POVERTY AND THE CHALLENGES OF INSECURITY TO DEVELOPMENT

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Abstract

Poverty and insecurity are twin problems of development in Nigeria. Poverty is a major problem in Third World countries in general and in particular Africa to which Nigeria belongs. The poverty level in Nigeria is such that many people live below the poverty line. The economic growth in the nation’s GDP has not translated to reduction of the number of people living below poverty line. The poverty level in Nigeria has become worrisome and the subject of growing attention by academics and policy makers. Though poverty reduction has become the major goal of the government, much is yet to be done. Insecurity is also rife in many parts of the country with people dying on a daily basis from factors which are political, strategic, economic, social, or ecological nature. Poverty in the country is more pronounced in conflict-prone areas while insecurity is rife in poverty-stricken areas which generate the question of the relationship between poverty and insecurity as well as their implications for development. The objectives of this paper therefore were to find out if poverty is the effect as well as a cause of insecurity and the implication of this for development. The paper examined the relationship between poverty, conflict and insecurity in Nigeria with particular reference to conflict-ridden areas of the North-East, South-South and Middle-Belt. Secondary sources of data were used and data were taken from the National Bureau of Statistics (NDS). Research findings show that insecurity contributes to poverty with implications for development and the need to shun violence was recommended.

Keywords: Poverty, conflicts, insecurity, human security, Nigeria
Introduction

Nigeria is the biggest producer of oil in Africa and the sixth oil producer in the world but despite its vast resources, it ranks among the poorest countries in the world. A recent World Bank (2010) report released at a United Nations summit rated her as second poorest country in the world with most Nigerians living below poverty line. According to the National Bureau of Statistics (NBS 2012) about 60.9% of Nigerians in 2010 were living in ‘absolute poverty’. In 2011, the figure rose slightly to 61.9% and in BBC news (2012), the number of Nigerians living in poverty was put at 61%. The highest poverty rates are recorded in the North-West and North-East geopolitical zones with a poverty rate of 77.7% and 76.6% respectively (NBS 2012). The reason is not far-fetched considering that these zones are riddled with conflicts. Absence of basic services, unemployment, bad governance and corruption provide an avenue for disgruntled members of the society to be radicalized. The situation is such that no day passes without news of one form of killing by insurgents or the other. Many properties have been destroyed and lives lost to these insurgents who advocate the jettisoning of western education and the imposition of Sharia law. Insecurity in the North led to the declaration of a state of emergency in three states in the zone namely; Yobe, Adamawa and Bornu states. Despite this, the killing continues and the worst aspect of it is that in recent times, educational institutions have become targets with many male students killed and hundreds of young girls abducted. Besides, there is a spill-over effect with insecurity spilling over to other parts of the North like Zamfara state which had for long been a peaceful state compared to other states in the North. Recently on Saturday 5th April, 2014, about 112 people were reported killed by insurgents who stormed Yar’galadima village in Dansadu District of Maru LGA of the state (DailyTrust Newspaper April 7, 2014). Apart from these zones, poverty is also endemic in conflict zones like the South-South where conflict between Multinational Oil Companies (MNOCs) and militant youths in the region has resulted in the impoverishment of the people. The Niger Delta region which is the source of Nigeria’s wealth suffers from a paradox of poverty in the midst of plenty. According to a World Bank report captured in the Niger Delta Development Commission (NDDC) report (2008), “about 70% of people in the region live below the poverty line which is above African Standard”. It went further to say that the Niger Delta is one of the poorest parts of the world. Poverty in the region is a cause and effect of conflicts between Niger Delta’s minority ethnic groups and Multinational Oil Companies (MNOCs) with the former who felt they were being short-changed and demanded for a share of the ‘petrol dollar’ as compensation for environmental degradation among others. The violence that erupted as a result of this has not only led to the destruction of means of livelihood but in
most cases the loss of bread winners. In addition, it has impeded business investments in the areas, economic growth and productivity, encouraged inflation and unemployment and negatively affected the living standards of the people. As a result of disenchanted with the activities of MNOCs, various militant groups in the Niger Delta emerged and resorted to abducting foreign oil workers for ransom. The situation was brought under control by the Federal Government under the leadership of the late President Musa Yar’Adua. However after this, abduction for ransom became entrenched so that in many part of the South-south and South-East and different parts of the country it has become a daily occurrence which has led to insecurity of life.

In the Middle-Belt or North Central Zone, insecurity is also rife. In places like Plateau state conflict between the Hausa-Fulani and the Berom people has left many dead while in Benue state the recent conflict between the Fulani herdsmen and the local people led to many deaths and villages being sacked. Nasarawa state is another conflict-ridden state in the Zone. Communal conflicts have become pervasive to the extent that virtually every local government area has an unresolved conflict at various stages of escalation or de-escalation (Ayih, 2003; Gyuse and Ajene, 2006). There is conflict between the Eggon-Koro/Migilim Obi Local Government, the Alagos and Hausa are locked in internecine conflict with the Tiv Community in Awe Local Government over land matters while there is conflict in Nasarawa Local Government between the indigenous Afo and the Hausa/Fulani over chieftaincy dispute. Insecurity in the regions no doubt affects the nation’s national income as it discourages investors. This paper tries to investigate if conflict in the country contributes largely to poverty and poverty in turn contributes to insecurity. The paper is divided into six sections and begins with an introduction which is followed by the theoretical framework and literature review. The subsequent sections of the paper include the methodology, presentation of the result and conclusion.

THEORETICAL FRAMEWORK

Human Security

The theoretical framework adopted for this work is the Human Security approach propounded by Scholars such as Mary Kaldor, Kofi Anan, Thomas and Roberts. The concept emerged after the Cold War and was first propounded by the United Nations Development Programme (UNDP) in 1994. Unlike the traditional goal of national security which emphasised the defence of the state from external threat, the central argument of this approach is that security should focus on the individual because a people-centred view of security is required for national, regional and global stability. This is premised on the fact that threats to human life emanate not only from situation of violent conflicts but other non-conflict sources of threats such as
poverty, infectious diseases, terrorism, environmental degradation etc (Salim, Luqman and Abdullahi 2007). Human Security is therefore concerned with the protection of people from critical and life threatening dangers. Accordingly, King and Murray (nd) define human security as ‘one’s expectation of years of life without experiencing the state of generalised poverty.’ Thomas (2000) views it as ‘a condition of existence which entails basic material needs.’ The Commission on Human Security (CHS) defines it as ‘the protection of the vital core of all human lives in ways that enhance human freedoms and fulfilment....it means protecting people from the concept of human security emerged at the end of the Cold War following the growth of globalisation, reduction in the threat of nuclear war, increase in the number of violent conflicts in Africa, Asia and Europe, emergence of new threats such as HIV and climate change and the need for a security package to reflect these.

Mahbub Ul Haq in a United Nations Development Programme’s 1994 Report identified seven categories of threats to human security which include economic security, food security, health security, environmental security, personal security, community security and political security. In an effort to implement these human security agenda, two schools of thought have emerged namely; ‘Freedom from Fear’ and ‘Freedom from War’ schools.

The freedom from Fear school seeks to limit human security to protecting individuals from violent conflicts which are associated with poverty, lack of state capacity etc advocating emergency assistance, conflict prevention and resolution, peace building among others. The Freedom from War school on the other hand proposes a holistic approach to achieving human security and argues that the threat agenda should include hunger, poverty, disease and natural disasters because they kill far more people than war.

Wresinski’s definition of extreme poverty is relevant at this stage: ‘A lack of basic security is the absence of one or more factors that enable individuals and families to assume basic responsibilities and to enjoy fundamental rights. Such a situation may become more extended and lead to more serious and permanent consequences. Extreme poverty results when the lack of basic security simultaneously affects several aspects of people’s lives, when it is prolonged, and when it severely compromises people’s chances of regaining their rights and reassuming their responsibilities in the foreseeable future’ (Wresinski, 1987, quoted in Hulme D., Moore K. And Shepherd A.2001:20). The poverty level of Nigeria which is related to conflicts and insecurity in the country demands that government addresses the human security situation of the country.
Literature review

There is no single ‘correct’ or universally accepted definition of poverty. Generally, poverty is viewed as a state of being poor. In the pre-industrial era the popular notion of poverty was that it was ‘God given’ while with time it was viewed as a product of an individual’s inaction, laziness, lack of intelligence (Giddens 1981; Malumfashi 2008). Poverty constitutes a danger to prosperity all over the world with its causes ranging from lack of resources, an extremely unequal income distribution, to conflict among others.

Defining poverty remains a problematic term and the debate relating to what it constitutes, how it is measured and how it is to be tackled, rages on. In the first place, the difficulty in defining poverty arises from the fact that different poverty definitions span different spheres of concerns which may not all be easily measured. Secondly, there is the issue of the universality of the definition of poverty. Definitions and measurement indicators applied in one type of society may be difficult to transfer to other societies, without serious modifications (Ruggeri et al 2003). There are various poverty frameworks which may be useful for understanding and measuring Poverty such as material poverty, money-metric measurement approaches and multidimensional concepts of poverty (Hulme, Moore and Shepherd 2001). Scholars who adopt the material and physiological approaches view poverty as a lack of income, expenditure or consumption. In recent years, however, poverty has been viewed in a more holistic sense, based at least in part on the increased credence given to the views of the poor themselves. This is based on the belief that the poor are likely to be poor in several ways, not only in terms of income. Generally, poverty is viewed as a lack of basic needs and services or lack of minimum standard of living. As Bevan and Joireman (1997) argue, ‘while poverty everywhere involves people experiencing very real material and other deprivations, the concept of poverty is used to cover a wide-ranging set of interrelated life-chances which vary and are valued differently in the diverse cultures and sub-cultures of the world’. On this basis, the notion of what constitutes ‘basic needs’ has expanded to encompass not only food, water, shelter, and clothing, but also access to other assets such as education, basic healthcare, credit, participation in the political process, security and dignity. The1995 Copenhagen Social Summit was the first major international gathering to mark the expansion of the concepts of poverty and well-being and by 2000 the World Bank (2000) was describing poverty in terms of material deprivation, low levels of education and health, exposure to vulnerability and risk, and ‘voicelessness’ and ‘powerlessness’. Multi-dimensional approaches capture the full range of deprivations that constitute poverty, and may
empower and give ‘voice’ to the poor, but lack the precision and comparability of income/consumption measures.

Gordon et al (2000) believe ‘someone is poor when they have both a low standard of living and a low income.’ Sharing this view is Joseph and Sumption (1979) who believe that ‘A family is poor if it cannot afford to eat.’ This definition is also supported by that of European Commissions in its Joint Report on Social Inclusion (2004) which states that: “People are said to be living in poverty if their income and resources are so inadequate as to preclude them from having a standard of living considered acceptable in the society in which they live. Because of their poverty they may experience multiple disadvantages through unemployment, low income, poor housing, inadequate health care and barriers to lifelong learning, culture, sport and recreation. They are often excluded and marginalised from participating in activities (economic, social and cultural) that are the norm for other people and their access to fundamental rights may be restricted.” In the same vein, Peter Townsend, defines poverty as when someone’s “resources are so seriously below those commanded by the average individual or family that they are, in effect, excluded from ordinary living patterns, customs and activities” (Reporting poverty in the UK). To Friedman (1999), it is a form of disempowerment that can be viewed from socio-economic, political and psychological dimension. Socio-economic disempowerment refers to relative lack of access to the resources for the self-production of livelihood; political disempowerment to lack of clear political agenda and voice while psychological disempowerment refers to internalised sense of worthlessness and passive submission to authority.

According to the World Bank (2005) estimate, there are 1,345 million poor people in developing countries who live on $1.25 a day. Extreme poverty remains an alarming problem in the world’s developing regions. The elimination of poverty is a key concern of all those interested in the development of poor countries ranging from policy makers, scholars, state and non-state actors, social groups and the poor themselves and now provides the main justification for promoting economic growth and development. The central objective of the Millennium Goals (MDG) is to halve poverty by the year 2015 (Ruggeri et al 2003).

Insecurity is a state of being subject to danger or threat. Most scholarly articles on insecurity in the Cold-War era focused on the traditional approach to security which is state-centric. Insecurity was therefore conceived as threats to the state and the need to defend the state from such threats which accounted for the race for arms and nuclear weapons. The survival of the state as an entity instead of that of individuals was usually the pre-occupation. The security landscape has however changed and in the post Cold War era scholars now place emphasis on the security of the individual.

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Security issues therefore include those of a political, strategic, economic, social, or ecological nature.

Scholars however are divided on the relationship between poverty and insecurity. While one group believes that poverty is both a cause and consequence of insecurity, another group believes poverty causes insecurity, while yet a third group thinks that poverty is the result of conflicts. According to Verstegen (2001), Poverty and insecurity are closely related. In her opinion, violent conflicts have led to death of many people, displacement and destruction of property which leads to destruction of years of development efforts and investments and insecurity. On the other hand, when aspirations are not met, people may resort to armed conflicts which in turn make life insecure for individuals within the community. Those who dismiss the fact that poverty is a major cause of conflict and by extension insecurity argue that poverty may lead to conflict when other factors are present. To them, poverty is not a sufficient condition for the occurrence of conflict. According to Nelson (1998 in Ekpenyong, Ukomm and Agha 2010), the precise links between economic grievances and ethnic conflict are exclusive, variable, and strongly conditioned by a wide range of non-economic factors.

There is no denying the fact that conflict has a direct impact on poverty. During severe conflicts, there is always wanton destruction of lives and property (private and public) which makes life insecure. Such environments become investment-unfriendly and thus poverty becomes the order of the day. World Bank Group Data and Statistics (2003) show that in 2002, of 63 low income countries, 38 were located in Sub-Saharan Africa and were associated with conflict. At the end of 2005, the global number of refugees was at its lowest level in almost a quarter of a century but by the end of 2008, the total number of refugees under United Nations High Commission on Refugees’ (UNHCR) mandate exceeded 10 million. The number of conflict-induced internally displaced persons (IDPs) reached some 26 million worldwide at the end of the year. Using the statistics above, 1.02 billion people suffer from chronic hunger while 36 million people are displaced [UNHCR 2008]. Nigerians need to shun violence in all its ramifications while the government should ensure that the issue of conflict and insecurity are addressed.

METHODOLOGY

SOURCES OF DATA

The data for this study were derived from a number of sources. Data for the study were obtained from both the National Bureau of Statistics (NBS 2012) and United Nations Development Indicators for various years. In regression analysis the dependent variable is frequently influenced not only by variables that can be readily quantified on some well-defined scale but
also by variables that are essentially qualitative in nature. This qualitative variable that influences the dependent variable should be included among the explanatory variables. In this study insecurity (qualitative variable) is captured by constructing artificial variable (Dummy variables) that take on 1 or 0. O indicating the absence of insecurity and I indicating the presence of insecurity.

**Model Specification**
In accordance with the set objectives of the study, the following models are specified.

**Granger Causality and Co-integration**
To test for Granger Causality and Co-integration, we use the standard methodology proposed by Granger (1969, 1986) and Engle and Granger (1987) as described in Enders (1995). All tests are performed on natural logarithms of the indices time series using simple OLS estimation procedures.

**Granger Causality Model**
In order to test for Granger Causality between poverty (\(X_t\)) and Insecurity (\(Y_t\)) we estimate the equation.

\[ \Delta \ln Y_t = C + \sum_{k=1}^{\infty} \Delta \ln X_{t-k} + \sum_{i=1}^{k} \beta_i \Delta \ln X_{t-i} + \sum_{l} \ldots \ldots \ldots (1) \]

We logged transformed to harmonize the unit of measurement.
The null presumption is that \(X_t\) does not Grange causes \(Y_t\). For poverty (\(X_t\)) and Insecurity (\(Y_t\)) we performed a pair wise granger causality tests do that we can decide whether \(X_t\) granger causes \(Y_t\) or \(Y_t\) granger cause \(X_t\) (uni-directional or both (bi-directional) or none.

**Cointegration model**
When testing for Co-integration of a pair (poverty and insecurity), we have to first determine if the logarithms of both indices integrated or order 1, denoted by I(1). It means that the levels of the series’ logarithms must be non-stationary (contain a unit root), and the difference must already be stationary. To test for stationarity, we employ the standard Augmented Dickey-Further test (ADF test). For levels we estimate equation (2) and for difference equation (3).

\[ I_n Y_t = C + \beta_t + \delta I_n Y_{t-1} + \sum_{k=1}^{\infty} \Delta I_n Y_{t-k} + \sum_{l} \ldots \ldots \ldots (2) \]
\[ \Delta I_n Y_t = C + \delta \Delta I_n Y_{t-1} + \sum_{k=1}^{\infty} \Delta I_n Y_{t-k} + \sum_{l} \ldots \ldots \ldots (3) \]

This means that we allow the levels to contain a constant term and a linear time trend while for the differences; we include only a constant term in the estimated equation. Under the presumption of the presence of a unit root
(non-stationary), the test statistics defined as t-ratio of (o-1) = 0. Comparing the test statistics with the sample critical value tabulated by Cheung and Lai (1995), if the test statistics is lower than the appropriate critical value, then we reject the series as non-stationary (containing a unit-root). Since the logarithms both series $X_t$ and $Y_t$ are found to be 1 (1), then a simple linear relationship between the two time series defined by equation (4) and (5).

\[
I_n Y_t = C + \alpha I_0 X_t + \sum_i \ldots \ldots \ldots(4)
\]
\[
I_n X_t = C + \alpha I_0 Y_t + \sum_i \ldots \ldots \ldots(5)
\]

Then applying the ADF test to the estimated residual $\sum_i$, we have;

\[
\sum_i = \delta \sum_{t=1}^{k} + \Delta \sum_{t=1}^{k} + \sum_i \ldots \ldots \ldots(6)
\]

By comparing computed statistics with critical values tabulated by MacKinnon (1991), if it is stationary at Mackinnon critical value of 1%, then, there is long-run relationship, if otherwise, short-run relationship existed.

**Vector Autoregressive (VAR) Model**

The unrestricted vector auto regression (VAR) model was employed to enable us ascertain whether the past values of degree of insecurity also positively related to poverty. The unrestricted VAR model is specified thus:

\[
Z_t = \sum_{t=1}^{k} A_i Z_{t-1} + \sum_i \ldots \ldots \ldots(7)
\]

Where

\[
Z_t = \begin{bmatrix} Z_1 & \cdots & Z_k \end{bmatrix}
\]

is a Column

\[
\Sigma_t = \text{Column vector of random errors.}
\]

**Presentation of Results**

| Table I: Pair Wise Granger Causality Test |  
| F – Statistics |  
| $X_t$ does not granger causes $Y_t$ | 10.00273 |
| $Y_t$ does not granger causes $X_t$ | 9.27807 |

| Table II: Cointegration test | Mackinnon critical value |
| ADF test statistics for $X_t$ | 5.74930 | 1% -3.9635 |
| ADF test statistics for $Y_t$ | 6.2373 | 5% -3.6818 |
| | 10% -2.6829 |

| Table III: Vector Autoregressive Estimates |  
| Variables | Coefficient | T-Values |
| C | 8.0392 | 0.456 |
| Poverty (-1) | 2.4988 | 2.9142 |
| Insecurity (-1) | 3.2920 | 3.1234 |

$R^2 = 0.84$ $R^{2*} = 0.72$

**Interpretation of Results**

Table I contains the pair wise causality test to investigate the nature of causations between the variables (poverty and insecurity). From the
results, the null presumption that $X_t$ does not grange causes $Y_t$ was rejected since $F_c > F_1$ (10. 00273 > 7.21 (1%), 3.98 (5%) and 2.86 (10%) level of significance with 13 degree of freedom. Also the presumption that $Y_t$ does not granger causes $X_t$ was rejected given that $F_c > F_1$ (9.27807 > $F_1$ at 1%, 5% and 10%), level of significance.

In table II, the Augmented Engle – Granger Co-integration test was used to verify the assumption of whether it was long-run or short-run relationship that existed between $X_t$ and $Y_t$. Given that the calculated or computed statistics were both greater than the tabulated statistics, at 1% Mackinnon critical value, it implied that there was a long-run relationship between poverty and insecurity. The result re-affirms insecurity causes’ long-run vicious cycle of poverty.

Results in table III showed that the unrestricted vector Autoregressive estimates indicated that the past values of the degree of insecurity also positively relates to poverty and can cause a noticeable variation in poverty. With the t-value greater than 2, it shows that insecurity significantly deepen the level of poverty. Also the R2 (0.84) and R-2 (0.72) proved the goodness of fit of the model.

**Conclusion**

Poverty and insecurity are the most serious global problems which adversely affects sustainable development in the developing countries. The rate of poverty and insecurity is a source of concern to policy makers, scholars, state and non-state actors, including NGOS, social groups and the poor themselves (Duze, Mohammed and Kiyawa 2008). This paper examined poverty and challenges of insecurity using Nigerian data. We presumed that poverty ($X_t$) does not grange causes insecurity ($Y_t$), insecurity ($Y_t$) does not grange causes poverty ($X_t$), there is no short-run or long-run relationship between $X_t$ and $Y_t$ and that the past values of insecurity does not affect poverty. Our observations were analysed using granger causality test, Cointegration test and vector autogressive.

The result clearly shows that insecurity affects poverty significantly. Therefore it is indeed a paradox that despite the fact that the Nigerian economy is growing, the proportion of Nigerians living in poverty is increasing every year. Therefore, consciously or unconsciously, our actions reflect our values. The more we collectively shun violence, the less the proportion of people living below poverty line.

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