

chapter 16



At the end of this chapter, students should be able to:

- explain the economic development challenges such as poverty, HIV/AIDS, corruption and power and energy inadequacy;
- explain the methods of alleviation of poverty and its eradication;
- explain the agencies that are responsible for poverty eradication such as NAPEP, etc;
- explain about the agencies responsible for curbing of corruption such as ICPC and EFCC;
- explain about the agencies responsible for control of HIV/AIDS, such as NACA.

16.1 Introduction

Challenges abound in all facets of human life. They are issues that require attention and call for solution. Challenges also tend to force individuals and nations to venture into the way forward as to how to move ahead so that the individual and the nation become united, strong and self-reliant.

Further, challenges force a nation to become great and have a dynamic economy. To this end, this chapter examines some of the economic development challenges facing Nigeria as a nation. Such challenges include poverty, debt burden and debt relief, HIV/AIDS, corruption and power and energy inadequacy.

16.2 Economic Development Challenges

Development of Nigeria is the responsibility of everyone and all look forward to seeing that she becomes a modern, united, developed and prosperous nation. Despite the fact that Nigeria is the sixth largest oil producer and fifth largest gas producer in the world, she has about 150 million citizens still

living in poverty, faced with unemployment, having the scourge of HIV/AIDS and also faced with the problem of inadequate power supply. Despite her endowed resources, her per capita income is still low and the well-being of her people is on the decline.

16.3 Meaning of Poverty

Poverty is the state of having little or no money and few or no material possessions.

Someone can be said to be poor when his/her per capita income is below what is considered to be the poverty level. Poverty is a serious issue in Nigeria because many people struggle daily to survive without any assistance from the state government. Poverty has its effects on those who are afflicted. In Nigeria, poverty is the state of one who lacks a usual or socially acceptable amount of money or material possessions. There is the absence of material comforts and many citizens of Nigeria cannot afford to live a decent life and are poor, while only few are comfortable.

Further, many lack the basic infrastructure of life. Common drinking water does not flow in the homes of Nigerians and so many resort to buying water. Further, there is the prevalence of hunger and many have to devise various means to survive. In addition, Nigerian masses cannot travel on safe roads because of constant chaos in the public transportation methods.

Poverty is also found in the area of health care because the facilities are not provided for children/babies, pregnant women and even the aged. In terms of gross national product per capita, Nigerians earn \$260 compared with the citizens of South Africa (\$3,170), Botswana (\$3,240), United States of America (\$27,086) and Britain (\$23,590). Nigeria's poverty figure shows that about 92% of the populace survive on less than \$2 a day, while about 71% of the masses survive on less than \$1 daily and this is a major embarrassment to Nigeria as the giant of Africa.

(A) Effects of Poverty

- (i)** Short life expectancy or premature mortality
- (ii)** Low standard of living
- (iii)** High level of illiteracy
- (iv)** Low self-esteem and lack of personal confidence
- (v)** Destruction of aspiration, hope and happiness
- (vi)** Low productivity
- (vii)** Increase in crime rate like human trafficking, kidnapping, child abuse and abuse of human rights
- (viii)** Increase in corruption

(B) Methods of Poverty Alleviation and Eradication

- (i)** Provision of basic education and skill acquisition
- (ii)** Industrialisation
- (iii)** Provision of basic amenities and social infrastructures
- (iv)** Curbing corruption and wastage of government resources

- (v) Provision of medical facilities
- (vi) Security of lives and properties
- (vii) Government policies that support alleviation of poverty

(C) Agencies for Poverty Alleviation and Eradication

There have been attempts by past governments to alleviate poverty in Nigeria. They include the following:

National Accelerated Food Production Programme (NAFPP): This was introduced by the government of General Yakubu Gowon in 1972. He also established the Nigerian Agricultural and Co-operative Bank (NACB), which was wholly devoted to funding for agriculture.

Operation "Feed the Nation" Scheme: By 1976, General Olusegun Obasanjo, who was the military head of state in Nigeria, introduced it. Much money was expended on the programme and efforts were made to get university undergraduates to go to the rural areas to teach the peasant farmers how to farm. The programme was targeted at making sure that a theoretical farming graduate teaches a farmer who makes his/her living out of farming. The success of the scheme was in the awareness creation of food shortage and the urgent need to tackle the problem.

Green Revolution: As at 1979, when the civilian government of Shehu Shagari was in power, he had the twin objectives of curtailing food importation while also boosting crop and fibre production. The programme's overall objective was mechanized farming. There are many senior civil and military officers who are either still in service or out of service that used their access to the state to the advantage of the wide range of facilities committed to the Green Revolution.

Go Back to Land Programmes: During General Mohammadu Buhari's administration between 1983 and 1985, he introduced this programme, which eventually fizzled out and died. While the programme was on, different state governors introduced their own programmes such as "School to Land" Programme of Rivers State under the leadership of Governor Fidelis Oyakhilome. Also,

"Graduates Farming Scheme" (GFS) was introduced by Gbolahan Mudashiru of Lagos State.

Directorate of Food, Roads and Rural Infrastructure (DFRRI): In the year 1986, General Ibrahim Badamosi Babangida established the programme and it was meant for rural development. The programme was targeted at providing feeder roads, electricity, portable water and toilet facilities for the rural dwellers. The DFRRI project gulped N1.9 billion.

Various projects such as Peoples Bank and Community Bank of Nigeria were set up for alleviation of poverty. But these financial institutions did not achieve their target of alleviating poverty.

Better Life Programme (BLP): General Babangida's wife, Mrs Maryam Babangida, set up the BLP that was meant to care for the rural women, but the Nigerian poor women did not benefit from the programme.

Family Support Programme (FSP) and Family Economic Advancement Programme (FEAP): By 1993, General Sanni Abacha and his wife

established the FSP and FEAP. The FSP gulped more than N10 billion. Apart from the above- mentioned policies initiated by past military and civilian governments in Nigeria, there were further efforts made to alleviate and eradicate poverty, which are highlighted below.

Poverty Alleviation Programme (PAP): This programme was introduced early in the year 2000. This was targeted at addressing the problems of rising unemployment and the wave of crime among the youth.

The PAP tried to improve the welfare of Nigerians. Basically, the primary objectives and targets of PAP were reduction of the problem of unemployment, which was targeted at enhancing effective demand within the economy; increased productiveness of the economy and finally drastic reduction in the wave of embarrassing crime within the society. The components of PAP were as follows:

- (a)** Provision of jobs for 200,000 unemployed citizens
- (b)** Creation of credit delivery system from which farmers would have access to credit facilities
- (c)** Increased adult literacy rate from 51% to 70% as at year 2003
- (d)** Increased health care delivery system from about 40% to 70% in the year 2003
- (e)** Increase in the immunization of children from 40% to 100%
- (f)** Increased rural water supply and rural electrification from 30% to 60%
- (g)** Training and settlement of at least 60% of graduates of tertiary institutions and the development of simple processes and small-scale industries

Process of Actualising Poverty Alleviation Programme

- (a)** Increase in the salary of public sector workers
- (b)** Improvement in the supervisory capacity within the nationâ€™s institutions
- (c)** Rationalisation of organisations and methods within the existing 16 poverty alleviation institutions
- (d)** Encouraging and rewarding deserving Nigerians for being industrious and enterprising
- (e)** Reduction of the great number of avenues for easy and illegitimate acquisition of wealth
- (f)** Launching of Universal Basic Education Programme (UBEP)

National Poverty Eradication Programme (NAPEP)

This programme was introduced in 2001 to provide strategies for the eradication of absolute poverty in Nigeria. The complement of NAPEP is the National Poverty Eradication Council (NAPEC) saddled with the responsibility of coordination of the poverty-related activities of all the relevant agencies and ministries.

Mandate of NAPEP

The main mandate of NAPEP is to ensure that the wide range of activities are

centrally planned, coordinated and complement one another such that there will be the achievement of objectives of continuity in policy and its sustainability.

Attempts by NAPEP to Alleviate Poverty

- (a)** About 140,000 youths were trained for over a period of 3 months. Each trainee involved in this project was remunerated each month with N3,000, while each trainer was paid N3,500. At the end of the training, each beneficiary should be able to establish his/her own business.
- (b)** NAPEP in its effort to alleviate poverty resettled 5,000 beneficiaries by equipping them with fashion and tailoring design equipments.
- (c)** Forty thousand unemployed graduates benefited under the Mandatory Attachment Programme as at 2001.
- (d)** NAPEP also embarked on installation of Rural Telephone Project equipment.
- (e)** There is a project of KEKE-NAPEP that was highly implemented (KEKENAPEP is a tricycle).

16.4 Debt Burden and Debt Relief

External debt represented one of the major obstacles to economic and social development in Nigeria. It must, however, be realized that the burden of external debt on developing countries is great. This is because much of their scarce resources that should have been used for development would have been used for servicing of debt, despite the fact that these developing nations are faced with the problem of poverty. Nigeria is a highly indebted country. In 2002, the country's total external debt stood at US\$28.6 billion, according to the Debt Management Office.

This represents approximately 80% of its GNP or 186% of its export earnings, made up of obligations to the following:

â€¢ Paris Club creditors: US\$22.1 billion

â€¢ London Club (commercial) creditors: US\$2 billion in Brady bonds

â€¢ Multilateral creditors (World Bank and African Development Bank): US\$2.7 billion

â€¢ Non-Paris Club bilateral creditors: US\$121 million

â€¢ Promissory note holders: US\$1.2 billion

Bulk of Nigeria's debts is owed to individual wealthy creditor nations belonging to the Paris Club. Much of Nigeria's debt to official creditors (78%) arises from arrangements with export credit agencies, which finance the purchase of products made in creditor nations. This bilateral debt is owed principally to European nations, as well as Japan as presented in the table below.

Table 16.1 Nigeria's Debt to Bilateral Creditors

Bilateral Creditor	Debt Owed
Switzerland	US\$9.7 billion
United Kingdom	US\$5 billion
France	US\$4.2 billion
Germany	US\$3.8 billion
Italy	US\$3.1 billion
Japan	US\$2.2 billion
Netherlands	US\$1.2 billion
United States	US\$798.1 million

As at the end of the year 2000, Nigeria owed the United States US\$798.1 million, primarily for loans she took via the US Export-Import Banking order to purchase US-manufactured products. Much of this amount consists of arrears. Nigeria's scheduled annual payments on this debt are approximately US\$18 million. In 1993, Nigeria adopted a policy of keeping its debt payments to a specific percentage of net oil revenue. While paying its commercial creditors on time, Nigeria's military dictators effectively broke off working relationships with Paris Club creditors during the 1990s, leading to the accumulation of large amounts of high interest on arrears and penalties.

In 2000, Nigeria was expected to pay US\$3.1 billion to its creditors but paid just US\$1.7 billion. Consequently, out of US\$28.1 billion of total debt, just US\$8.4 billion (30%) is now principal balance.

Arrears on principal and interest amount to US\$14.8 billion (53%) and US\$4.9 billion (17%) represents late interest. Nigeria has the largest debt of any African nation due to accrued interest on payments to creditors. The issue of debt repayment by debtor nations has therefore hampered their ability to address the health and well-being of their citizens.

As a result of this, limited debt-cancellation programmes by the industrialized nations and multilateral lending institutions began.

Many impoverished nations have spent billions of dollars in repaying debts to donor countries and international financial institutions. By the late 1990s, industrialized countries and international lending institutions created two debt-cancellation programmes: (i) expanded Highly Indebted Poor Countries (HIPC) and (ii) Multilateral Debt Relief Initiative (MDRI).

These two initiatives were targeted at ensuring that savings from cancellation are directed toward poverty alleviation priorities. Nigeria as a beneficiary of the debt cancellation used \$750 million in debt service savings from year 2006 to train and recruit new teachers.

16.5 HIV/AIDS and the Nigerian Economy Origin of HIV/AIDS

HIV is known as Human Immunodeficiency Virus, while AIDS is known as Acquired Immunodeficiency Syndrome. It is shortened as HIV/AIDS; it is a social reality that should not be ignored by any nation due to the havoc it ravages on human existence.

AIDS is an illness caused by HIV. What the virus does is it weakens the immune system of the infected person and also gradually destroys the defence system of such individual so that the system lacks the ability to fight off infections and diseases. AIDS is growing at an alarming rate all over the world. It was in Los Angeles, United States of America, that it was recognized in 1981. It is one of the destructive epidemics that has killed more than 25 million lives since its discovery. The countries of South Africa and India have higher population of people living with HIV than Nigeria. The first case of HIV/AIDS in Nigeria was noticed in 1986 and since then it has continued to spread rapidly from 1.8% zero prevalence in 1988 to 3.8% in 1994. As at 2001, it was 4.5%. The prevalence was highest among the people of ages 15–49. In 2001, it was discovered that about 3.47 million people were living with HIV/AIDS in Nigeria. Nigeria therefore ranked third after South Africa and India. In terms of death, it has been found that by 2003, 2.3 million Nigerians died due to AIDS. There is a cumulative projection that by the year 2015, the number of deaths as a result of HIV/AIDS will be 9.4 million.

Mode of HIV/AIDS Transmission

The modes of transmission of HIV/AIDS include unprotected multiple sexual intercourse, blood transmission, poverty, female genital mutilation, ear piercing and male circumcision.

Effect of HIV/AIDS on the Nigerian Economy

HIV/AIDS has serious effects on humanity, and this includes the social and economic impact on individuals, families and households, communities, nations and the world at large. The painful thing is that most of the victims are in their prime ages whereby they should be contributing greatly to the productivity of the nation. Whenever one of the family members is a victim of HIV/AIDS, the family's income reduces by 52% to 67%, and expenditure also increases multifold. There are lots of orphans in the society who are victims of malnourishment. Food consumption reduces by as much as 40% in families and communities that are affected by HIV/AIDS.

In addition, the effect of HIV/AIDS can also be psychiatric disorders, depression, stressful negative life events, risky sexual practice and even stigma among the victims and their family members. Further, the effect can be reduction in the supply of teachers and even the demand for educational services. There will also be increase in the withdrawal level of children from school due to the increase in expenditure incurred in the face of dwindling resources available to education.

Measures to Prevent HIV/AIDS

- (a)** Abstinence from premarital sex
- (b)** Blood certification
- (c)** Creation of awareness
- (d)** Counselling
- (e)** Research
- (f)** Protected sexual intercourse
- (g)** Introduction of sex education in schools

Agencies Responsible for Control of HIV/AIDS

In the year 2000, the Nigerian Government formed the National Action Committee on AIDS (NACA). The committee emphasized a multisectoral approach to AIDS.

Membership of NACA includes representatives from ministries, the private sector, non-governmental organizations (NGOs) and the networks of persons living with HIV/AIDS. Both State and Local Action Committee on AIDS (SACA and LACA) were also formed to spearhead the local multisectoral response to HIV/AIDS.

Efforts of NACA at Controlling HIV/AIDS

- (a)** Increasing awareness and sensitization of general public and key stakeholders about HIV/AIDS
- (b)** Promotion of behavioural changes among the citizens of the country
- (c)** Ensuring that communities and individuals are empowered to design and initiate community-specific action plans towards HIV/AIDS sensitisation
- (d)** Institutionalising best practices in care and support for people living with HIV/AIDS
- (e)** Creating networks of people living with HIV/AIDS to help in sensitisation
- (f)** Establishing an effective HIV/AIDS surveillance system
- (g)** Embarking on research for HIV/AIDS

16.6 Corruption in Nigeria

Corruption is not a new phenomenon in Nigeria and its occurrence is troubling. Corruption is endemic in all races, tribes, colours, among men and women, boys and girls. Corruption also cuts across different faiths and beliefs, religious organizations, political systems and so on. Corruption is further found in different political dispensations, which can be democratic or dictatorial as in the feudal, capitalist and even the socialist economies.

Corruption has been defined by different experts as the change from good to bad. It is also an effort to secure wealth or power through illegal means and it resorts to misuse of public power for one's private profit.

Corruption is not peculiar to Nigeria and other nations of the world. Both leaders and followers are not exempted from being corrupt, and corruption has defied all solutions.

Nature of Corruption

Corruption can be of the following nature: bureaucratic, electoral and political.

Bureaucratic corruption: This type of corruption is commonly found in government-owned service institutions or organizations such as schools, hospitals, police, licensing offices, ministries, etc. The corruption here occurs whenever someone obtains a business from the public sector through an inappropriate way or procedure.

Electoral corruption: This refers to the various ways such as the purchase of votes with money, offering of special favours and interference in the conduct of election that is expected to be free and fair. Further, this can take the form of making promises of political offices, coercion or intimidation. During electoral corruption, innocent individuals are maimed or even killed.

Political corruption: This occurs in situations where top political officers responsible for the formulation of policies are corrupt. Policy formulation and legislations are intentionally tailored to profit co-politicians and legislators. Politicians are found exercising greed in their actions and activities.

Forms of Corruption

There are different forms of corruption and the resources of the institution where he or she is working to enrich himself or herself wrongly. This is possible because of non-existence of strict and enforceable laws that track or curb corruption.

They include the following:

(a) Bribery: Bribery is a specific offence which concerns the practice of offering something, usually money, to gain an illicit advantage and corruption is an abuse of a position of trust in order to gain an undue advantage. This includes kickbacks, pay-offs, gratuities, greasing of palms, etc.

(b) Embezzlement: This occurs in a situation where a government worker steals

(c) Extortion: It is the money that is forcefully collected from the members of the public through violence, coercion or even threats.

(d) Favouritism: Favouritism is a situation that occurs, for instance, when the resources of a state are not objectively distributed among the benefiting communities; it is, however, a mechanism of abuse of power.

(e) Fraud: This is a form of corruption that is made up of swindle and deceit, counterfeiting, racketing, smuggling, forgery and trickery.

(f) Nepotism: It is a situation where a government official prefers his/her immediate family members to handle official issues. This is against the law of the land.

Causes of Corruption

The following are the causes of corruption in Nigeria:

- 1.** Inequality in the distribution of nationâ€™s wealth
- 2.** Targeting political office as a major means of access to wealth
- 3.** Great conflict that exists between the changing communal moral codes
- 4.** Weaknesses of the social and governmental agents and mechanisms that are responsible for the enforcement of stated laws

- 5.** Absence of a strong sense of national community by the nationals of a given nation
- 6.** Poor reward system for the workers in government institutions

Effects of Corruption

There are many effects that corruption has on the nation, individuals, families and so on. They include the following:

- 1.** Reduction of public spending on education
- 2.** Reduction of investment in such a nation where corruption is the order of the day
- 3.** Government officials shifting government expenditures to areas where there can be collection of bribes and eventually fraudulent practices
- 4.** Continual poverty and lack of and inequality in income of workers

Consequences of Corruption

Corruption has lots of consequences and among them are following:

- 1.** It teaches the citizens of a nation not to be honest in their activities and dealings.
- 2.** It teaches citizens not to be hardworking and law-abiding.
- 3.** Many political office holders wrongly amass wealth for their own selfish end either in Nigeria or outside the shores of Nigeria.
- 4.** Corruption wastes the skills of the to-be-useful labour. They end up wasting time on thinking and setting up different means of looting the government pause.
- 5.** Time is wasted in the monitoring of public projects.
- 6.** Some foreign donors would resist making available their aids to a nation that is corrupt.
- 7.** It is a politically destabilizing evil as it leads to social revolution and military takeovers.
- 8.** Corruption reduces the quality of goods and services that is made available to the public.
- 9.** Corruption has its effect on investment, economic growth and government expenditure choices.
- 10.** Corruption reduces private investment.
- 11.** Corruption discourages honest efforts and valuable economic activities.
- 12.** It leads to possible information distortion because of cooking up of fake and untrue information in different books of records.
- 13.** High level of corruption makes public policies ineffective.
- 14.** Corruption upsets ethnic balance and makes big the problem of national integration in the developing countries.
- 15.** Corruption destroys the legitimacy of a government.
- 16.** Corruption is responsible for the brain drain being experienced in Nigeria.

Control of Corruption

Corruption can be controlled through the following ways:

1. Adherence to a nation's ethical standards with respect to the foundations of a nation's policies.
2. There is the need to ensure that men and women who will execute the war on corruption are of good virtue and have good name in the land.
3. There should be invocation of tough penalties on culprits who are corrupt.
4. Granting of discretionary powers to the officers who are in position of power should stop.
5. The mass media needs to play a greater role in making sure that they educate the masses on the need to shun corruption.
6. The populace also have a role to play by resisting the temptation to offer bribes to corrupt government officials.

Agencies Curbing Corruption

Corruption, as mentioned earlier, is not new and is endemic in all governments though not peculiar to any continent, region and ethnic group. Corruption has been said to swallow about 40% of Nigeria's US\$20 billion annual oil income. The Nigerian government had tried in different ways to curb the menace of corruption by setting up different commissions. Among the commissions are the Economic and Financial Crimes Commission (EFCC) and the Independent Corrupt Practices Commission (ICPC).

Economic and Financial Crimes Commission

This commission was established by an Act of the National Assembly of the Federal Republic of Nigeria in 2004.

Responsibilities of EFCC

- (a) EFCC shall be a body with perpetual succession and a common seal.
- (b) EFCC may sue or be sued in its corporate name and may acquire, hold or dispose property (whether movable or immovable).
- (c) EFCC is designated as the Financial Intelligence Unit charged with the responsibility of coordinating various institutions involved in the fight against money laundering and enforcement of all laws dealing with economic and financial crimes in Nigeria.

Functions of EFCC

The commission has lots of responsibilities, and they include the following:

- (a) Enforcement and administration of the provisions of the Act that established the EFCC
- (b) Investigation of all financial crimes such as advanced fee fraud
- (c) Coordination and enforcement of all economic and financial crime laws and enforcement functions conferred on any other person or authority
- (d) Adoption of measures to eradicate the commission of economic and financial crimes
- (e) Adoption of measures to identify, trace, freeze, confiscate or seize proceeds derived from terrorist activities, economic and financial crimes related or the properties the value of which corresponds to such proceeds

(f) Adoption of measures that include coordinated preventive and regulatory actions, introduction and maintenance of investigative and control techniques on the prevention of economic- and financial-related crime and so on

Additional Functions of EFCC

Additional functions of the commission are as follows:

(a) Dealing with matters of economic and financial crimes connected with the extradition, deportation and mutual legal or other assistance between Nigeria and any other country

(b) The collection, analysis and dissemination of all reports relating to suspicious financial transactions relevant to government agencies

(c) Taking charges of supervising, controlling and coordinating all the responsibilities, functions and activities relating to the current investigation and prosecution of all offences connected with or relating to economic and financial crimes

(d) The coordination of all existing economic and financial crimes and investigating units in Nigeria

(e) Maintaining a liaison with the office of the Attorney General of the Federation, the Nigerian Custom Service, the Immigration and Prison Services Board, the Central Bank of Nigeria, the Nigeria Deposit Insurance Corporation, the National Law Enforcement Agency, all government security and law enforcement agencies and such other financial supervisory institutions in the eradication of economic and financial crimes

(f) Carrying out and sustaining rigorous public and enlightenment campaign against economic and financial crimes within and outside Nigeria and so on

Power of EFCC

EFCC has the power to do the following:

(a) Cause investigations to be conducted as to whether any person, corporate body or organization has committed any offence under this Act or other law relating to economic and financial crimes

(b) Cause investigations to be conducted into the properties of any person if it appears to the commission that the personâ€™s lifestyle and the extent of the properties are not justified by his/her source of income

Independent Corrupt Practices and Other Related Offences Commission (ICPC)

This is another commission established to fight corruption in Nigeria and is in short called ICPC.

Mandate of ICPC

The mandate of the commission is to prohibit and describe punishment for corrupt practices and other related offences as exhibited by offenders.

Duties of the Commission

- (a)** To receive and investigate complaints from members of the public on allegations of corrupt practices and inappropriate cases and also prosecute the offenders
- (b)** To examine the practices, system and procedure of public bodies and where such systems aid corruption to direct and supervise their review
- (c)** To instruct, advise and assist any officer, agency or parastatal on ways by which fraud or corruption may be eliminated or minimized by them
- (d)** To advise heads of public bodies of any changes in practice, system or procedures compatible with the effective discharge of the duties of public bodies
- (e)** To reduce the likelihood or incidence of bribery, corruption and related offences
- (f)** To educate the public on and against bribery, corruption and related offences
- (g)** To enlist and foster public support in combating corruption

16.7 Power and Energy Inadequacy

For a long time, Nigeria has been facing the problem of extreme electricity shortage and the shortage is at different levels. Some of the causes are financial, structural and sociopolitical issues. The problem ranges from energy losses from its generation to how it is billed. It should be noted that energy is the engine that drives industrialization, improves communication, helps innovation in science and technology, provides sound health-care delivery system and also improves the standard of living of the citizens. Energy is at the central and pivotal position in an economy.

There are some problems that confront power and energy generation in Nigeria and they include the following:

(A) Problem of Hydropower Generation

- (i)** The current infrastructure of the hydro plants is in dire need of rehabilitation and the actual energy output of the plants is below their projected capacity.
- (ii)** No overhaul of the plants
- (iii)** The output of the hydro plants is highly oscillatory due to the seasonal droughts.
- (iv)** The trends of climate change have led to a continual loss of water. Since the power output of hydro plants is dependent on the flow of the river, with less water, there is less potential energy to harness.

(B) Problem of Thermal Power Generation

- (i)** Lack of gas supply
- (ii)** Poor maintenance of gas pipelines
- (iii)** Low gas pressure
- (iv)** Civil unrest in the gas-producing region

(C) Problem of Transmission

- (i)** The high-tension wire structure is unstable and vulnerable to sabotage
- (ii)** Vandalisation of power equipments
- (iii)** Destruction of transmitting cables by natural disasters

(D) Problem of Distribution

- (i)** Network problems (especially during the raining season)
- (ii)** Illegal electricity connections either to the high-tension cables or to the existing residential/industrial electricity outfit
- (iii)** Overloaded transformers (resulting in very low voltages)
- (iv)** Over-/under-billing and payment via unscrupulous business collusion
- (v)** Illegal manipulation of installed meters
- (vi)** Corrupt practices of distribution staff (e.g., illegal sales of electricity meters to prospective consumers, vandalism of equipment, resold in most cases to public/ private electricity institutions, etc.)

Agency Responsible for Improvement of Power and Energy

Nigeria has been a victim of power outages for many years and huge sum of money (about US\$1600 billion) has been invested on the improvement of power and energy but with little or no appreciable impact and progress. The problem been faced by the energy and power sector has had grave consequences on individual citizens, families/households, workers, organizations (whether manufacturing or not and local, state or federal) and the country at large. The continuous power outages have led to the relocation of some manufacturing outfits outside the shores of Nigeria. In order to find a lasting solution to the problem of energy and power, the Nigerian Government inaugurated the Nigerian Electricity Regulatory Commission (NERC) on 31st October 2005. The commission is an independent regulatory agency as provided in the Electric Power Sector Reform Act of 2005.

Mandate of NERC

The commission was mandated to carry out the following duties:

- (a)** Monitoring and regulation of the electricity industry
- (b)** Issuance of license to electricity or energy and power market participant
- (c)** Ensuring compliance with energy and power market rules and operating guidelines

Mission of NERC

The mission of NERC is to promote and ensure an investor friendly industry and efficient market structure that will meet the needs of Nigeria for safe, adequate, reliable and affordable electricity.

Goals and Objectives of NERC

The objectives of NERC are generated from each of its four goals, as shown below:

Goal 1: Uninterrupted Electricity

(a) Constant and reliable power supply is critical to the growth of Nigerian economy.

(b) The supply of power is expected to cover a wide national footprint to maximize access to electricity in Nigeria.

(c) Through appropriate regulations, the commission will ensure that the nation gets safe, adequate, reliable and affordable services in the generation, transmission, distribution and trading of electricity.

Goal 2: Private Sector Participation

(a) The NERC is entrusted with encouraging the participation of the private sector in the electricity market.

(b) The commission ensures that regulations that encourage profitable pricing and effective completion among market players are developed and appropriate codes of conduct and rules of engagement are also enforced to ensure an efficient and investor friendly market.

(c) The commission is to monitor industry operators and prevent the abuse of the market power

(d) The commission is charged with ensuring that consumers fulfil their obligations by paying for power used and their interests are protected.

Goals 3: Fair Regulation

(a) The commission shall ensure that it is even-handed in its regulation of the industry.

(b) The commission shall ensure vigilant oversight of the industry.

(c) The commission has to be both firm and fair in the enforcement of rules and regulations.

Summary

â€¢ This chapter discussed economic development challenges that include poverty, debt burden and debt relief, HIV/AIDS, corruption, inadequacy of power and energy, etc. Effects of poverty, methods of poverty alleviation and eradication and agencies for poverty alleviation and eradication were examined.

â€¢ In addition, the chapter examined the modes of HIV/AIDS transmission, effect of HIV/AIDS on Nigerian economy, measures to prevent HIV/AIDS and agencies responsible for the control of HIV/AIDS.

â€¢ Further, this chapter examined corruption in Nigeria: nature, forms, causes, effects, consequences and control of corruption.

â€¢ Agencies curbing corruption were also examined.

â€¢ Inadequacy of power and energy and agency responsible for improvement of power and energy was also looked at.

Class Activity

1. The teacher should ask students to visit the poverty alleviation offices in their states to inquire about their success efforts at alleviating poverty

among the Nigerian masses.

Revision Questions

Objective Questions

1. Poverty means:

- (a) A state of having little or no money
- (b) A state of having no material possessions
- (c) A situation where per capita income is below what is considered to be the poverty level
- (d) A state of one who lacks a usual or socially acceptable amount of money
- (e) All of the above

2. Poverty Alleviation Programme was introduced early in:

- (a) 1998
- (b) 1979
- (c) 2000
- (d) 2008
- (e) 2011

3. In the year 2000, Nigeria was expected to pay:

- (a) US\$1.1 billion to her creditors
- (b) US\$3.1 billion to her creditors
- (c) US\$7.1 billion to her creditors
- (d) US\$5.98 billion to her creditors
- (e) US\$4.98 billion to her creditors

4. HIV/AIDS originated from:

- (a) South Africa
- (b) Nigeria
- (c) India
- (d) Los Angeles
- (e) Ethiopia

5. One of the consequences of corruption is that:

- (a) It teaches the citizens of a country to be truthful
- (b) It increases the quality of goods and services
- (c) It reduces private investment
- (d) It does not upset ethnic balance
- (e) It does not lead to brain drain

Essay Questions

1. (a) What is poverty?

(b) Explain five effects of poverty.

(c) Explain four methods of poverty alleviation and eradication.

2. Explain the different attempts of different governments at eradicating poverty in Nigeria.

3. (a) What do you understand by Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome?

(b) Explain the modes of transmission of HIV/AIDS.

(c) Explain the effects of HIV/AIDS on the Nigerian economy.

- 4. (a)** What is corruption?
 - (b)** Explain the different forms of corruption.
 - (c)** Explain the effects of corruption.
- 5.** Explain the agencies that curb corruption in Nigeria.

Glossary

Poverty: Poverty is the state of having little or no money and few or no material possessions.

HIV/AIDS: HIV means Human Immunodeficiency Virus and AIDS means Acquired Immunodeficiency Syndrome.

Corruption: Corruption has been defined as the change from good to bad.