

Defeating the Poverty Cycle in Nigeria through Innovation and Industrial Revolution

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Abstract- Local and global realities compel a rethink of the economic priorities and strategies in Nigeria. The economy is struggling to leverage the country's vast wealth in fossil fuels in order to displace the crushing poverty that affects about 54 percent of its population. Economist experts refer to the coexistence of vast wealth in natural resources and extreme personal poverty in developing countries like Nigeria as the "resource curse". Nigeria's exports of oil and natural gas at a time of peak prices have enabled the country to post merchandise trade and current account surpluses in recent years but still harbors a good percentage of people living below the poverty line.

This article enumerates the Nigerian economy, with a question of what went wrong even with the abundance of natural resources. The analysis is therefore an authentic answer to the need of an industrial revolution and innovation which perhaps is the topic of discourse.

Index Terms- Poverty cycle, Innovation Industry, Revolution

I. INTRODUCTION

Over the years, the Nigerian Federation has been battling for a transition to a market economy, a wide range of macroeconomic and social indicators have also ranked her economy to resume full stature comparable to countries of the Organization for Economic Co-operation and Development (OECD); its integration into global chains of production and new ideas has become more reliable cemented and has deepened along with the country's economic and social changes which has taken Nigeria to the leading position of African economies surpassing the famous South Africa. Been a country of absurd economic realities, Nigeria is at present the world 13th largest producer of crude oil and the largest economy in Africa earning an estimated \$2.5 million a day in oil revenue. Despite this development, it's GDP per capita which rose from \$1,700 to \$2,400 still ranked the country among the lowest in the African continent and 54 per cent of its 170 million people live on less than \$1.25 per day which is the official poverty line suggested by the World Bank.

These figures are unimaginable shocking because of her abundance of natural resources primarily oil and natural gas in conjunction with the massive agricultural potentials based on its fertile soil, climate and the significant rural and urban population. Human development data for Nigeria has remained persistently bleak despite a considerable upturn in the country's economic fortunes from the year 2000. Surprisingly, Nigeria was

ranked 80th by UNDP in a poverty survey sampling 108 developing nations that focused on severe deprivation. The agency placed Nigeria on a Human Poverty Index of 37.3, which interpretation is below more impoverished African neighbors with far smaller economies like Rwanda and Malawi. Significantly, the study and statistics also accounted not only by income destitution, but also at other basic aspects including education, access to health care, standard of living and life-expectancy.

Other internal survey reveals that more than 60 million Nigerians are docketed as poor according to standard definitions, while 35 percent of the total population lives in extreme poverty. These recent trends are especially worrying because they parallel a significant but contradictory improvement in performance. Before this present global financial crisis set in, the capital seat of the federation Abuja had been a success in wielding substantial positive change in its overall balance sheets through a process of re-prioritization and economic reform since the inception of the 4th republic (1999). A slew of measures, including the privatization of several steel, petrochemical, mining and port entities helped develop the non-oil sector, lowering inflation which boosts international currency reserves and also successfully negotiated with the London and Paris clubs to do away with a large part of its foreign debt.

However, World Bank research confirms that even during periods of relative prosperity, poverty levels remained unabated in the broadest sense, and actually worsened during successive positive growth periods. Between 1972 and 1980, for instance, the Nigerian per capita income shot up from \$1,300 to \$2,900 based on rapidly escalating oil prices. A subsequent decline in global oil revenues will drag down the per capita income, consumption and expenditure to critical levels.

II. THE POVERTY CYCLE AND ITS CAUSES

The neglect on investment in human development projects had continued to pump borrowed finances into capital-intensive industries. The fallout was that the dramatic rise in national fortunes bypassed the majority of Nigerians as witnessed from the negligible rise in per capita consumption figures for the same period. The differential effect on poverty levels in rural and urban areas for the coinciding period is equally startling. Because of a simultaneous worsening of income distribution, rural poverty declined slightly while the number of urban poor gained.

Notwithstanding, the worst-of it were also the highest losers, as the population living in extreme poverty across Nigeria swelled up from 7 million to 11 million. The obvious explanation

behind this is that policy makers sorely failed to share the increase in wealth equitably, thereby calling for the practice of small and medium industries to close the gap between the poor and the rich. Although experts note that small businesses have some detrimental characteristics that made them require private and public support, meaning the government must have to give full support to small industries if it's ready to pull out from these crises that may likely collapse the economy in the future. It is a testimony that apart from limited managerial capabilities, which include lack of economies of scale, lack of collective voice and influence on policy, frequent cases of market failures and their biases against small and medium scale businesses, is a barrier to any economy. Others include weak financial capacity to undertake research and development or procure other costly support services such as Business Development Services, and huge knowledge gaps, as most small business promoters don't know what they need to know but which they don't know.

III. CONCLUSION

After discussing the numerous problems encountered by the Nigerian nation even with the vast resources and manpower, one will conclude that a drastic step is needed to address the situation and put them in proper control. This article has suggested innovation and industrial revolution to curtail the feathers of this

ugly monster in view of the above listed problems currently plaguing the country.

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