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Poverty Trap and the Debacle of Economic Development in Nigeria

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Abstract

In 1973, Gowon the then Head of State of Nigeria proclaimed that money is not the country's problem, but how to spend it. At that time, Nigeria was awash with oil money accruing to her from the oil boom. Today, Nigeria is regarded as the poverty capital of the world making scholars of development to question what really went wrong; where did the country got it all wrong? It is thus in view of this rapid decline from abundant wealth to chronic borrowers that this study was developed. The study relied on secondary sources of data for information. Thus, the theory of fiscal federalism as developed by K.C Wheare was applied and the findings of the study revealed the political, economic and social structure of the country to be an enforcer of poverty. To this end, the study recommended that if the country is to escape the poverty trap which she finds herself, there must be a complete overhaul of the present structure to allow for more economic flexibility of the constituent unit as the present structure was noted for being too rigid for development.

Keywords: Poverty • Crude oil • Borrowing • Development and restructuring

Introduction

When Nigeria first got her independence from the British colonial government on 1st October, 1960, there was much optimism that the future was bright for the newly independent nation. Consequently, the expectations of the people were elevated and the prospect indeed looked good. The people had enough reasons to be optimistic of a prosperous nation. Geographically, the country was well situated at the heart of Africa and did not have the same structural problem of being landlocked faced by neighboring countries such as Niger, Chad, Burkina Faso and Burundi among others. In addition to the above, the country was blessed with an abundance of different mineral resources including but not limited to; Crude Oil, Gold, Iron Ore, Diamond and Copper inter alia. In fact, things were so good that in 1973, Gowon the then Head of State of the federation boasted that making money was not one of the country's problem, but how to spend it. Indeed, it turned out that he was right as Roman (2018) noted that:

While Nigeria's GDP grew from $61.1bn to $405bn between; 1981 to 2016; reaching an all-time high of $569bn in 2014, yet between that same period: 1981 to 2016, Nigeria added 90.4 million people to Poverty which has continued to increase to date.

With an estimated population of over two hundred million people, (200,000,000) and with over 90.4 million living below the poverty line, Nigeria has about 47% of its population living in poverty and is well regarded as the poverty capital of the world. To date, there is hardly any administration (both military and civil) since after the Gowon administration that has not attempted to introduce one poverty elevation program or the other with each failing to produce the expected result. In addition to this, the different development plans over the years attempting to pull the country out of poverty has only ended up leaving the country worse than it was.

Nigeria as a country has progressively and consistently slid deeper into poverty in the midst of abundant wealth over the years. Scholars have sort to give an explanation to the country's problem with one of such beingGabriel (2012) who asserted that "Nigeria appears to be in what economists call a poverty trap, a vicious circle that takes hard work and massive investment to break". Her consistent failure to address this poverty dilemma is what prompted this study. To this end, this study is structured to examine the poverty trap hypothesis and the debacle of economic development in the country. The work is divided into four (4) sections: the first section covers the introductory part of the work and highlights the research problem that motivated the study, the second section covers the theoretical foundation in which the study was built upon and the various methods applied to arrive at the study's conclusion; the third section is the discussion section that covers the main arguments of this work, while the fourth section is the conclusion section; to this end, it covers the study's conclusion and the recommendations made.

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Statement of Problem

A new report by The World Poverty Clock shows Nigeria has overtaken India as the country with the most extreme poor people in the world [1] Despite being rich in several mineral, natural and human resources, the country has over the years failed to diversify its economy and have heavily relied on crude as its major source of foreign revenue/funding. This failure to diversify its economy coupled with the nature of the federal system practiced in the country has meant that majority of the constituent units that forms the country are nothing more than parasites clinging on to the center to survive; consistently taking from the nations purse but contributing little to nothing to her overall development.

In addition to the above, the overdependence on crude oil has not only exposed the country to the highly volatile crude oil market, but has also left the country relying on external funding to service its budget. The implication of the above is that Nigeria owes a whopping $27,676.14 billion dollars in external debt, and $56,377.18 billion dollars in domestic debt totaling $84,053.32 billion dollars in debt (Debt Management Office, 2019). The servicing of the external debt alone comes at a whopping $1,333,537.66 billion dollars [2] With the federal government proposed N2.5 trillion on debt servicing for the 2020 fiscal year, the total cost of servicing these debts comes at an approximately 23% of the country's budget and 50% of the country's total earnings for the fiscal year [3].

As a corollary of the above, the country has consistently been operating a deficit budget over the years. The implication of this is that Nigeria keeps plunging deep into debt. Amaefule (2019) notes that "The growing debt burden has heightened the fiscal burden in an already fiscally and growth-constrained environment…which raises genuine concerns regarding the sustainability of external debt". It is this huge debt burden that has been a major source of concern for political scientist and scholars of development who now believe that the country is now caught in a poverty trap. It is in line with the above that Homi, Kristofer & Martin (2018) suggest that "if the country is unable to change its current trajectory, the country will be home to 110 million people living in extreme poverty by the year 2030". It is thus in line with this that this study attempts to give answers to the following research problems:

I. What are the enforcers of poverty trap and economic stagnation in Nigeria?

II. How can the country reduce the impact of these enforcers and boast economic development?

Theoretical Framework

The framework for theoretical analysis adopted for this study is the resources curse thesis otherwise known as the "paradox of plenty" propounded by Richard Auty in 1993 to explain why countries rich in non-renewable natural resources found it difficult to grow economically. In other words, the theory explains why countries with abundance of natural resources had less economic growth. Although the main idea behind the theory predates 1993, Richard Auty is however credited with the first usage of the word.

Following the discovery of crude oil in the newly independent states of the Middle East and Africa in the 50s and 60s, some scholars of development started expressing concerns about the exponential negative impacts of producing and exporting natural resources in large quantities in these countries as a primary source of income. Their main concern revolved round the fears that such primary-product exporters would find themselves disadvantaged in trade with industrialized countries

The concern above became more pronounced following the observation of the general struggle/inability of resource rich countries to use their wealth to boast economic growth compared to resource poor countries, which prompted scholars to start picking interest in drawing a correlation between abundant natural resources and poor economic development [4]. It is thus in line with this thinking that the resource curse theory emerged.

The theory's main proposition is that countries rich in non-renewable natural resources were likely to experience stagnated economic growth as a result of their overdependence on a particular commodity as a source of foreign revenue. The logic is that; as easy money starts to flow from export in the industry, government's attention and resources are channeled to the development of that industry at the detriment of other sectors of the economy. Auty, (1990) argued that a boom in revenue from such projects had the tendency of changing government's behavior and causing damage to both growth and development prospects. Chen, (2019) notes that "as a result, the nation becomes overly dependent on the price of commodities, and the overall gross domestic product becomes extremely volatile".

The main argument presented in the theory best suits the Nigerian situation justifying its adoption. It is pertinent to note that despite being abundantly rich in several natural resources, Nigeria has consistently failed to diversify its economy by developing other sectors of the economy; choosing solely to depend on resources from the oil industry. Today the country's economy is heavily tied to the highly volatile crude oil market; pushing the country to an unending borrowing spree running in an endless circle of poverty defying every attempt to come out of the huge debt burden she finds herself.

Materials and Methods

Research design

This study by its very nature aims to identify the reinforcers of poverty in Nigeria. To this end, the study aims at diagnosing the root cause of poverty and economic stagnation in the country. Accordingly, the research design adopted for this study was the diagnostic research design. Diagnostic studies are basically researches that aim to identify the source of a research phenomenon by classifying and examining the triggers and stimulants to the variables under study. Biesheuvel (2005: 14) notes that diagnostic research refers to "scientific studies that aim to quantify whether and to what extent a 'variable' additionally contributes to the estimation of presence or absence of a particular problem". Shodhganga (nd) opined that "Modern diagnostic research in the active sense includes the process and the art of using scientific methods to elucidate the whole compass of problems that influence the variables. It includes the collection of all necessary facts and critical evaluation of every bit of evidence obtained from any and all sources by whatever method is useful".

Following from the above, the study identified suspected variables responsible for reinforcing poverty in the country, and examined how they impacted on the economy and by extension, contribute to poverty.

Method of data collection

The study relied mostly on secondary sources of data as its primary source of information. Consequently, data for the study were mainly derived from: newspaper publications, peer reviewed journals, online articles, internet sources such as official and academic websites, online and offline books and unpublished PhD Dissertations.

Data analysis

Data for this study were analyzed using content analysis. Linda (1996: 99) describes content analysis as a kind of research method which allows the qualitative data collected in research to be analyzed systematically and reliably so that generalizations can be made from them in relation to the categories of interest to the researcher.

Discussion

Overdependence on crude

Nigeria is well endowed with abundant of natural resources one of which is crude. "Today, the country is considered as one of Sub Saharan Africa's largest economies with an estimated (GDP of $397.27b 2018 est) and relies heavily on oil exports as its primary source of foreign exchange". As noted above, crude oil plays a very vital role in Nigeria's economy; contributing up to 90% of the nation's foreign exchange revenue and about 9% of her GDP making it the major source of funding of the nation's budget. Despite the above however, crude oil has been pointed out by some scholars of development as being a curse rather than a blessing to the nation. Those in this school of thought, anchor their argument on the role of oil in the suffocation of other critical industries of the economy, thus, effectively hindering the nation's ability to diversify its economy. It is in line with this submission that this section is set to examine the Nigerian economy in the pre and post crude oil era in order to ascertain the impact of crude on the nation's economy.

It is worth noting that before the discovery of crude oil in commercial quantity at Oloibiri; a small town in old Rivers state, present day Bayelsa in 1956, the Nigerian economy was anchored mainly on the agricultural sector. The three main regions in the country, the north, east and west, focused on their relative areas of strength which made the country to become one of the world's leading exporters of agricultural produce in the 60's; a status that kept it self-reliant and self-sufficient.

Although agriculture formed the major source of earning, the economy was not solely dependent on a single commodity as a major source of foreign exchange as it is today. In addition to the above, the commodities traded for foreign exchange spread perfectly across the three main regions effectively making each a productive part of the union. To this end, while the north was noted for their groundnut pyramids, the east was known for palm oil production and the west cocoa plantations. The agricultural sector was the backbone of the country's economy, providing employment for a good number of the population. It accounted for more than half of the country's GDP as at independence in 1960. However, the role it plays in the regional and economic development of the country has diminished over the years due to the dominant role of the crude oil sector in the economy [5,6] noted that:even though there was no coherent policy at the time Nigeria attained independence in 1960, agriculture was the economic mainstay with cocoa production taking the lead. However, from 1970 when Nigeria attained a peak export quantity of 302,000 metric tons of cocoa, the volume of cocoa export has been on consistent decline to as low as 150,000 metric tons in 1987.

It is worthy of note that the decline of the agricultural industry coincided with the growth of the oil industry in the economy. Having noted this, the question that readily comes to mind is how has the oil sector contributed to the poverty trap dilemma, and how has this impacted on economic development? The argument here is in two folds; one at the micro, and the other at the macro. At the micro level, we will examine how crude oil production has impacted on the livelihood of the masses and by extension enhanced poverty in the population, while at the macro level; we examined the impact of crude oil on the economy.

Micro level analysis

Before the advent of the oil industry and its subsequent growth in Nigeria, the agricultural sector played a very important role in the economic development of the country, providing food for the growing population while also acting as a major source of foreign exchange earnings. In addition to this, the sector provided income for subsistent and commercial farmers creating employment opportunities for about 70 percent of the population [7]

At the early stage of independence, the agricultural sector contributed over 60% of the nations GDP. Today, the industry provides less than 30% of the country's GDP [6,8]. More worrisome is the fact that the industry which provided employment opportunities for about 70% of the population in the 60s employed only about 36.8% of the country's workforce (most of which were on a part time basis) as at 2019 as indicated by the World Bank data, This number has been on a steady decline over the years as shown in the graph below (Figure 1).

Babalola (2015: 61) opined that "one major reason for the decline in agricultural production was that the unprecedented flow of oil rents had caused agricultural products to become unprofitable". The decline of the agricultural sector alongside other key sectors of the economy as a result of crude oil production is not only sad, but also detrimental to the economic development of the country considering that the agricultural sector as noted by Stewart, "has the potential to be the industrial and economic springboard from which a country's development can take off.Because, more often than not, agricultural activities are usually concentrated in the less-developed rural areas where there is a critical need for rural transformation, redistribution, poverty alleviation and socio-economic development"

Despite the above however, the most impactful negative externality associated with the crude oil industry at the micro level is the loss of jobs. As regards the loss of jobs, the oil sector has aided the total or partial abandonment of other key sectors of the economy by way of occupying government's attention. As a result of this, successive governments over the years have failed to diversify the nation's economy focusing solely on the oil industry. In addition to the above, the hazardous impact of crude oil production on the environment and by extension the agricultural sector which coincidentally is the most affected industry has thrown most rural dwellers who rely on their environment to survive into poverty and this is well documented by the literature on the oil industry in the Niger Delta [9-11].

To put the impact of the oil industry into perspective, one has to look at the article publication made by Reuters on the 22nd of December, 2017, in which it was revealed that four (4) in every ten (10) Nigerian of working age were either unemployed or underemployed [12]. The implication of the above was that 23.1% of the population representing 20.9 million Nigerians were either underemployed or out of work...more worrisome was the fact that the number of unemployed people in the country was projected to hit 33.5 percent by the year 2020 [13].The above suggest that if the country fails to diversify its economy, there is little to look forward to in the future.

The full weight of the above is better appreciated when one puts into consideration that while the oil industry accounts for about 70% of the nation's total revenue, nevertheless, it employed less than 1% of the country's labor force in 2013 as compared to the 70% employed by the agricultural sector in 1960 [14]. Despite this, the government has continued to focus its attention on the industry at the detriment of not just the agricultural sector, but also, on all other facet of the economy. Following from the above, it is thus easy for one to understand why Nigeria houses more poor people than anywhere else in the world and how the oil industry has effectively contributed to this poverty and unemployment dilemma.

Macro level analysis

The argument at the macro level as regards the oil industry as an enforcer of the poverty trap dilemma in the country revolves round the nation's economy being tied to the highly volatile crude oil market. As we know, ever since the advent of the oil industry, the sector has become one of the major financiers of the nation's annual budget. Put succinctly; the "only" financier. The nation is so dependent on the crude oil industry to the extent that crude oil benchmark is used to set the nations yearly budget. Why is this so and

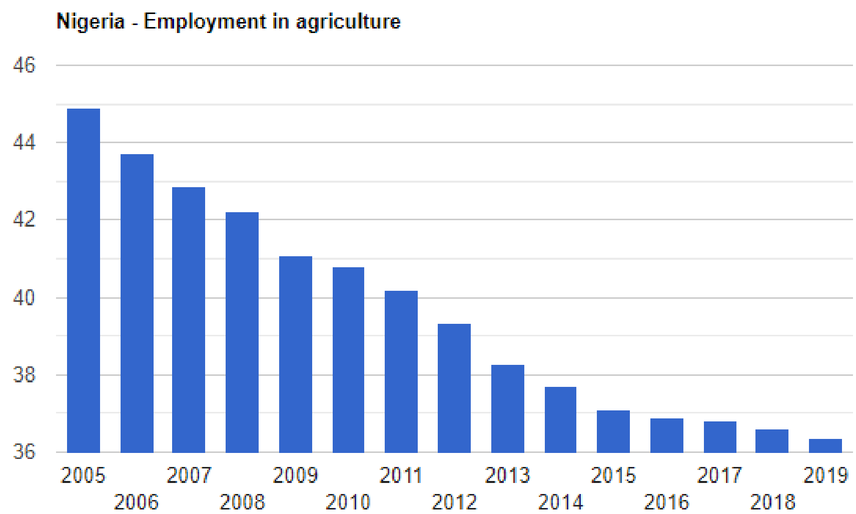

Figure 1. Employement in agriculture.

how is this behavior dangerous to our economic development?

In order to fully understand the argument here, we have to first of all understand how macro economics work. At the international market the Naira is worth nothing as the dollar is the adopted currency for international trade. Corollary, for a nation to carry out trade (import what it does not have), it needs to first of all earn in dollar. Thus, in order to acquire the dollar needed to import what it needs, it must sell (export) what it has and in the case of Nigeria, that is; crude. It thus follow that, the more a nation has to sell, the more dollar it has at its disposal to spend which coincidentally determines the strength of the country's currency.

Unfortunately, Nigeria does not have much to sell as a result of her over dependence on crude oil and consistent failure to diversify her economy. The dependency on crude has to a great extent weakened the nation's economy and by extension the Naira to an all time low. Today, a dollar exchange at the rate of ₦366 naira (at the Investors and Exporters' (I&E) Forex window); this means that $1 dollar equals to ₦366 naira. Being an importing economy, this is bad. This position is influenced by how currency fluctuation affects an importing economy as ours. It is important to note that currency fluctuation affects a nation's economy at different level, and how this affects the Nigerian economy will be examined below.

Firstly, the negative impact of oil dependency on the Naira has meant that merchants in Nigeria have had to deal with a difficult business environment due to an unstable Naira. It is important to note that while a weak currency is good for an exporting economy as it keeps businesses competitive in the international market, it is quite damaging for an importing economy like that of Nigeria. The weak Naira has meant that merchants in Nigeria have had to purchase goods at a ridiculously high price. As a corollary of the above, the prices of imported goods are inflated above their real market value. The implication of this on the masses is best understood when one puts into consideration that about 95 million Nigerians, that is 48% of the country's total population - live in extreme poverty in which 63% of these are located in the rural areas where life was already considered to be grim as a result of the absence of basic infrastructures and 36% in urban areas, [15]. The above only exacerbate the poverty situation in the country. Nigeria's poverty profile is captured in Figure 2 below .

Nigeria's poverty profile

Secondly, is the issue of a dwindling capital flow as a result of low confidence in the economy by foreign investors. An unstable Naira affects the economic development of the country by way of hindering capital flow. At this point we must understand that no country is an island, in other words, no country can develop without appropriate capital flow from other countries. Capitalflow is the term use to describe the movement of capital for the purpose of trade, investment or business production from one economy to another. Segal (2019) notes that: "foreign capital tends to flow into countries that have strong governments, dynamic economies, and stable currencies. To this end, a nation needs to have a relatively stable currency to attract investment capital from foreign investors. Otherwise, the prospect of exchange losses inflicted by currency depreciation may deter overseas investors" (Figure 2).

Unfortunately, foreign capital investments have been fluctuating in Nigeria due to our unstable currency; declining 32% to $3.8b dollars in the fourth quarter of 2019 [16]. In addition to the above, Nigeria have had to contend with the issue of trade deficit as a result of our dependence on oil.While Nigeria's imports accelerated by 37.2% to ₦5.3 billion in the fourth quarter of 2019, exports contracted by 9.8% to ₦4.8 billion due to a reduction in oil export leading to a trade deficit of N579.1 billion in the same period [16]. The implication of the above is that Nigeria has found herself constantly borrowing to fund its budget.

Federalism

When Nigeria gained her independence from the British colonial government in 1960, she plagiarized her colonial master's parliamentary system of government. At the time, the country was organized into a federation that had three regions; Northern, Eastern and Western region structured along the three largest ethnic conglomerations– the Hausa/Fulani, Igbo and Yoruba respectively.[17] (nd: 3) opined that the reason for the adoption of a federal structure in the country at the time was because the country's founding fathers believed that "federal states have the structural capacity to accommodate ethnic diversity". In addition to the above, there was also the believe that federalism had the tendency to spur economic development.

Contrary to these expectations and believes however, Nigeria's federalism has been problematic, counterproductive and inimical to economic growth and development, breeding irreconcilable differences and further expanding the numerous challenges inherent in the political system. It is in line with this that McGarry, (2005) cited in Victor, Ebong and Tonye (2019: 2) opined that "Federalism in Nigeria was characterized by 'unitary tendencies', where almost all powers are concentrated at the centre whereas the federating units, the states and local governments, are reduced to mere appendages". For the purpose of this section however, our interest is not to investigate the entire structural problems inherent with Nigeria's federal structure, but on the specific aspects of our federalism that enhances the poverty trap dilemma in the country.

One aspect of Nigeria's federalism that has proven to be problematic over the years is the issue of revenue allocation. The issue of revenue allocation has not only brought about political instability and tension amongst the constituent units, but has also been the clog in the nation's quest for economic development. The manipulation of the allocation formula to accommodate mediocrity had resulted in what Anthony (2019) referred to as "too much politics, too little development" (Figure 3).

Ideally, federalism as proposed by its founding fathers was suppose to

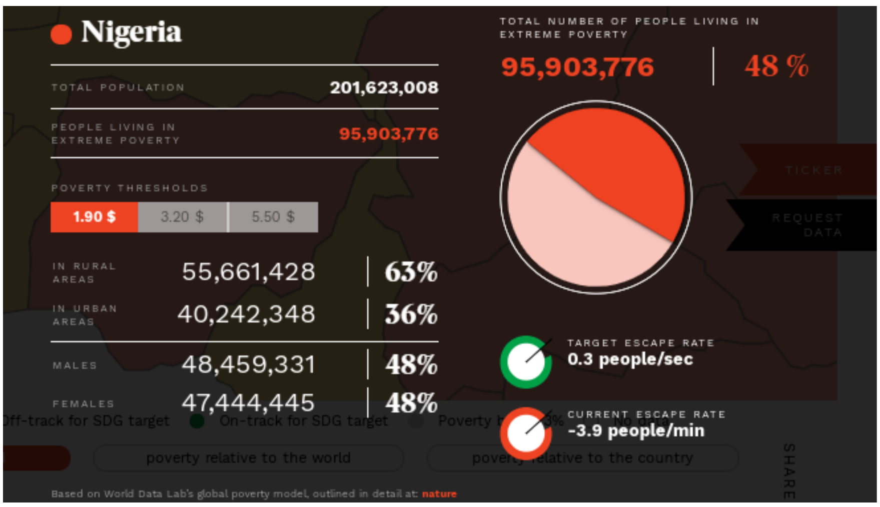

Figure 2. Source: World Data Lab's Poverty Clock, 2020.

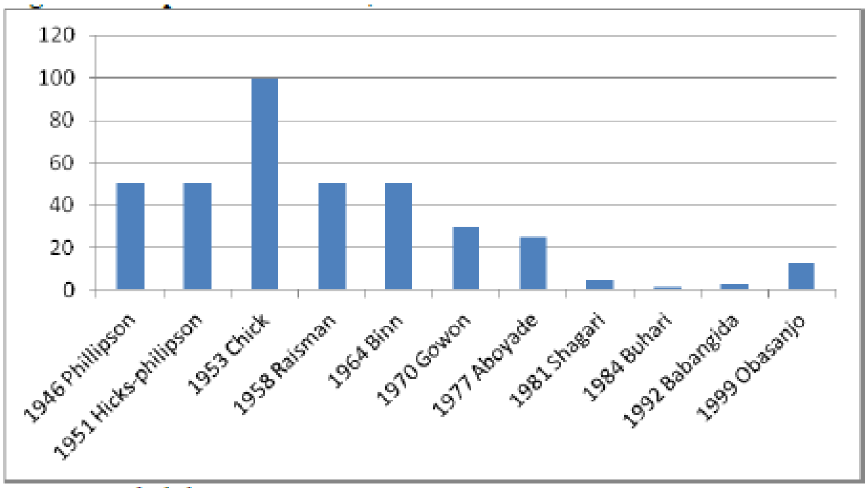

Figure 3. Derivation and Revenue Allocation, 1946-99(Source: Dele, 2014).

be a system of government allowing for the existence of different political entities or units side by side in such a way that allows each to exercise authority within their spheres of jurisdiction with none subordinate to the other. Contrary to the above however, Nigeria's federalism appears to be what could be described as the politics of "who gets what, when and how". The nature and history of the country's federalism seem to suggest that government is exclusive rather than inclusive.This has in a way led some state actors to embrace violence as a means to ensure wealth redistribution.

The present federal arrangement which denies fiscal autonomy of the federating units and rather allocates financial authority to the federal government discourages development. Under the present arrangement, the federal government collects rents on behalf of the states, and allocate resources base on certain revenue sharing formula. This behavior is injurious to every aspect of the word development as far as Nigeria is concerned. The argument that we present here is that this arrangement is not only counterproductive and behind the unrest in the oil rich Niger Delta region, but also, a hindrance to economic development as it encourages states to be unproductive.

Under the present federal arrangement, states have no reason to be productive as their monthly allocation is assured by the federal government. The evidence of this is made apparent by the fiscal viability index of states in the federation which shows that only two states among the 36 are fiscally viable. This explains why the internally generated revenue of a good number of states is in the negative. It is thus for this reason that this study is of the opinion that the present federal structure, allows for little or no accountability with waste and needless duplications at practically all levels [18].

Furthermore, this study is also of the view that our current federal structure breeds resentment amongst the states whose resources are squandered to sustain the nation. The logic behind this line of thought is anchored on the fact that development (be it economic or political) cannot take place in an environment where there is a constant feelings of deprivation expressed by a group at every point as there is always the tendency of this snowballing into political instability at any point in time as is the case with Nigeria's Niger Delta and South Eastern region. It is in line with this that this study identifies the country's federalism as a reinforcer of poverty.

Corruption

Outside the inherent contradictions embedded in the country's political and economic structure, corruption is perhaps the single most influential reinforcer of poverty and economic stagnation in the country. Corruption has been described as the bane of the country's development debacle by Musa Abdullahi and rightly so, as the 2019 Corruption Perception Index reported by Transparency International ranked Nigeria as the 34th most corrupt nation out of 180 sampled countries in the world, and the second most corrupt ECOWAS country in West Africa Trading Economics, 2019; and The Cable, 2020.

Corruption has grown so much in the country to the extent that it is almost considered as part of the Nigerian culture. To this end, there is hardly any aspect of the country's public domain that is considered to be devoid of corrupt practices. In fact, there is a popular adage to this effect which says that 'if you fight corruption in Nigeria, corruption fights you back with everything'. The phenomena of corruption is endemic in every facet of the country's political, social, and economic structure, consequently, there is hardly any government be it military or democratic that has ruled Nigeria since independence that has not been accused of one form of corruption or the other.

As a corollary of the above, the country has been contemptuously described as a paradox by scholars of development. Despite being blessed with an abundance of natural resources, Nigeria still harbors a significant amount of people living below the one dollar poverty line. The disparity between the haves and have not is so significant that her citizens have been mockingly referred to as a people 'poor in wealth'. Commenting on the Nigerian situation the great literature icon Chinua Achebe once asserted that the problem with Nigeria:

…is simply and squarely a failure of leadership. There is nothing basically wrong with the Nigerian character. There is nothing wrong with the Nigerian land, climate, water, air, or anything else. The Nigerian problem is the unwillingness or inability of its leaders to rise to their responsibility, to the challenge of personal example, which is the hallmark of true leadership

Sadly, 36 years after Achebe made this assertion, his words still remain true to this day as a result of corruption. The impact of corruption on the socio economic development of the country cannot be overemphasized. Philips and Moses (2013: 80) rightly opined that "the effects of corruption in Nigeria have been very significant. From multi-internal effects such as poor governance, misuse of natural resources, mediocrity, high unemployment rates, the even widened gap between the rich and the poor to the international effects such as the tarnished image of Nigeria in the international circles" (Source: Authors compilation drawn from: Economic and Financial Crime Commission (EFCC) cited in Usman, 2013) (Table 1).

One does not have to look far to understand why Nigeria is still at the level she is today despite her long years of independence. The dangers of corruption are far more reaching than envisage with long term effects that transcend generations. Philips and Moses (2013: 80) contend that "Corruption causes a serious development challenge, in the political sphere; it undermines democracy and good governance by weakening political processes. Corruption in elections subverts accountability and representation in policy making, in the judiciary it suspends the rule of law and in the public service it leads to the unequal distribution of services".

Table 1. Some Selected Economic and Financial Crimes Commission (EFCC) Profile Cases.

S/N	Name	Case Status	Amount Involved	Status Suspect(s)
		Governors		
1	Ayo Fayose (Governor of Ekiti State)	Arraigned on 51 counts	N1.2 billion	-
2	Joshua Dariye (former Governor Plateau state)	Arraigned on 23 counts	N700 million	-
3	Oji UzorKalu (former Governor Abia state)	Arraigned on 107 state counts	N5 billion	-
4	James Ibori (former Governor Delta state)	Arraigned on 170 counts	N9.2 billion	-
5	SaminuTuraki (former Governor Jigawa state)	Arraigned on 32 counts	N36 billion	-
6	LuckyIgbinedion (former Governor of Edo state)	Arraigned on 191 state counts	N4.3 billion	Case determined, ordered to pay $25 million as fine
7	Jolly Nyame (former Governor of Taraba state)	Arraigned on 41 state counts	N1.3 billion	-
8	ChimarokeNnamani (former Governor of Enugu state)	Arraigned on 105 state counts	N5.3 billion	-
9	Michael Botmang (former Governor of Plateau state)	Arraigned on 31 state counts	N1.5 billion	-
10	RasheedLadoja (former Governor of Oyo state)	Arraigned on 33 state counts	N6 billion	-
11	Timipre Sylva (former governor of Bayelsa state)	Arraigned on 42-count charge	N19.2 billion	Discharged and acquitted
12	BoniHaruna (former Governor of Adamawa state)	Arraigned on 28 state counts	N254 million	-
		Ministers and Directors of Public Ventures		
1	Adenike, Grange (former Minister of Health)	Arraigned on 56 counts	N300 million	Discharged and acquitted
2	Gabriel Aduku (former Minister of Health)	Arraigned on 56 state counts	N300 million	Discharged and acquitted
3	Prof. Babalola Borishade (former Minister of Aviation)	Arraigned on 11 state counts	N5.6 billion	-
4	Roland Iyayi (former MD of FAAN)	Arraigned on 11 state counts	N5.6 billion	-
5	Tafa Balogun, former Inspector General of Police	8 counts of money laundering	US$150 million	Six months' imprisonment and seizure of his assets
		Senators and Party Chieftains		
1	IyaboObasanjo (former Senator)	Arraigned on 56 state counts	N10 million	-
2	Bode George (PDP Chieftain)	Arraigned on 68 state counts	N100 billion	Jailed in October 2009
		Private Sector		
1	Cecilia Ibru, former CEO of the defunct Oceanic Bank Plc	Arraigned on 25 counts of bank and security fraud	N190 billion	Six months' imprisonment and forfeited

Corruption in the form of patron-clientelism places incompetent individuals in position of authority.

While there are so many forms of corruption in Nigeria, patron-clientelism has proven to be the most damaging. Leaders who know nothing about leadership are installed against the will of the people through electoral frauds, these leaders are not oblivious of the fact that they are incompetent and are a product of a corrupt system, so they pledge their loyalties to their so called political godfathers who they have to pay rents to in order to be reselected into office. The whole process of corruption in the public domain snowballs into what has been rightly described by political commentators as: kleptocracy; government of thieves. Little wonder that Richard A. Joseph, director of The Program of African Studies at Northwestern University used the concept of neopatrimonialism to describe the kind of politics played by Nigerian politicians.

More worrisome is the fact that prebendalism is just an aspect of corruption going on in the public domain as there are various forms of corruption prevalent amongst political office holders in the form of kickbacks, nepotism, bribery, subversion of public funds into private accounts and inflation of contracts quotes etc. despite the above, there is no better explanation to understand the linkage between corruption and poverty, than to look at the claims made by Mallam Nuhu Ribadu, the former EFCC chairman who noted that…the over $400 billion looted from the Commonwealth by leaders was "six times the total value of resources committed to rebuilding Western Europe after the Second World War"[19]. It is thus on this note that this study argues that corruption is not only a reinforcer of the poverty trap dilemma in Nigeria, but at the root of the country's underdevelopment.

Conclusion

When I first picked up my pen to embark on this research endeavor, two questions kept bothering me: why is Nigeria poor despite her riches? And why has the country remained poor over the years with little or no hope of escaping poverty? Thus, the focus of this research was not to establish the existence of poverty in the country, as this is already well documented in the literatures, but rather, to ascertain the diverse patterns in which poverty is reinforced in the country and particularly suggest practical ways to curb its pervasive threat in order to pave the way for sustainable development. To this end, the study concludes that while poverty is not the original state of Nigeria when she first became an independent entity from the British colonial government in 1960, the inherent contradictions that exist in her political, economic and social structure is however what is responsible for the poverty dilemma in country. Thus, the country has remained poor because it is poor. It is thus the suggestion of this study that if Nigeria must break free from the poverty dilemma she finds herself, then the following steps must be taken:

I.There is a need to overhaul the present federal structure to allow for more economic flexibility of the constituent unit as the present structure is considered too rigid for development and creates room for wastage and economic laziness. Thus, there is a need to take deliberate steps that will reduce the powers of the federal government and delegate more responsibilities to the constituent units.

II. There should be practical attempt to diversify the economy and reduce the dependence on crude oil through massive investments into other key sectors of the economy such as agriculture, service and production sector.

III. The fight against corruption must be depoliticize. Presently, the Economic and Financial Crimes Commission (EFCC) is used as a tool in the hands of the ruling party to intimidate and witch-hunt the opposition party into submission. The fight against corruption is not real at the moment. Thus it is suggested that there should be legislative enactments to clearly free the commission from executive manipulation. Until the EFCC becomes an independent body not just in papers, then the war on corruption can never be won.

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