve economic diversification, employment creation; income generation to promote growth of the economy alleviates hunger and poverty. Towards this end, there is the need to ascertain the economic potentials of Borno state for a sustained harnessing of the same. These economic potentials are presented to include following (Mikloda and Joshua, 2007):

3.1.1 Agricultural potential: -
- Irrigation/Fadama farming e.g. rice, potatoes, tomatoes etc
- Livestock production e.g. cattle, goats etc.
- Poultry production e.g. chickens, ducks etc
- Forestry production, etc gum Arabic etc.

3.1.2 Cottage industrial potential:-
- Weaving and knitting
- Blacksmithing
- Local groundnut processing
- Clay pottery making
- Local spaghetti (Taliya) processing
- Dyeing
- Soya milk
- Zobo drink
- Tannery, etc
3.1.3 Manufacturing industrial potentials:

- Borno Soda Ash Company Maiduguri
- Borno Wire and Nails Industry Nig. Ltd.
- Maiduguri Dairy Plant
- Pioneers Enamel Wire Nig. Ltd, Baga road
- Biu Animal Feed Mills
- Biba Foam
- Borno Aluminum Co. Ltd
- Maiduguri Flour Mills
- Neital Shoes Nig. Ltd
- Jere Rice Mill
- Farm Centre Poultry Farm
- Stephen Floor, Tiles, Damboa, Road, Maiduguri
- Borno Plastic Industries
- Haske Sweet and Confectionaries Nig. Ltd, Baga Road
- Biu Modern Bakery, etc.

3.1.4 Trade and Marketing potentials:

- Foodstuffs including cooked food
- Livestock and livestock products
- Cloth and clothing
- Craft and craft products, etc.

3.1.5 Banking & financial services:

- Agricultural Credit Guarantee Scheme Fund through The Central Bank of Nigeria (CBN)
- Nigerian Agricultural Cooperative and Rural Development Bank (NACRDB)
- National Poverty Eradication Programme (NAPEP)
- Commercial Banks e.g. Diamond Bank, Fidelity Bank, Union Bank, First Bank, UBA etc.
- Micro — Finance Banks (MFBs)
- Nigerian Agricultural Insurance Corporation (NAIC)
- Cooperative Societies e.g. Hadin kai Cooperative Societies
- Thrift and savings societies etc.

3.1.6 Communication

- Global System of Mobile communication (GSM): emergence of seven private telecommunication operators such as: Airtel (known as Econet, V-mobile and Celtel at different times), MTN, Etisalat and the Glo.
- Computer and the Internet services
  Computerization has also led to the appearance of well-equipped business centres all over the State. Away from the outdated, slow typewriters and photocopiers, they are predominantly computerised, coupled with related accessories. They offer such services, as typesetting, binding, photocopying, printing, lamination, scanning, etc. All these mean faster and more efficient secretarial services to private business outfits as well as government departments. As a response to the need for computer literacy/education, a number of computer training schools have emerged in Maiduguri, Biu, Bama and Gwoza towns. Big names include Kwari Computers, BB Computers, YAYSIB Computers. The University of Maiduguri, Ramat Polytechnic and other institutions are springing up to complement the industry.

Closely related to the above is the introduction of the Internet services by both private and public enterprises in the State. Initially, such services were restricted to international donor agencies, the Central Banks and other specialised agencies. From 1999 to date a lot of Internet café’s have sprang up all over the State. Major players are the University of Maiduguri, YAYSIB Computers, LIMNET, STERPRO and the University of Maiduguri Teaching Hospital (UMTH).

- The mass media
  - Print media: - Newspapers e.g. Daily trust, The Sun, The Punch, etc.

3.2 Approaches for Designing Sustainable Poverty Alleviation Programmes

For poverty alleviation programmes/projects to be meaningful, relevant, and sustainable, it must be aimed at solving the basic needs of the people for whom it is targeted and it must gain the confidence of the beneficiaries. Furthermore, the sustainability of such poverty alleviation programmes will be highly guaranteed if the people for whom a programme is planned are involved (Federal Ministry of Agriculture and Water Resources, 2009; Undiandeye et al, 1999). Therefore, participatory approach is recommended for initiation of sustainable poverty alleviation through focused group discussion on the priority needs of the communities: This can be achieved through the following:

i. Engaging the services of Consultants to conduct survey for identification of community needs and recommend appropriate programme strategy.

ii. People’s forum - to create opportunity for people to air their problems and developmental needs.
iii. Constituency demands presented through their elected represented.

In whatsoever approach used at initiating poverty alleviation programmes, ranking and prioritizing of the community needs by the local authority should be done before designing an appropriate programme.

3.3 Strategies for Sustainable Poverty Alleviation Programmes in Borno State

3.3.1 Improving employment opportunities for the poor

Generally, a majority of the poor are engaged in the rural or urban informal sectors and not usually in formal employment. However, workers not regarded as poor initially but affected by job losses soon join the ranks of the ‘new poor’ (International Labour Conference, 2008). In this case, the poor and the newly poor displaced from employment should be moved into employment and self-employment within the tradable sector, that is, into activities that produce either exports or import substitutes. To effectively realize this, appropriate directorates or agencies should be set up to assist the poor and the displaced in the establishment of micro-and small-scale enterprises. The assistance should be in the form of the provision of credit and free training facilities to the rural poor and selected former public employees (Oladeji and Abiola, 1998). Existing ministries such as the Borno state ministry of poverty alleviation and youth empowerment should be properly funded, and have offices located in all local government headquarters of Borno state.

3.3.2 Development in Human Capital

Investment in human capital is a major approach to long-term reduction of poverty. The availability of good quality education, health, nutrition, and family planning are necessary to enable the poor come out of their poverty. Over long-term, the access of the poor to these services will increase productivity and income.

There is no doubt, however, that in some areas of social services, encouraging progress has been made in Borno state at the aggregate level. However, some of the poor households in the state still lack access to even the most basic social services. Higher priority should be given to services for the poor such as primary health care, primary education, rural water supply, sanitation, and low-cost housing. These services which are targeted at the poor should be located within their neighborhoods. Special programmes on education which will emphasize vocational and technical skills that will encourage the beneficiaries to be self-employed after completion should be developed and implemented. Due to competing needs of the resources available to the government, the mechanism for mobilizing private resources for the provision of social services must be strengthened. In fact, the need for greater co-operation between the public and private sectors should be emphasized.

3.3.3 Increasing Access to Productive Assets

The possession of productive assets plays a major role in getting people onto ‘income escalators’. Hence, the primary claims of the poor could be raised by increasing their access to productive assets. Invariably, policies aimed at increasing the access of the poor to productive assets will help to alleviate poverty and to achieve structural adjustment, because they increase not only consumption, but also investment.

In Borno state, a large number of the poor are in the rural areas where the majority of the inhabitants are involved in farming. Consequently, improved access to land would directly benefit poor households. Although a major redistribution of land ownership may not be feasible, smaller land transfers, and tenancy could be affected. When the poor own land, and are given necessary inputs such as fertilizer and pesticides to expand the productivity of the land, the level of poverty of the poor will reduce. Improving the availability of credits are important means of increasing the access of the poor to capital assets. Policies should be formulated for the provision of credit to the poor through innovative and effective channels. Perhaps community associations, co-operative societies and community banks located within the neighborhood of the targeted group could act as channels.

3.4 Challenges to Harnessing Economic Potentials of Borno State for Poverty Alleviation

The economic potentials outlined in section 3.2 are key sectors in the sustainable growth and development of economies in Borno state. The sector’s contribution can be through various transmission mechanisms including, directly through incomes for farmers, linkages with other sectors in the farming areas and
outside and through derived demand for other non-farming goods and services. However, the harnessing of these potentials for transformational development to alleviate poverty in Borno state faces many supply-side challenges (United Nations Economic Commission for Africa Sub-Regional Office for West Africa (ECA/SRO-WA)(2012). The paper identified the main supply-side challenges faced in harnessing the economic potentials of Borno state. These challenges compromise the ability of the sector to achieve its production potential and poverty alleviation. The following section outlines the challenges:

3.4.1 Limited access to finance and credit

Production by poor people fails to attract capital and credit because of the high levels of risk and uncertainty. The lack of collateral and the informal nature of most of the farming units and business make it difficult for them to attract finance and credit even from development banks. Further, in such circumstances, poor people turn to the informal rural lending systems that are often expensive and have stringent conditions which are detrimental to profitability in the sector. The lack of access to affordable credit adversely affects the ability to use modern technology and ultimately on productivity on the farms. In the agro-processing sector, the majorities of the businesses are small and medium enterprises (SME5) and tend to be undercapitalized. The farmers also lack collateral, management and commercial and financial skills and thus are unable to attract working capital. Securing long-term financing in a collateralized commercial environment is a priority if any business is to grow and become competitive. Most of the emerging agribusinesses and industries are not able to secure long-term funding.

3.4.2 Low levels of technological adoption and diffusion

Agricultural and industrial production systems have evolved into modern and efficient practices in response to market demands. Farmers, agro-processors and industrial businesses must use new technologies and innovations in order to enhance productivity and competitiveness. The drought in Northern parts of Nigeria can only be significantly curtailed by harnessing the irrigation potential in the region. The development of the irrigation potential of the inland in some the LGAs in Borno state could produce sufficient to feed all of Borno state.

3.4.3 Adverse Impacts of climate change

Change in climatic patterns involving dramatic variations in temperature, precipitation, global warming, pollution and carbon emissions impact negatively on economic activities, particularly rainfed subsistence agriculture. These changes have resulted in persistent and prolonged drought in northern Nigeria leading to perennial problems of poverty, hunger and starvation. Climate change affects livelihoods in several ways including, floods, crop failure, diseases and pests’ infestation, loss of livestock, livelihood insecurity and loss of income.

3.4.4 Poor infrastructure

Economic development and poverty alleviation requires enabling infrastructure; roads/rail, energy, telephone, ICT, health facilities, and water and sanitation facilities. An efficient transport system is required for trade and the movement of agricultural output, more so for the perishable products. These affect production and processing. The lack of health facilities in the farming areas also impacts on farming activities. The provision of infrastructure will strengthen the linkage between agricultural and nonagricultural sector. The lack of modern storage facilities forces early marketing, often at low prices due to excess supply on the market and also results in high post harvest losses.

3.4.5 Low levels of training and education

Education is a major pillar in poverty alleviation. Higher education levels are directly correlated with higher productivity (Bradshaw, 2006). This report observed that a farmer with four years elementary education is, on average, 8.7% more productive than one with no education. Given the low level of education among our farmers, the productivity is thus compromised and so is the adoption of new technologies and techniques. The quality of the education available to farmers further compounds the challenges.
4.0 CONCLUSION AND RECOMMENDATIONS

In the light of the devastating nature of poverty in Nigeria, today, there is the need for new poverty alleviation initiatives to reduce the miseries of the poor significantly. Such an initiative should be founded on a well articulated and targeted poverty alleviation programmes which takes cognizance of the imperatives of respectable development of human capital for sustainable economic growth, employment generation, access to resources, basic needs and social services, and good public service management. To have an effective strategy for economic growth and poverty reduction, it has to be accompanied by a deliberate policy of redistribution. The pattern of growth needs to be changed so that the poor, both in the rural and urban areas can participate in the process. The paper concluded that vast economic potentials exist for poverty alleviation and identified sustainable strategies in harnessing the potentials for poverty alleviation in Borno State. Furthermore, the paper ascertained the challenges of harnessing economic potentials for poverty alleviation in Borno State. The following recommendations were made towards harnessing economic potentials for poverty alleviation in Borno state:

4.1 Strengthening Development Partnerships

The Borno state government should facilitate and promote partnership among development partners in addressing challenges in poverty alleviation.

4.2 Conducive Policy Environment

The existence of strong political will to deliver on these programmes is a key ingredient for success at all levels. Despite the existence of policy framework exists, supply-side challenges in the sector need urgent attention. These include poor infrastructure, lack of finance and limited access to credit among others.

4.3 Supporting the Agricultural Sector (Extension Services)

Borno state government should address the research and extension gaps in order to improve productivity. Borno State should facilitate access to hybrid seed, fertilizer and other agro-chemicals through improvement in the supply and distribution systems. Other soil-enrichment technologies (on-farm organic manure) should be investigated and perfected to augment the chemical fertilizers which may be inaccessible for some farmers. Mechanisms could include promotion of PPPs for distribution of agricultural inputs. Borno State should collaborate with other stakeholders, to design and strengthen frameworks to address the financing challenges faced by farmers, including the introduction and support of the development of targeted micro-finance programmes, for example. Mechanisms for rural financing including micro-finance schemes guaranteed by the government initially but could be introduced through PPP framework to enable the private sector to participate.

4.4 Development of Infrastructure

Borno State should improve the state of infrastructure (roads, energy, etc) to facilitate production and agro-industrial activities. Isolation of farms and difficulty in accessing markets is a major factor contributing to poverty and marginalization of the agricultural population. Improvements in road will help reduce post-harvest losses and ensure that output reaches the market with greater efficiency. It will also reduce input costs by enhancing the movement of fertilizers and chemicals required on the farms. The benefits of lower costs can potentially result in higher returns for farmers.

4.5 Improving Water Harvesting and Utilization

Borno State should develop programmes to reduce over-dependence on rain-fed agriculture in the face of climate change challenges. While rain-fed farming can be successful, it undermines the potential and possibilities available in the drier region of the Sahel in Borno state. Without irrigation, it will be difficult to harness the full agricultural potential in the state given the arid nature of some of the zones. Investment in irrigation systems, and water harvesting techniques could bring more land under cultivation and also increase productivity to alleviate poverty. To strengthen these investments, funding should be made and be aligned to the benefits which could be derived from such investments.

4.6 Maintaining Peace and Stability

Borno State government should maintain peace and stability for sustainable production. The conflicts and the state of insecurity dislocate
production and adversely affect resource mobilization and utilization. Instability affects investment into long-term agricultural and industrial development projects by the private sector. The state government should ensure that peace and stability is upheld.

4.7 Strengthening Poverty Reduction Strategies and youth empowerment

Borno State government should implement poverty reduction strategies which place agriculture and cottage industries at centre and ensure that appropriate support mechanisms are provided. The Borno state government is currently implementing poverty alleviation strategies. However, for effectiveness in reducing poverty, the state should address the challenges in the agricultural and industrial sector enumerated in section 3.5. It should be a central component of pro-poor growth strategies.

REFERENCES


