The Moderating Roles of Government in Poverty Reduction in Nigerian

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ABSTRACT

This paper examined "The Moderating Roles of Government in Poverty Reduction in Nigerian" The paper critically evaluated the impact of government intervention in alleviating poverty in Nigeria.. It further addresses the issues of how these interventions programmes have proved to have been successful or have failed over time. The objective was to determine if there is statistically significant relationship between government expenditure on various poverty reduction programmes and economic growth in Nigeria. This we based our theoretical foundation on the Kuznet's U Curve Hypothesis and the general income distribution theory to evaluate the link between inequality, poverty reduction and economic growth in Nigeria. In the methodology, our Model Specification was anchored on whether government programs has any significant influence on poverty reduction following the framework of Barro and Sala-i-Martin (1995) and Grootaert, Kanbbdur and Oh (1995) methods of analysis that uses a time subscript (t). We therefore modeled the relationship between poverty reduction and government programs through government expenditure on social intervention programs. The finding shows that there is no statistical significance between government expenditure and poverty reduction programs in Nigeria.

Key Words: Poverty reduction, Kuznet Hypothesis, Growth, Intervention, Inequality

INTRODUCTION

Poverty problem in the sub-Saharan Africa is an aged long issues that African governments and leaders have been challenged to tackle headlong over time. The menace of the syndrome seems to be more devastating than most known diseases and epidemics. The evil called poverty lives daily with us in the continent and in Nigeria in particular. We are more positioned in the developing country to talk of poverty than any person from the developed world. This is no gainsaying; because we live in poverty, we romance it daily and minute by minute, we drink and eat poverty – its scourge is palpable and can be traced to origins. Therefore, poverty seemingly becomes a household identity of an average Nigerian. Yes, the pains and evil of poverty are traceable to our individual and collective linage and ancestral cleavages. And because we wear the shoes and robes of poverty, we can talk about it, and debate it.

Poverty is a multidimensional concept which has been in existence since creation. Even the sound of it alone, sparks off a feeling of inequality. Each time the term is mentioned, it stirs up a lot misgivings. A concise and universally accepted definition of poverty is therefore elusive (Anyanwu, 1997 cited in Nwoye, 2018). Different conceptualizations both theoretical and empirical have been used as proxies to explain the concept of poverty – ranging from deconstruction of the term to mean insufficiency in income and wealth to match expenditure through to the use of conventional econometric analyses to define poverty as using the level of consumption to cross matched income and expenditure. Nwoye (2006) posits that there is poverty arising from lack of awareness, just as there is poverty occasioned by the non-possession of the material requirements for comfortable living. Ukpata (2017) penned it when he says, that poverty is best defined by telling the poor to explain the pains, woes, miseries, calamities and the general agony of poverty. To him, poverty is best defined by experience and not by basic theoretical and phenomenological assumptions. *For he who wears the shoes knows where it pinches.* Therefore, the lives and appearances of the poor on the streets of Nigeria for instance, clearly define the concept of poverty. On the streets of the Nigerian state, poverty loomed and we see its gangrenous effects on daily basis. Poverty is the deprivation of access to basic necessities of life. Poverty is the demarcating line between the haves and the haves not which naturally breeds inequality between the living conditions of the two. Olukotun and Ukpata (2008) quipped that poverty in Nigeria is pathetic and agonizing. The heat and scourge of it is chronically unbearable and in-explainable because those who watch its incidence from afar lack semantic description of the concept. This situation occasioned for diverse definitions and explanations to the basic concept and meaning of the term. Some scholars and writers have viewed the concept of poverty from the perspective of material concept. This proponents believed that people are poor because they do not have the resources to acquire what they want or need, or they do not have what they need at a particular point in time. The first set of definitions understands poverty as a lack of material goods or services. People 'need' things such as food, clothing, fuel or shelter. (Spicker, 2007). . (Baratz and Grigsby (1971) cited in Spicker (2007) refer to poverty as a severe lack of physical and mental well-being, closely associated with inadequate economic resources and consumption. Whereas, Ashton (1984) puts it thus:

> *Deprivation is surely about 'essential' needs that are unmet. This may be due to a lack of money resources – but it need not be (since adequate resources may be misspent). Poverty, on the other hand, must refer to a lack of the money necessary to meet those needs.*

The state of the poor depict the condition of destitution for daily necessities of life, ranging for lack of basic resources to meet basic needs to deprivation from real life happiness. Though with several perceptions and schools thought on the concept of poverty. This paper therefore examines the "The Moderating Roles of Government in Poverty Reduction in Nigerian" The paper critically evaluated the impact of government intervention in alleviating poverty in Nigeria. It further addresses the issues of how these interventions programmes have proved to have been successful or have failed over time. The critical question to address however is whether government expenditure is statistically significant vis-à-vis poverty reduction programmes and policies over time.

Objective of the Study
The overall objective of the study is to determine if there is statistically significant relationship between government expenditure and poverty reduction in Nigeria. This correlation is expected to reflect and project government expenditure as a major determinant for the implementation of poverty reduction programmes which ultimately translate into how the

poor within the population parameter have been positively affected by the poverty alleviation efforts of the government.

Hypothesis of the Study
The hypothesis developed for this study in line with the stated objective is:
H_0: There is no statistical significance between government expenditure and poverty reduction level in Nigeria.

LITERATURE REVIEW
In the annals of history, most countries in the sub-Saharan Africa are delineated as third world or developing countries. Early explorers such as, John Hanning Speke, David Livingstone, Henry Morton Stanley, Oskar Lenz etc the 18th to 19th century who through their selfless efforts invaded the continent with the aim of emancipating the region had described the continent as "the tick jungle of the black race". The key word here is not because the people are black, but because they are in a jungle. Being a people or race that are in a jungle prompted many interpretations. But the most encompassing of all the interpretation is the presence of extreme poverty with its attendant component of acute hunger and malnutrition. The largest population of the African continent lived in absolute poverty. Nigeria being the giant of Africa as it is popularly called is not exempted from this classification. Whether the concept of poverty is theoretically constructed or empirically analysed, poverty in Africa is pathetic and agonizing. Its presence is the catalyst for the dominance of hunger and the shame of hopelessness of human lives. While some excusable explanations have been adduced over time to why poverty index in most African countries I high, these, according to researchers are attributable to lack of basic necessities of life such as food, clothing, shelter, social amenities etc. However, the contradictions and worrisome state of the description of poverty in the case of Nigeria, is that of poverty in affluence (Olukotuna and Ukpata 2008). The condition and situation of Nigeria with regards to poverty debate has been, and is the presence of abject poverty in the midst of abundance of resources. Nigeria is a country where there is abundance of natural resources in which all states or geopolitical zones are greatly endowed with one form of mineral deposit or the other. Having agriculture as the economic mainstay of Nigeria from pre-independence, through independence to post independence, it could be seen all over Nigeria that communities within the country are saturated with agricultural produce of one form or the other, yet, hunger, poverty and malnutrition ravage these communities daily and endlessly. The shame of poverty and hunger is the common identity of the Nigerian rural communities.

By this analysis therefore, poverty then is posing as a complex phenomenon and therefore not to be constructed in a basic simplistic and straightforward definition as two dimensional arguments can now present themselves in the case of Nigeria poverty discourse. Hence, in this paper, we dealt with the issue of poverty conceptually and theoretically from the angle of the lack of basic necessities of life in one hand, and from the angle of the human face of poverty – poverty in affluence as dictated by the policy frescoes and neglect of the ruling class to deal decisively with poverty issues in the core policy thrust in the economic development processes in another hand. To this end, we situate our theoretical and empirical underpinning on the Kuznet's Hypothesis and the general theory of income distribution and inequality.

Theoretical Foundation
When Hartwell (1972) coined his economic thought, he stated unequivocally that, "Economics, is, in essence the study of poverty". Though as simplistic and mind probing Hartwell statement may look and to which his debate was somewhat thrown into the oblivion historical economic reasoning and seemingly lost in antiquity, history is still in a way re-emerging that indeed,

Hartwell position cannot be totally ignored or eliminated. Indeed, many of the debates of scholars relating to income distribution and inequality are tailored towards addressing income gaps between the upper class and the lower class. These gaps naturally in their theoretical and empirical grounds breed debate associated with poverty dilemma that characterized the human society. Therefore, recent debate on poverty incidence, economic growth versus income inequality is to reawaken the obvious. As Atkinson (1997) puts it, for much of the last century, the subject of income distribution has been absent in the agenda of economic theory and policy. Recent history however, has witnessed changes in perception about the ultimate nature of the economic activity (Gallo, 2002). Gallo pointed out that, in the period of 1970s through to the early 1980s, the deep growing concern in the developed world was about the quality of life, which was demonstrated as direct protests against the consequences of economic growth that led to wide incidence of l pollution and sharp depletion of natural resources. To the state of the developing world however, the major growing concern was basically on the relationship between economic growth and income distribution. This is adduced to the fact, since many of the developed countries had experienced economic growth rates above their historical standards have realized that such growth seemed to have affected the income distribution negatively leading to increased inequality and a failure to eliminate or even reduce the level of poverty, (Todaro, 1994 and Gallo, 2002). This being the case, many economic theories have been used to analyze this scenario. Profound among such theories, is the Kuznet's Hypothesis popularly known as the Inverted U Curve Hypothesis and the general theories of income distribution which this current study is founded upon are briefly evaluated and discussed.

The Kuznet's Hypohesis

It was Simon Smith Kuznet (1955) that propounded a theory to address the general relationship between the income inequality and the *per capita* income. In his theory, he postulated that, the income inequality initially rises with economic development but after reaching its maximum level, it subsequently falls in the advanced stage of the economic development. Kuznet's proposition which also from his theoretical underpinning criticizes its empiricism, states that in the inequality discourse, there is a long, swing that dominantly characterized the income structure in the secular economy which leads to the widening of the inequality at the early stge of industrial civilization during rapid economic growth and subsequently narrowed down at the later stage of the economic development. Kuznet's self-criticism of the theory was pointedly clear that his proposition lacks some elements of empiricisms as no concrete evidences were fund to validate the empirical position of his presentation. According to him, 5 percent of his claim are based on empirical information while 95 percent are based on speculation.(Kuznest, 1955; and Gallo 20020. Even though the Kuznet's U Curve Hypothesis has received a couple of support from some scholars, that's not withstanding, many theoretical models advanced to predict Kuznet's hypothesis have been greeted with a serious controversies in the last 30 years by researchers who have attempted proving its empirical validity. For instance, Ahluwalia (1976,), Anand and Kanbur (1993a, 1993b) and Deininger and Squire (1998) conducted both cross-country analysis and examination of country specific time series, they did not find any support for the Kuznet's Inverted U Curve hypothesis.

However, in, the Milanovic (2000) research, the result reported support of data for 80 countries during the 1980s for the Kuznet's theory. Similar situation was reported by Bulir (2001) from his analysis of cross-sectional data for75 countries. (Gallo, 2002).

The General Theories of Income Distribution

Basically, the theory of income distribution needs a theory which explains prices of factors of production and factor shares that would explain the theoretical distribution of income. (Gallo, 2002). He maintains that, most theories conceived the central problems of income distribution as the determination of the level of employment and remuneration of the factors of production usually grouped into capital and labour. Gallo, (2002) posits that the productive factors are land, capital and labour and total income is distributed according to rent, profits and wages and Ricardo puts it. The principal idea behind this reasoning is that, differential rent is produced only where less fertile lands are exploited requiring more capital and or labour , leading to a rise in prices of agricultural produce. Consequently by this condition, the owners of the more fertile lands receive an increased rent. This is why Ricardo maintained that the increases in rent are not a cause but a consequence of wealth. In this connotation, Ricardian posits that distribution is prior to exchange, thus, income distribution does not depend on demand for final products (Bigsten,, 1983 and Gallo, 2002). Gallo therefore in explaining the meaning of income distribution states that, the term, "income distribution" is usually coined to "picture" who receives how much income within a specific society. He went further to states that there are two major components of the concept of income distribution that are discernable in the literature: 1. The functional or personal income distribution and 2. The size distribution of income; and in the concept of functional or personal income distribute on, how much each factor of production receives will be shown and this concepts considers the existence of only three group of people in the society – the labourers, capitalists, and the landowners., assuming within-group homogeneity. On the other hand, the size distribution of income would literally show how many individuals or (households) receive how much income from all sources of earnings is distributed among individuals or households.

There are several of concepts that can be used in analyzing income inequality which precisely try to make differentiation between the urban and the rural areas, or between regional and interstate etc. But most profound theoretical debate relating to income inequality has been centered on the concepts of functional and size distribution of income (Gallo, 2002).

METHODOLOGY

Model Specification

In specifying the model, emphasis is placed on whether government programs has any significant influence on poverty reduction following the framework of Barro and Sala-i-Martin (1995) and Grootaert, Kanbbdur and Oh (1995) methods of analysis that uses a time subscript (t). We therefore model the relationship between poverty reduction and government programs through government expenditure on social intervention programs as follows:

$$POVr = f(GCAPe, GRE, GBD)\dots\dots\dots\dots\dots\dots\dots\dots(i)$$

Equation 2 can be written in a linear regressive form using Time series econometric framework as:

$$POVr = +\beta 0 + \beta 1 GCAPe, + \beta 2 GRE, + \beta 3 GBD + e\dots\dots\dots\dots(ii)$$

Where:
POVr = The poverty rate in Nigeria which is the rate of the number of people (population) living in poverty based on the National household survey by Nigerian bureau of statistics.
 GCAPe = this is government capital expenditures at a given period of time (a year).
GRE= This is government recurrent expenditures at a given period of time (a year)
GBDt = This is government Budget fiscal budget deficit.

e =the stochastic error term handles other random disturbance terms and exogenous variables which are not included in the model.

$\beta 0$ = is the autonomous or intercept Variable of the geometric plane of the regression model

$\beta 1$ to β_3 are the coefficients of the regressors or the parameter estimates of the model that stands for the speed of convergence or divergence poverty level in Nigeria through the use of the fiscal policy variables stated in the model.

Theoretically, we expect on a priori ground that positive values will be shown by the β_1, β_2 and β_3 indicating convergence of economic growth towards poverty reduction, while a negative value indicates a divergence. Hence $\beta_1 > 0, \beta_2 > 0$ and $\beta_3 > 0$.

Error Correction Model

We proposed to estimate the model in equation (3) in its dynamic form using error correction model to be able to establish significant relationship between the fiscal policy variables stated in the model and the poverty reduction. Thus, the purpose or ECM is to feature both the short run and long run cointegration dynamics. Therefore, the ECM model is specified below as:

$$\lambda POVr = +\beta 0 +\beta_1 1GCAPet\text{-}1, + \beta 2GREt\text{-}1, + \beta 3GBDt\text{-}1 + e\, \partial ECM_{t\text{-}1} + e\ \ldots\ldots\ldots\ldots(iii)$$

ppp

where; ECM is the error correction model"s residual variable for measuring the short–run relationship between the endogenous variables and the regressors; t-$_1$ indicate the past or lagged values of the Dependent variables and the residual term in the models; ε_t refers to the error term which measures the impacts of other variables that are not included in the model.

Model Estimation Techniques

The secondary data used for the study were processed using E-view for windows econometric packages. The E-view is preferred to the SSPS because it enables us to have data corrected, that is, the serial correlation in the data will be corrected for any possible autocorrelation and nonstationary of the series in the model. We employed Error Correction Mechanism (ECM) and cointegration approach establishes both the nature of the long and short run relationship of the series of the variables in the model. Thus, OLS is the methodological approach adopted here. This is because it satisfies the criteria of Best, Linear, Unb,iased and Efficient Estimator (BLUE). Since the study makes use of time series secondary data, our data analysis involves: (i) checking the temporal properties of the variables in the model via unit root tests in order to determine the stationarity of the variables using Augmented Dickey-Fuller (ADF) tests;

(ii) determination of a meaningful long-run equilibrium relationship among the variables, that is, determine if the variables in the equation are cointegrated-this will be done through Engle-Granger"s single equation or Johansen"s multivariate cointegration test;

(iii) estimation of the dynamic (short run and long run) relationship between the variables in the model regression equation for the model

(i.e., the error correction model estimated by OLS Variables test, etc.) and

(iv) the application of a series of diagnostic tests to determine the soundness and significance of the empirical model.(i.e. standard error test, correlation coefficient test, t-statistics test, F-test and serial autocorrelation test.). The outcome of the results from the above methods is used subsequently in giving necessary policy recommendation.

EMPIRICAL RESULTS AND DISCUSSION OF FINDINGS

Unit Root Tests

Augmented Dickey Fuller (ADF) test was employed to test for the stationarity or otherwise of the time series used in the model estimation. Non stationarity has mostly been a prominent

feature of most time series data (Gujarati, 2004). To verify this, the null hypothesis in ADF which states that the series are non-stationary (i.e. the series has unit root) is tested using the ADF and the results are presented in Table 1 below:

Table1: Augmented Dickey-Fuller Unit Root Test

Variables	*Constant*		
	Level	First Difference	Remark
POVr	-5.058712**	-8.19958**	I(0) and I(1)
GCAPe	4.225765*	-1.465753	I(0)
GRE	-1.794930	-3.397501**	I(1)
Gbd	-0.849064	-6.880952**	I(1)
ECM term	-4.912492**	-6.900193**	I(0) and I(1)

* denote significance at 5% and 10%, ** denote significance at 1%, 5% and 10%

Source: Authors' Computation via Eview 7.1 (2018)

Note: Detail results of the ADF test are attached in the appendix.

From the result of ADF test in Table 1 above, we can deduce that all the variables are integrated at order 1 or I (1) except for poverty rate and the residual term for the Error correction model which are integrated at both level and at first difference. Thus, we reject the null hypothesis of non stationarity of the series and we conclude that the series are stationary, especially at first differencing. Therefore, we can do further analysis in modeling the time series adopted in our specified models for this study.

Cointegration Results

Having established that the variables are stationary, we proceed to do Johansen and Jeselius (JJ Test) Cointegration test which also conforms the earlier results of the ADF Test. The JJ results is summarized in Table 2 below:

Table.2: Johansen Cointegration test for the series.

Unrestricted Cointegration Rank Test (Trace)					
Hypothesized		Trace	0.05		
No. of CE(s)	Eigenvalue	Statistic	Critical Value		Prob.**
None *	0.595890	74.73068	47.85613		0.0000
At most 1	0.613898	27.05775	29.79707		0.1002
At most 2	0.163594	5.417649	15.49471		0.7630
At most 3	0.001945	0.058405	3.841466		0.8090
Trace test indicates 1 cointegrating eqn(s) at the 0.05 level					
* denotes rejection of the hypothesis at the 0.05 level					
**MacKinnon-Haug-Michelis (1999) p-values					
Unrestricted Cointegration Rank Test (Maximum Eigenvalue)					
Hypothesized		Max-Eigen	0.05		
No. of CE(s)	Eigenvalue	Statistic	Critical Value		Prob.**
None *	0.595890	47.67293	27.58434		0.0000
At most 1 *	0.613898	21.64010	21.13162		0.0424
At most 2	0.163594	5.359244	14.26460		0.6960
At most 3	0.001945	0.058405	3.841466		0.8090
Max-eigenvalue test indicates 2 cointegrating eqn(s) at the 0.05 level					
* denotes rejection of the hypothesis at the 0.05 level					
**MacKinnon-Haug-Michelis (1999) p-values					

Source: Authors' Computation via Eview 7.1 (2018)

Note: Detail results of the cointegration test are attached in the appendix.

From Table .2 above both the maximum eigenvalue test and the trace test indicate that there are at least two cointegrating equations at 5 per cent significance level among the volatility of fiscal policy variables-Government capital expenditures, recurrent expenditures, Government Budget Deficits and the dependent variable (Poverty rate). Since the long-run cointegrating relation is found among the variables, an estimation of cointegrating vectors and the error correction model using OLS framework was employed to test both the long run and the short run speed of adjustment of the variables in a dynamic model frame work.

Long Run Regression Estimate Result for Fiscal policy Impacts On Poverty Reduction
The estimated regression results for the error correction model and Autoregressive distributed lag model specified in the proceeding chapter is presented and the results are interpreted based on the coefficient of the determination, a priori expectation and the autocorrelation condition.

Coefficient of the determination
A cursory look at the Ordinary Least Square (OLS) estimate presented in Table 4.3 below revealed that the explanatory power of the model (R-Squared is 0.721716) which is approximately 72.2 % of the total variation in the independent variables as explained by all the explanatory variables in the model. This coefficient of the determination of the model as explained by the regressors is high and it implies that only 29.8 % of the total variations in the

dependent variable are explained by other factors outside the explanatory power of the variables included as regressors in the model. In a plane way, the result of the coefficient of the determination indicates that the fiscal policy variables included as regressors or the explanatory variables in the model are significant determinant of poverty reduction in Nigeria for the period of time under study. By implication efficient fiscal policy implementation in terms of judicious use of the expenditure policy of the government will lead to poverty reduction in the country. Similarly after taking care of the loss in the degree of freedom, the results of the Adjusted Rsquare still show 0.682958 which imply 68.3% of the total variation in poverty reduction as explained by the included explanatory variables in the model. See the summary of the results below.

Table 3: Long Run Regression Estimates on Poverty Reduction Model

Variables	*Coefficient*	*t-ratio*	*p-value*	Sign.
Constant	1.537029	0.722128	0.4775	
D(POVr (-1))	-0.337913	-2.999515	0.0064	***
D(GBD(-2))	4.62E-05	-2.052473	0.0517	*
D(GCAPe (-1))	0.000111	3.303295	0.0031	***
D(GRE (-1))	-5.43E-05	-2.694430	0.0129	**
ECM-1	0.537073	3.686769	0.0012	***
R-squared	0.721716	Adjusted R-squared = 0.682958		
F-statistic	21.20149	Prob (F-statistic) = 0.000000		
Durbin-Watson stat = 1.797707				

Source: Computed by the Authors, 2018

*, **, *** represent 10%, 5% and 1% levels of statistical significance.

Error Correction Model Estimation

To check for the speed of adjustment of the model from short run to the long run equilibrium state, the result for the error correction term is used. The criteria for decision making is that the higher the value of the coefficient if the ECM term, the faster is the speed of the adjustment of the model from short run to the long run. In the result presented in Table .3 above, the coefficient of the error correction term is 0.537073 and is statistically significant at 1% level of significance. The absolute value of this result is that there is a positive value of the speed of adjustment of the model from short run to long run of about 54%. Additionally, we found that although the error correction term does not satisfy the a priori condition of negative value of its coefficient, but as it is significance at least at 1%, it indicate that the change in the dependent variable(poverty rate) reacts to the cointegrating error of the selected variables in our estimated model for the Nigerian. This finding is however contrary to the submission of Hill and Lim(2008) who maintains that small economies only reacts to economic conditions in large economies and not vice versa. Thus finding still shows that the small economies as well react to the basic macroeconomic conditions and variables in the domestic economy.

DIMENSIONS OF NIGERIAN POVERTY INDEX (NPI)

In the conceptual and theoretical analysis of the paper we have conceived poverty in Nigeria to encompass the several dimensional approaches and indicators of poverty as stipulated by the Global Oxford Poverty and Human Development Index (OPHI) to describe the poverty incidence in Nigeria. Practical and theoretically, OPHI has stated that poverty is multidimensional and therefore, it is most appropriate to explain the components of the dimension of poverty alongside its indicators.

According to OPHI The Global MPI has three dimensions and 10 indicators, which are shown

in the box below. Each dimension is equally weighted, each indicator within a dimension is also equally weighted, and these weights are shown in brackets within the diagram (OPHI, 2017).

Figure 1: Global Multidimensional Poverty Index 2017
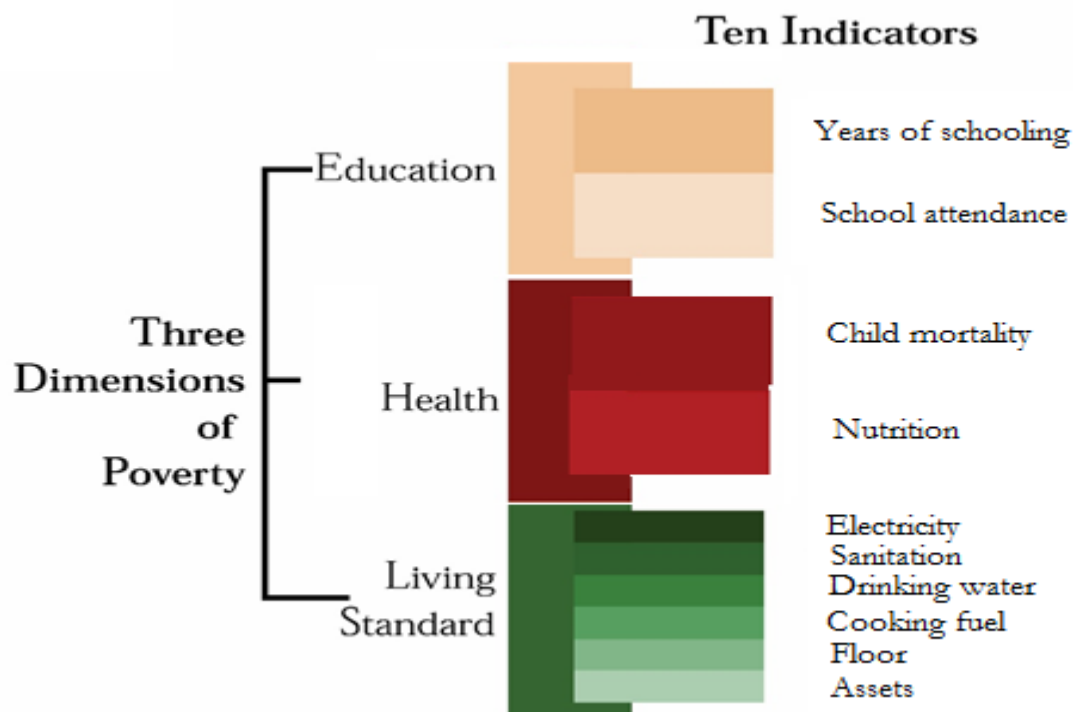
Source: Oxford Poverty and Human Development Initiative (2017). "Nigeria Country Briefing", Multidimensional Poverty Index Data Bank. OPHI, University of Oxford. Available at: www.ophi.org.uk/multidimensional-poverty-index/

The Global Multidimensional Poverty Index (MPI) is an international measure of acute poverty covering more than 100 developing countries. The parameter for measuring poverty index under the MPI is to complements income-based poverty measures by way of reflecting the multiple layers of essential deprivations that people encountered or face at the same time. The MPI identifies deprivations across **health, education** and **living standards**, and shows the number of people who are multidimensionally poor and the deprivations that they face at the household level. Then it went ahead by using ten major indicators across these three dimensions, as indicated in the diagram presented above.(OPHI, 2017).

From the OPHI analysis and results, a person is identified as **multidimensionally poor** (or 'MPI poor') if they are deprived in **at least one third** of the weighted indicators shown above; in other words, the cutoff for poverty (k) is 33.33%.

The proportion of the population that is multidimensionally poor is the **incidence** of poverty, or headcount ratio (H). The average proportion of indicators in which poor people are deprived is described as the **intensity** of their poverty (A). **The MPI** is calculated by multiplying the incidence of poverty by the average intensity of poverty across the poor (MPI = H x A); as a result, it reflects both the share of people in poverty and the degree to which they are deprived.

From the cross-country analysis made so far, the summary of Nigeria multidimensional poverty index (MPI) is presented on the table 5 below:

Table 4: Nigeria MPI Results at the National Level

Survey	Year	Multidimensional Poverty index (MPI = HxA	Percentage of poor people (H) (K=33.3%)	Average Intensity across the poor (A)	Percentage of Population			Inequality Among the MPI Poor
					Vulnerable to Poverty (20 – 33.3%)	In severe Poverty (K=50%)	Destitute	
DHS	2013	0.303	53.3%	56.8%	17.5%	32.8%	34.6%	0.297

Source: Oxford Poverty and Human Development Initiative (2017). "Nigeria Country Briefing", Multidimensional Poverty Index Data Bank. OPHI, University of Oxford. Available at: www.ophi.org.uk/multidimensional-poverty-index/

From the analysis on table 4 above, if a person is deprived in **20-33.3%** of the weighted indicators they are considered **'Vulnerable to Poverty'**, and if they are deprived in **50% or more** (i.e. k=50%), they are identified as being in '**Severe Poverty**'. Whereas, those identified as '**Destitute**' are deprived in **at least one third of more extreme indicators** described this context. For example, two or more children in the household have died (rather than one), no one in the household has at least one year of schooling (rather than five years), the household practices open defecation, the household has no assets (rather than no more than one). Therefore, the multidimensional poverty index of Nigeria as at year 2013 as indicated above is 0.303, percentage of poor people in the population is 53.3%, Average intensity across the poor is 56.8%, people vulnerable to poverty is 17.5%, people in severe poverty is 32.8%, people in the population who are completely destitute of basic necessity is 34.6% while the existence of inequality among the MPI poor people is 0.297 that is 0.3 being the highest among benchmark. It should be noted here that, the total equality takes a value of zero, and the higher the value, the greater the inequality. The highest inequality among more than 100 countries analyzed is 0.3.

CONCLUSION AND RECOMMENDATIONS

The study has offered an integrated framework into the trajectory of Inequality, Poverty reduction and the moderating role of Government, with emphasis in Nigeria. This research has reviewed the role of government in poverty reduction hence stabilizing inequality. In light of some literature that downplays the role of governments, our integrated model seeks to bring the important role of government into the debate and emphasizes that private sector activity and market-based economies are fundamentally embedded within political and social institutions that have an important role to play in poverty alleviation. Through policy making and collaboration, governments have essential roles to play in enabling the private sector to address poverty by helping facilitate job creation, providing infrastructure and public services, and regulating private sector activity to protect the poor. Civil society can play an important role as a catalyst and watchdog to ensure that both the private sector and governments live up to societal regulations and expectations. With an integrated approach, social entrepreneurs and companies, both large and small, and their partners can make realistic progress towards the complex tasks of social and environmental innovation while genuinely addressing poverty alleviation and bring us closer to a globally inclusive market system that creates value for all.

The following recommendations are very important:
  1) Government should focus on the real sector development in Nigeria. In this regard, there is need for more emphasis on government interventions in the nation's economic activities that would help the poor particularly those found in the agricultural and the informal sectors. To achieve this, the government should intensify effort in the

provision of more infrastructural facilities and the maintenance and repair of existing ones. Renewed efforts towards, intensive research and technological innovations, provision of credit facilities to farmers (to be channeled through micro-finance institutions and cooperative societies) and provision of quality health care services at the grass root levels in Nigeria are necessary conditions for poverty reduction in Nigeria.

2) Macroeconomic policies, such as, sound fiscal policy in conjunction with monetary policies that would create a hospitable climate for private investment and thus promote productivity that the poor and non-poor would benefit from is desirable.

3) Government policies on social interventions should be labour intensive and population driven, this will have a spiral effects on the larger poor, in turn, increasing disposable income and hence poverty reduction.

4) Good governance is highly recommended. When good governance is allowed to thrive civil and economic liberties that are essential for individual initiative and development would be enhanced. Similarly, with good governance, the rulers will be able to provide necessary opportunities to the poor including social services, employment, safety nets and security and information that will permit accountability, transparency and openness which in the long run would help reduce poverty to the barest minimum.

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