Poverty Reduction in Nigeria Using Information Technology

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ABSTRACT

According to a UNDP Report (1998), about 54% of Africa’s population is estimated to live in absolute poverty. Currently in Nigeria, rapid change and vigorous development in information technology (IT) is occurring, changing Nigerians’ way of life, as well as the country’s economic strength, national power, and international competitiveness. The status of a country or nation in the global political and economic framework depends on the general rule of the development and progress of IT. With development and innovation going hand in hand and knowledge becoming one of the most important factors in determining standard of living, most advanced economies and companies today are those that play the knowledge card as a tool to drive development. Therefore, in this paper, the authors examine the categories, causes, and effects of poverty and how poverty reduction can be achieved in Nigeria with information technology (IT).

Keywords: Economic Livelihood, IT, Nigeria, Poverty Alleviation, Wealth Creation

1. INTRODUCTION

In spite of Nigeria’s oil wealth (the nation is the 6th oil producing nation in the world), the poor constitute about 70% of the Nigerian population. And recent report by the United Nations Development Programme (UNDP) shows Nigeria as the 26th poorest nation in the world (Guardian, 2002; Dike, 2002). With the vast mineral, oil, water, land and human resources, many Nigerians live on less than US$1.00 a day. Before considering how information technology (IT) can cause reduction in poverty rate it is appropriate to consider what is actually meant by poverty. According to Harris (2004), the World Bank reports that of the world’s six billion people, 2.8 billion, almost half, live on less than US$2 a day, and 1.2 billion, a fifth, live on less than US$1 a day, with 44 percent of them living in South Asia. The Millennium Development Goals set for 2015 by international development agencies include reducing by half the proportion of people living in extreme income poverty, or those living on less than US$1 a day. The figure of US$1 income per day is widely accepted as a general indicator of extreme poverty within development discourse, but of course there is no absolute cut-off and

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income is only one indicator of the results of poverty, among many others. Poverty is a serious issue in Nigeria, because many people are struggling daily for survival without meaningful assistance from the government. Worse still, the nation does not have any guideline to measure the construct, which are available in some countries. In Dike (2002), it was reported that in the US the 1995 ‘official federal policy notion of poverty guidelines ‘carry precise dollar amounts’ of about $15,150 for a family of four. He added, poverty guidelines, which are issued by The Department of Health and Human Services, determine financial eligibility for federal programs and household incomes for basic necessities. And any family whose income is below the set amount is considered living below the poverty line (journalofpoverty.org). The poverty threshold, which is the statistical version of the poverty guidelines, is used by the Census Bureau to calculate the number of persons in poverty in the United States, States or Regions (Schwarz, 1998; UNDP, 2002). Thus, a poor person could not afford the life style a rich individual would regard as the minimum for decency and acceptable in a particular community (Dike, 2002). Poverty can also be defined as the condition of having insufficient resources or income. In its most extreme form, poverty is lack of basic human needs, such as adequate and nutritious food, clothing, housing, clean water, and health services (Encarta, 2006). In addition, in the Journal of Poverty (n.d.) as quoted by Dike, poverty means more than being impoverished and more than lacking financial means. It is “an overall condition of inadequacy, lacking and scarcity, and destitution and deficiency of economic, political, and social resources.” According to him, this type is a broader perspective of poverty, which reflects its true dimensions. Therefore, people are living in poverty, ‘if their income and resources (material, cultural and social) are so inadequate as to preclude them from having a standard of living which is regarded as acceptable’ by their society generally (NAPS, 1997). The life of those afflicted by poverty is comparatively miserable and brief. However, there are different categories of poverty that can be found in Nigeria.

2. CATEGORIES OF POVERTY

As reported by Dike (2004), Galbraith (1958) classified poverty into two categories, and they are as follows:

i. **Case Poverty**: the poverty seen in every community, rural and urban. It manifests in poor family with “junk-filled yard and dirty children playing in the bare dirt” (Galbraith 1958). Other qualities peculiar to the individuals or family afflicted by Case poverty are: mental deficiency, bad health, inability to adapt to the discipline of modern economic life, excessive procreation, alcohol, insufficient education, or perhaps a combination of several of these handicaps. These conditions hinder these individuals from participating in general wellbeing (Dike, 2004).

ii. **Insular Poverty**: manifests itself as an island. In this imaginary island everyone or nearly everyone is poor. (Galbraith, 1958) has noted that it not easy to explain insular poverty by individual inadequacy, because the environment in which the people found themselves may have made them poor or may have frustrated them.

3. CAUSES OF POVERTY

However, the reasons for poverty are can be attributed to a number of factors, which include:

i. **Economics**
   - **Recession.** Extreme recessions, such as the great depression have a particularly large impact on poverty. In 1933, 25% of all workers and 37% of all nonfarm workers in the United States were unemployed (Gene, 2008). In New York, one child in every five was hungry (Bryant, 2009).
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