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WHY POVERTY MENTALITY MATTER FOR ACHIEVING THE FIRST SUSTAINABLE DEVELOPMENT GOALS (SDGS) IN NIGERIA

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ABSTRACT Over the years, the global effort to reduce multidimensional poverty has intensified, especially in low-income countries like Nigeria. Yet, poverty indices are increasing, with more people feeling persistently economically poor. This feeling is because poverty mentality might be closely linked with consumption, income and wealth. However, policymakers unconsciously often time overlook the harmful implication of poverty mentality when initiating economic poverty alleviation programmes. From observation, this poverty mentality of the beneficiaries of poverty alleviation programmes in Nigeria makes them engage in deadweight spending. Thus, this study recommended a New International Poverty Order (NIPO) by dealing with economic poverty alongside its mentality through value reorientation and investment education before promoting economic well-being.

KEYWORDS: *Multidimensional poverty, poverty mentality, value reorientation*

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1. INTRODUCTION

The first fundamental objective of the Sustainable Development Goals (SDGs) is to end extreme poverty globally. Members of the United Nations adopted these goals in 2015 as a universal call to action to end poverty, ensure environmental sustainability and promote peace and prosperity worldwide on or before 2030 (United Nations Development Programme [UNDP], 2021). The SDGs replaced the Millennium Development Goals (MDGs) adopted in 2000 as a global effort to tackle extreme poverty and hunger, expand primary education to all children, and prevent the scourge of deadly diseases. According to the UNDP (2021), the MDGs achieved remarkable results: (1) more than one billion people have been lifted out of poverty since 1990, (2) child mortality dropped by more than half since 1990, and (3) the number of out-of-school children dropped by more than half since 1990, and (4) HIV/AIDS fell by almost 40 per cent since 2000.

Despite the achievements of the MDGs between 1990 and 2015, about 736 million people still lived on less than US$1.90 a day (UNDP, 2021). Moreover, Southern Asia and sub-Saharan Africa, which accounted for 80 per cent of those living in abject poverty, experienced limited economic progress and threats caused by climate change, food insecurity, and conflicts. Thus, the SDGs were adopted as a far-reaching approach to ending multidimensional poverty by targeting the most vulnerable, increasing the supply of basic needs, and supporting countries devastated by climate and conflict-related disasters.

The World Bank in 2015 sets the international poverty threshold to $1.90 per day, under which an individual is considered to be living in poverty (World Bank, 2016). For Nigeria and other lower-middle-income countries, the new benchmark is set at $3.2 a day (Silver & Gharib, 2017). This threshold is based on the cost of essential food, clothing and shelter required to sustain one adult. From the preceding, it is evident that economics and world development organizations have stereotyped the concept of poverty as income, consumption and wealth. Giurge and Whillans (2019) opined that these narrow economic poverty measures must be challenged. Thus, it could be said that non-economic factors such as poverty mentality might be essential in reshaping peoples' economic well-being and societal progress (Stiglitz *et al*., 2009; Karademas, 2006; Helliwell, 2006).

Conceptually, a poverty mentality is a mindset developed by individuals based on a solid belief that they will never have enough money. This mindset is driven by fear and can cause poor financial decision-making. This definition of poverty mentality further explains why government economic alleviation programmes have not yielded the desired results in third-world countries. In Nigeria, for example, successive governments have adopted different strategies to reduce the incidence of poverty in the country. Poverty alleviation programmes before 1999 include: National Accelerated Food Production Programme (NAFPP) and Nigerian Agricultural and Cooperative Bank in 1972; Operation Feed the Nation (OFN) in 1976; Green Revolution Programme (GRP) in 1979; Roads and Rural Infrastructure (DFRRI) in 1986; Better Life Programme (BLP) in 1987; National Directorate of Employment (NDE) in 1987; Family Support Programme (FSP) in 1993; Family Economic Advancement Programme (FEAP) in 1997. Poverty alleviation programmes after 1999 include: Poverty Alleviation Programme (PAP) and Poverty Reduction Strategy Process (PRSP) introduced in 2000; National Poverty Eradication Programme (NAPEP) launched in 2001; National Economic Empowerment Development Strategy (NEEDS) in 2004; Seven-Points Agenda in 2007; The Transformation Agenda (TAN) in 2012; Anchor Borrowers' Programme (ABP) in 2015; N-Power programme in 2016; Government Enterprise and Empowerment Programme (GEEP) in 2016; Unconditional Cash Transfer (UCT) in 2020; Presidential Youth Empowerment Scheme (P-YES) in 2020; National Youth Investment Fund (N-YIF) in 2020 among others.

These programmes were designed to financially empower beneficiaries (Nigerians) to establish small-scale businesses and create a value-chain of opportunities for others. However, these myriads of poverty alleviation programmes have not produced the desired results as most Nigerians face multidimensional poverty. Data from the Nigerian Living Standard Survey (NLSS), as reported by the National Bureau of Statistics (NBS) in collaboration with the World Bank in (2020) showed that 40 per cent (83million) Nigerians live in multidimensional poverty and is projected to increase to 45 per cent (90million) in 2022. Moreover, from my observation, due to their poverty mentality, most beneficiaries engage in deadweight spending like marrying more wives and buying cars, among others. These actions further impoverished and increased the incidence of poverty. Thus, this article argues that policymakers need to consider the influence of the poverty mentality as it can go a long way in hampering the socio-economic development of any society.

The remaining sections of this study are organized as follows: Section 2 discusses the economic cum social theories of poverty, while Section 3 gives the conclusion and recommendation.

2. ECONOMIC CUM SOCIAL THEORIES OF POVERTY

In economics and sociology, many theories have been proposed and identify different factors responsible for poverty, emphasizing income, consumption, wealth and social interactions. Without claim to being exhaustive, some of these theories, as highlighted by Ndiyo (2021), are discussed:

2.1. Vicious circle of poverty theory

Ragnar Nurkse propounded the vicious circle of poverty in his book titled "Problems of Capital Formation in Underdeveloped Countries", published in 1965 (Shamim, 2022). Nurkse sees poverty as a phenomenon enforced by low income, low savings, low investment, low capital formation, low productivity, and low employment (Hashim et al., 2016; Ndiyo, 2021). This circle is likely to continue in perpetuity, except there is an intervention from outside. The poverty cycle is sometimes called the development trap when applied to developing countries. The reasons for the vicious circle have been classified into; supply side causes, demand side causes and imperfect market causes. The supply side causes indicate that less developed countries are underdeveloped because their productivity is too low and cannot drive capital formation.

Similarly, the demand causes low purchasing power due to low income. Finally, an imperfect market condition occurs because resources are underdeveloped and citizens are economically backward. This imperfect condition limits the optimal utilization of natural resources. This theory has been criticized because development in LDCs is hampered by a lack of capital and poor decision-making ability.

2.2. Culture of poverty theory

Oscar Lewis propounded this theory in his book "Five Families: Mexican Case Studies in the Culture of Poverty", published in 1959. This theory was developed by observing the behaviour of poor people in New York, Puerto Rico and Mexico (Mandell & Schram, 2003; Sameti et al.,2012). This theory observed that living conditions of pervasive poverty might lead to building a culture or subculture to acclimate to those conditions. In other words, people raised in poverty unconsciously developed attitudes and skills in consonance with the kind of life they share with those around them (Bradly, 2018; Addae-Korankye, 2019). Thus, a continuous exhibition of such attitudes and skills makes poor people endure the culture of poverty. However, according to Small et al. (2010) culture of poverty theory has been criticized due to its many theoretical inconsistencies. In addition, this theory has been criticized for its assumption of fixed and unchanging poverty culture wherein no amount of intervention can change the attitudes of poor people (Bradly, 2018). This reasoning implies that poverty is caused by individuals rather than social or economic conditions.

2.3. Poverty individualization/democratization

This theory was developed by the German Sociologist Ulrich Beck in his book titled "Risk Society: Towards a new Modernity", published in 1992. This theory was presented based on German experience and criticizes the culture of poverty theory (Ndiyo, 2021). Beck argued that individual attitudes are less traditionally connected to values and norms and are not dependent on some collective identity relative to social class. This assertion implies that class society has given way to the individualized community, and people are required to create their own life and life biography (Leibenstein, 1957; Ndiyo, 2021). In addition, Beck argued that some individuals would experience poverty only as a temporary condition in the short, medium or long term. Leisering and Leibfried in 1999 expanded the individualization theory by dividing Beck's theory into democratization, demoralization and biographisation. This theory has been criticized that more individuals will be invaded by poverty because everyone cannot be prone to poverty. In real life, some individuals will experience poverty more than others.

2.4. Monetary theory of poverty

Booth and Rowntree propounded the monetary theory of poverty in the 19th and 20th centuries. This approach to poverty is the most widely employed theory to measure and study poverty among economists because it is consistent with neoclassical microeconomic theory (Soria, 2007). Poverty in this approach connotes a shortfall in a family or personal income and consumption falling below a certain threshold of resources (UKEssays, 2018). The instruments for measuring poverty under this approach are the poverty line and the necessities of life. The poverty line sets a certain threshold below which people are called poor (Sameti et al.,2012). For instance, the less than 1 US dollar a day proposition by the World Bank and International Monetary Fund (IMF). On the other hand, the basic necessities criteria or Unfulfilled basic needs index identifies goods and services needed to sustain one's life. The approach perceives income or consumption as equivalent to economic well-being. This theory has been criticized for being too myopic to fit the real-life situation because social relations and welfare considerations are left out. This shortcoming has made the poverty line condition a misleading instrument for measuring poverty.

2.5. Classical deficiency theory of poverty

Sen Amartya postulated the classical individual deficiency theory in 1985 to provide a framework that can be employed to analyze inequality, individuals, poverty and groups' well-being (Sameti et al., 2012). This approach attributes poverty to the failure of an individual to make good choices and work hard. According to Daana (2018) and Ndiyo (2021), this approach blames poverty on a "lack of certain genetic features, intelligence and even punishment from God for sins committed in the present or former life". This theory is rooted in the laissez-faire principle wherein people are responsible for the result of their economic decisions. Thus, government intervention in people's economic life will result in more poverty. This theory has been criticized because it might take longer to build skills and knowledge; therefore, time, money and other resources are sacrificed during training.

2.6. Nonclassical progressive social theory of poverty

The neoclassical progressive social theory of poverty was developed as a criticism of the classical individual deficiency theory of poverty by Rank Mark, Yoon Hong-Sik and Hirschl Thomas in 2003 in their research article titled "American Poverty as a Structural Failing: Evidence and Arguments". Rank et al. (2003) viewed poverty beyond individual deficiency and attributed it to social, economic and political distortions that restrict opportunities and resources to produce wealth and surmount poverty. This explains how economic and social systems, especially capitalism, created an army of the unemployed population to keep the wage rate low in the 19^{th} century (Ndiyo, 2021). It was argued that people might work hard and have brilliant attitudes but still leverage the poverty trap caused by dysfunctional economic and social systems. Thus, poverty is attributed to a social, economic and political configuration that makes poor people disadvantaged no matter their commitments. This theory was criticized because it concentrated on social, economic and political structures as the cause of poverty, forgetting that the system causes behaviour and individual behaviour is the primary cause (Brady, 2108).

2.7. Geographical disparity theory

John Kenneth Galbraith propounded the geographical disparity theory of poverty in his thesis titled "The Position of Poverty", published in 1969 as a theory of inequality. This theory attributed poverty to geographical dispositions. It emphasized that poverty occurs when people, cultures and institutions in specific locations lack what it takes to generate adequate income, well-being and power to assert redistribution (Omideyi, 2007; Ndiyo, 2021). This theory is also discussed within the economic agglomeration proposition, which reveals the concentration of industries in a particular location and attracts auxiliary services and markets (Danaan, 2018; Ndiyo, 2021; Omeje et al., 2022). This concentration attracts more industries while impoverished areas spawn more poverty (Addae-Krankye, 2019). Scholars have criticized this theory's disbelief in poverty alleviation programmes and that such intervention can cause more problems.

2.8. Cyclical interdependence theory

The cyclical interdependence theory is rooted in Myrdal Gunner's work in his book "Economic Theory and Underdeveloped Regions", published in 1957. This approach was developed as a theory of "interlocking, circular, interdependence within a process of cumulative causation", explaining economic development and underdevelopment. Myrdal argued that community and personal welfare are traceable to a flow of negative consequences where one problem might generate multiple difficulties and result in poverty. According to Ndiyo (2021), the interdependence theory posits that lack of employment opportunities could lead to emigration, a decline in tax revenue, poorly trained workforce, poor school system, closure of business, affect the ability of firms to adopt advanced technology and attract new businesses. These problems will create unemployment and deepen the vicious cycle of poverty. The theory further observed that unemployment creates low income resulting in low savings, spending and consumption. Addae-Korankye (2019) opined that individuals cannot start their businesses and even embark on training leading to no expansion, market dwindling, disinvestment, and deficient opportunities. This theory was criticized for conceiving poverty as a trait that affects individuals and families without acknowledging the numerous criticisms of individualism (Rank, 2005; Brady, 2018).

2.9. Social exclusion/cumulative disadvantage theory

The concept of social exclusion came into use in France in the 1970s when the government used it to depict a growing problem group composed of people living on society's margins (Quirke, 2014). However, Rene Lenoir expanded the concept of social exclusion in his book "Les Exclus" which means "the excluded", published in 1974. Social exclusion is a multidimensional observable fact that connotes instances where a person or group of persons are denied the chance to participate in a civic obligation whether they crave to partake or not (Silver & Miller, 2003; Sameti et al., 2012). This theory analyses poverty as denying someone or a group the opportunity to participate and the right to use economic resources. Furthermore, Berafe (2017) sees the concept as a process by which a particular group of persons are systematically disadvantaged due to the discrimination against them based on their religion, race, ethnicity, gender, disability, age, and migration status, among others. Thus, poverty within social exclusion is seen as non-participation in producing goods and services, consumption, social interaction and political activities within a particular society. The symptoms of exclusion are unequal access to resources, denial of opportunities and unequal participation. This approach has been criticized for not having a conceptual definition due to its complexity and problems. According to Atkinson (1998), the concept can mean "all things to all people". Similarly, it was criticized for negative ideas and value-burdened concepts mirroring the prejudice of the middle class (Randolph & Judd, 1999).

The central tenets of all these economic and social theories of poverty have focused on only the concepts of consumption, income, wealth accumulation and social interactions. Conversely, subjecting these theories to a reality check in the Nigerian situation has shown that the multi-dimensions of poverty in the country are beyond the economic measure of poverty.

3. CONCLUSION AND RECOMMENDATION

Over time, empirical evidence and macroeconomic policy efforts have focused on economic poverty (consumption, income and wealth), ignoring the poverty mentality. Observation has shown that financial support beneficiaries of poverty alleviation programmes engage in deadweight spending. This article argued that the poverty mentality seriously threatens the government's effort toward reducing multidimensional poverty in Nigeria in line with the SDGs. This rife and precarious situation deserves the attention of policymakers as much as economic poverty. Thus, this study recommends a New International Poverty Order (NIPO) by dealing with economic poverty alongside "poverty mentality" through value reorientation and investment education before promoting economic well-being.

DISCLOSURE OF CONFLICT

The authors declare that he has no conflict of interest.

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