

## Can napep end poverty in Nigeria?

Written by Administrator

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By Emmanuel Yawe

signature tune for Prof Dora Akunyuli's rebranding programme is: Nigeria - Great Country, Good People. Critics who think the Minister of Information is wasting our time and resources have responded by coining their own. Nigeria: rich country, poor people.

When you take a careful look at the facts and figures on ground, you cannot but agree with them. Nigeria is said to be the "oil-superpower of Africa" with about 32.22bn bbl proven oil reserve – the largest on the continent. It also has for a long time, until recently been the highest producer of oil, 2.22 mn bbl of oil per day in Africa. Nigeria is also very rich in Liquefied Natural Gas LNG and can produce 30mpta per day in 2012. Apart from the oil minerals, Nigeria is very richly endowed with 35 different solid minerals to be found in different locations in the country. When you add these mineral resources to the fertile and almost endless land for agricultural produce; the creative and resilient population, then the description of Nigeria as a rich country can never be off the mark. Nigeria has all it takes to be a rich country. Between 1999 and 2005 alone Nigeria realized u\$109 bn or N15.67 trn from the oil sector alone. The gross revenue realized by the federation for that period was U\$140bn or N16.7 trn. These figures do not include income tax from other sources, customs revenue, VAT etc.

Nigeria is ranked to be the 10th highest oil producer in the world. But its population of about 150 million is said to be among the 25 poorest countries in the world. Nigeria's per capita income of \$900 (2004) is lower than that of many African countries. In 2005, the year of phenomenal economic growth in Africa, Nigeria did not rank among the first ten fastest growing economies in Africa.

Why should Nigeria with such huge oil and gas resources perform so dismally when these resources sale like hot cake on the international market? The answer is not far fetched.

Experts in the field of economics like Professor Assisi Asobie assert that the quantum of oil and gas produced is not fully accounted for and used for the benefit of Nigerians; some of what is accounted for is destroyed. The revenue derived from what is produced is not adequately recorded and fully paid into Federation Account; some of what is realized is stolen. The oil and gas companies do not pay what the law, the contracts and the MOU's require them to pay to Nigeria. Some inflate costs to evade tax. The oil and gas sectors are opaque. This means that they are closed to a majority of Nigerians due to complex high technicalities. The business is thus shrouded in secrecy and confidentiality shielding it from the popular demands of the Nigerian people for accountability.

To compound matters, the pattern of growth for the sector and trajectory for its development are largely in the hands of foreigners. Nigerians are reduced to playing yeo men's role because they do not have the high skills, high technology and high knowledge that the sector needs. On top of it all, their political leaders do not have the political will to take bold steps that will make sure that Nigeria's wealth from the mineral sector is in the hands of Nigerians. It is because of this weak will that the regulatory agencies in this sector remain weak, ill equipped and uncoordinated.

The unpleasant consequence is that Nigeria's oil and solid mineral resources are stolen or lost raw. There is no system in place to accurately measure the commodities and revenue from

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them are not adequately accounted for. The lack of accountability in this sector which is the cash cow of Nigeria has led to an abnormal situation where 80% of Nigeria's wealth is concentrated in the hands of 1% of Nigeria's population. It has led to a frightening speed of capital flight from the country with 70% of Nigeria's private wealth held out of the country. Some well informed sources have concluded that Nigeria is a twin victim of "Dutch Disease" and "Resource Curse". The Dutch Disease kills agriculture and industry why the resource curse makes the people docile and unproductive.

How can NAPEP help in curing the Dutch Disease and Resource curse that are currently afflicting the country. As the name suggests, the National Poverty Eradication Programme is saddled with the responsibility of wiping out poverty in Nigeria. It is an omnibus mandate that includes the coordination of all poverty eradication policies by the three tiers of government from the Local, State and Federal government. It is the only government agency with this heavy responsibility.

But for Nigeria to be able to benefit fully from the mineral and other resources that it is abundantly endowed with, there must be in place a framework for transparency and accountability in the operations of the mineral companies operating in the country and other government agencies. It is an enormous work that involves all agencies of government in the legislative, executive and even the judiciary arms. It extends even to mobilizing communities, Non Governmental Organisations NGO's and the international community if poverty is to be effectively tackled in Nigeria.

There is no way NAPEP alone with its miserable annual budget of about N1.3 bn can end poverty in the 36 States of the Federation and the Federal Capital Territory with a total population of 150 million. The policy of handing out cash through the Conditional Cash Transfers to the poorest of the poor is just a stop gap measure that will not get our people out of the choking pangs of poverty. There is need for a policy that will address the menace of poverty in a more fundamental way.

Fortunately, the National Coordinator of NAPEP Dr Magnus Kpakor recently came up with the idea of Meso Credit. This new innovation will stimulate the development of agriculture and agro allied industries through the advancement of credit to medium scale entrepreneurs. The beneficiaries of this credit scheme will then stimulate economic growth, provide employment opportunities and generally tackle poverty at the rural areas. This is one sure way of ending the resource curse disease which has not only killed agriculture and industry but has made our people docile.