

Employing the Dudley Seer Theory of Development on the Nigeria Economy

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ABSTRACT

The study analyses the Dudley Seer's theory of development on the Nigeria economy. Before the emergence of Seer's theory, there was a general believe amongst economists that development occurred when a country has a sustained economic growth in terms of Gross Domestic Product (GDP). Many less developed countries including Nigeria experienced continues economic growth over the years but the such growth does not have a positive reflection in the lives of the people in terms of quality of life. Seer shifted away from such believes and propounded his theory of development with emphasis on poverty, inequality and unemployment. Thus, he used three indicators which are poverty, inequality and unemployment to cement his argument. That if these indicators are falling then that country is experiencing development but if not, they are not experiencing development. This study thus used these indicators to critically assess the Nigeria development situation. It was discovered that all, the three indicators were all increasing instead of decreasing as Seer propounded. The study recommends that the Nigeria government should provide loans to the rural areas for investment into the agricultural sector. Government should provide entrepreneurship program to the urban youth to tackle poverty. Also, taxing policy should be made to tax the poor more to provide infrastructures to the citizens. Investment in child's education and also invest in health.

Keywords: *Development, Inequality, Poverty, Unemployment, Economic growth*

INTRODUCTION

Before Dudley Seer propounded his theory of development, many economists believed that development is achieved when a country's Gross Domestic Product (GDP) grows at 5% to 7% above and the increases are sustained over a long period of time. They believed that when such increases occurred, then that country has achieved development. To them, development was based mainly on material increase. Also, it was believed that economic development is achieved when there is a change in the structure of production and employment so that the share of agriculture in GDP and in employment declines, while that of manufacturing and services increases. These believe made development economists to focus more on industrialization at the expense of agriculture (Todaro & Smith, 2006). Based on the believe, many developing countries in the 1960s and 1970s experienced increased in their Gross Domestic Product but the general levels of living of the masses remained unchanged. That is, the increases in growth (GDP) do not have any direct effect on quality of life of the people.

These made many economists to reconsider what development really is and hence glamour for direct attack on widespread of poverty, increasing inequality in income distribution and rising unemployment. To them development should have a "human face". That is, it should be something that should be seen in the lives of the people. Amongst these

economists seeking for a direct approach on development was Dudley Seer, a British Economist who specialized in development economics. He came up with a concept that replaced the growth fetishism with a social development. According to Seer (1969), development is about the level of poverty, unemployment and inequality in a nation. To him, if these three variables have declined over a period of time, then development has occurred for the nation concerned. But if one or two of these variables have been growing worse, especially if all three have, it would be strange to call the result "development," even if per capita income has soared Seers (1969).

1.2. Statement of the Problem

Nigeria as a country aimed to achieve the macroeconomic objectives of economic stability, low unemployment, low inflation and balanced of payment equilibrium; but the internal problems of insecurity, insurgency and banditry, terrorism, corruption, mismanagement and religion intolerances in Nigeria have hampered and slowed the country's goals and objectives. Since 1960 that Nigeria gained independence, she seeks to achieve economic development which could translate to the well being of her people in terms of quality of life but the problems enumerated above have negated achieving these objectives. Nigeria has experienced economic growth over the years and yet no development in the context of Seer's theory. For instance, our economic growth kept on increasing from -1.6% in 2016 to 0.8% in 2017, 1.9% in 2018 and has increase to 2.29% in 2019 which is the most increased growth since 2015 (CBN bulletin). It is sad to note that despite these growths, the citizens are still experiencing low standard of living and low quality of life. The levels of poverty, unemployment and inequality are increasing every day. For instance, Nigeria overtook India as the leading country with population of 86.9 million people living in extreme poverty according

to the (World Poverty Clock Report, 2018). This constitutes 46.4% of the estimated 195.6 million total populations. Likewise, in 2019, the figure increased to 93.7 million while in the first quarter of 2020, the figure further increased to 95.9 million people living in extreme poverty. Both figures of 2019 and 2020 (first quarter) constitute 48% of the total population of Nigeria in the respective years. This study therefore seeks to employ the Dudley Seer's theory of development by particularly using Seer's key development indicators of poverty, unemployment, and inequality to measure Nigeria's development situation, with a view of proffering solutions to the problem.

1.3 Research Questions

Based on the above statement of the problem, the following questions came to fold:

- i. What has been happening to poverty in Nigeria?
- ii. What has been happening to unemployment in Nigeria?
- iii. What has been happening to inequality in Nigeria?

1.4. Objectives of the Study

- i. To analyze Seer's assertion of Poverty on Nigeria Economy
- ii. To analyze Seer's assertion of unemployment in Nigeria economy.
- iii. To analyze Seer's assertion of inequality on Nigeria economy.

LITERATURE REVIEW

Dudley Seer was a British trained in Cambridge as a development economist. He emphasized on the significance of social development in place of growth fetishism of the neoclassical approach to development. According to Seer (1969), for a nation to know they are really develop or not, they need to ask themselves three basic questions which are: What has been happening to poverty? What has been happening to unemployment? What has been happening to inequality? To Seer, if all three of these are declining, then beyond doubt, that nation

is experiencing development. These mean that true development happened when poverty is reduced or eliminated, unemployment declining and the levels of inequality is reducing. Of course, reduction in these three development indicators will in no doubt increases the well been and quality of life of a nation's citizens.

The World Bank (1991) keyed into Seer's concepts of development when it looked at development to be advancement in the quality of life that includes increased income, good education, increased health and nutrition, reduction in poverty, hygienic environment, same opportunities, increased personal freedom and a better-off cultural life." The above World Bank view on development mean it is a multi-dimensional process involving major changes in social structure, national institution and acceleration of economic growth. Economic development encompasses progress in providing livelihood on a sustainable basis, access to education and basic healthcare for the majority of the population (Belshaw & Livingstone, 2002).

Sen (1999) viewed development as freedom and the capability to function. According to him, for a person to be classified as poor and non-poor, it depends on the person's capability to function. He defines capability as "the freedom that a person enjoyed in terms of choice to function, given his personal features and his command for commodities". To Sen, poverty cannot be measured by income as conventionally understood. The important thing is not what a person has, but who he is, or maybe he did, or can do. According to Sen (1999), development means to reduce deprivation or expand choice. Deprivation is a multidimensional phenomenon of poverty, which includes hunger, illiteracy, illness and poor health, impotence, lack of voice, insecurity, humiliation and lack of access to the foundation. For Sen, life consists in the effective freedom of man to achieve states of being and things. Therefore, freedom (not development) is the ultimate goal of economic life as well as the most efficient

means of realizing general welfare. Overcoming deprivations is central to development

Goulet (1971) contributed to the concepts of development by including economic and social objectives and the values that society strives for. To him, development is about sustained elevation of an entire society and social system towards a better or more human life. Goulet introduced some values which he termed "three core values of development" which are; sustenance, self esteem, and freedom from servitude. According to Goulet, these three core values represent common goals that every individual and society sought. The three core values are:

(a) Sustenance – According to Goulet (1971) sustenance is the ability of people to meet the basic needs without which life will be impossible. These needs include food, shelter, health and protection. "Absolute underdevelopment" is when any of these is absent or in critically short supply. Without livelihoods and continuous economic progress, the realization of human potential will be much more difficult.

(b) Self-Esteem – This is the second core value according to Goulet. This value talked about a sense of worth and self respect, a sense of not being used as a tool by others for their own selfish ends. Goulet believed that development is an important way of gaining self-esteem. Self-esteem is nowadays increasingly conferred only on countries and individuals that possess economic wealth, especially in Nigeria. True development should accord self-esteem to her every of her citizen whether they posses economic power or not. According to Human Development Report (2000), any society that is committed to improving the lives of its people must also be committed to fulfilling the self-esteem and equal rights for all.

(c). Freedom from servitude (ability to choose). This is the third core value propounded by Goulet. To him, "freedom

should be in form of being freeing from alienating material conditions of life and from social servitude to nature, ignorance, misery and dogmatic beliefs, especially that poverty is predestination". To be able to make political and economic choice that does not infringe on someone's rights. Unfortunately, this does not happen in Nigeria. The citizens don't have the ability to choose, especially their leaders during election because of lots of anomalies such as rigging of election, accompanied by such elections.

MATERIALS & METHODS

The study uses qualitative research method in carrying out the analyses and the materials used were gotten from secondary sources of; UN development reports, UNISEF publications, WHO reports and World Poverty Clock Reports.

RESULTS/ DISCUSSION

The section tends to examine and analyze the three development indicators as propounded by Dudley Seer and relate it to the present situation concerning Nigeria's Development.

i. Poverty – The United Nations - UN (1995) defined poverty in absolute and relative term. They examined absolute poverty as a state made up by serious denial of basic human needs including food, shelter, safe drinking water, sanitation facilities, health, education and information. To them, absolute poverty does not depend only on income but also on access to life. Relative poverty was defined by the UN in terms of minimum acceptable standard of living within a society in which a particular person lives. The UN (2010) adopted a Multidimensional Poverty Index (MPI), to measure poverty using three key dimensions and 10 indicators. The key dimensions are: living standard, education and health, which are: nutrition, child mortality, years of schooling, school attendance, cooking fuel, sanitation, drinking water, electricity, housing and asset. The cut off for poverty

according to the MPI is 33.33% of which Nigeria MPI is 0.303% which is not up to the cut-off mark. This is in line with the Human Development Index (HDI) which assessed the progress of a country in terms of a long and healthy life, access to knowledge and a decent standard of living.

According to the (World Poverty Clock Report, 2018), Nigeria overtake India as the number one country with the highest number of population in the world living in extreme poverty with 86.9 million people. This is about 45% of the Nigeria's population. The report indicated that Nigeria is among the 18 countries that extreme poverty is increasing. According to (World Poverty Clock Report, 2019 and 2020 (first quarter)), the estimated population of Nigeria stands at 196,842,992 million 2019 in 2019. Out of this population, 93,742,875 million (48%) are living in extreme poverty. The figure further increased to 95,903,776 million people in the first quarter of 2020. It could be seen that the number of people living in extreme poverty keeps on increasing. Based on the new figure, 2,160,901 million people have joined the poverty club between 2019 and first quarter of 2020. This means that almost half of Nigerians are living below a dollar per day in accordance with the World Bank definition of extreme poverty. The report further estimated that with the week outlook for poverty alleviation in Nigerians, 120 million people would slip into extreme poverty by the year 2030. Despite the rapid growth experienced in Nigeria for the past years, the number of people going into poverty keeps on increasing daily.

ii. Inequality: The United Nations defined inequality as the state of not being equal, especially in status, rights and opportunities (UN, 2015). Development theory was concern with inequalities in standard of living, such as inequalities in income/wealth, education, health and nutrition. Nigeria is Africa's largest economy, yet inequality has reached extreme level that the country's five richest

men worth \$29.9 billion could end extreme poverty at national level, yet a lot are facing hunger Oxfam report (2017). Nigeria's economy has been growing in terms of GDP but without creating adequate opportunities for the broader population. Resources are unevenly distributed, resulting in persistent inequalities. The rich are increasing in their riches while the poor are getting more poorer. It is pertinent to know that almost everything in Nigeria has some elements of inequalities. Nigeria richest man Aliko Dangote earns about 8,000 times more in one day than a poor Nigerian will spend on basic needs in one year. Up to halve of Nigerians are living in poverty, yet the same richest man in Nigeria would have to spend \$1 million a day for 42 years to exhaust his fortune. This is inequality in the distribution of income.

When it comes to distribution of jobs in Nigeria, there is great inequality. Children of the rich get the juicy and lucrative white collar jobs while that of the poor gets the non lucrative jobs. Even in the Armed Forces of Nigeria, children of the rich are dominant in the Nigeria Defence Academy (NDA) and eventually commissioned into the officer's cadre while that of the poor gets the non-commissioned cadre which are all indicators of inequalities. When it comes to health and schooling opportunities, there are inequalities. The rich sends their children to the best schools while that of the poor attends public schools with little or no infrastructures. In fact, in some areas students sits under the trees as their classrooms to learn without food to eat as depicted in the diagram below. But almost every rich man in Nigeria sends their children to school abroad in one of the developed countries while the poor cannot afford to pay the school fee of the public schools their children attend. This is one of the reasons why the rate of drop out from school in Nigeria is on the rise.



Nigeria primary school students learning under a tree.

In terms of health, the rich have access to better medical care and even go abroad for medical matters while the poor don't have the opportunities (though in the interim, the Corona Virus Pandemic has stopped the rich travelling abroad for medical matters). In 2017, the maternal mortality rate in Nigeria has been 917 deaths per 100,000 live births. According to UNISEF (2016), Nigeria is the second largest contributor to the under-five and maternal mortality rate in the world accounting for 14% of the world's maternal mortality deaths (the highest in West and Central Africa). Also, Infant mortality rates in Nigeria are high because majority of those that could not have access to better health facilities are the poor. Infant mortality rate is the amount of baby dying before getting to one year of age, per 1,000 live births in a given year. In 2018, infant mortality rate for Nigeria was 75.7 deaths per 1,000 live births and decreased to 60.662 in 2019. This is a sign of improvement in that aspect.

Poverty and inequality in Nigeria are not due to a lack of resources, but due to the ill-use, misallocation and misappropriation of such resources. At the root of all is the culture of corruption combined with political elite out of touch with the daily struggles of average Nigerians. The United Nations used the Human Development Index (HDI) to measure the basic human development achievements in a country. It shows inequality in the distribution of human development across the population of a country in three dimensions of health of the people, their level of education and their standard of living. The 2019 Human

Development Report showed that Nigeria HDI is 0.534, which ranked Nigeria 158 out of 189 countries with high rate of inequalities. Between 2005 and 2018, our HDI value have increased from 0.467 to 0.534, which is an increased of 14.4%. Instead of decreasing, the rate keeps on increasing. The HDI was 0.467 in 2005, 0.484 in 2010, 0.527 in 2015, 0.528 in 2016, 0.533 in 2017 and 0.534 in 2018. Based on Seer's assertion on development, the inequality should be falling and not rising for a country to experience development.

The UN (2010) introduced the Inequality Human Development Index (IHDI) to cater for inequalities in the three dimensions of the HDI. According to them, the loss in human development due to inequalities is given by the difference between the HDI and the IHDI. The IHDI for 2018 is 0.341 while the human inequalities average is 34.5%. Also introduced by the UN (2014) is the Gender Development Index (GDI) to measure gender inequalities in health, education and in economic resources. For health, the GDI measures female and male life expectancy at birth. It measures female and male expected year of schooling for children and mean year for adult aged 25 years and above for education. For economic resources, the GDI measures female and male estimated GNI per capita. The female GDI value for Nigeria in 2018 is 0.492 while that of male is 0.567.

3.3 Unemployment: The International Labor Organization (ILO) defined unemployment as all persons of working age (15 years and above) who were not in employment but are engaging seeking employment during a particular period and were currently available to take up employment given a job opportunity. The United States Bureau of Labor Statistics defined unemployment as person (s) who do not have job, have actively looked for work in the prior 4 weeks, and are currently available for work. Rate of unemployment is the number of people actively looking for

job as a percentage of the labor force. The rate of unemployment in Nigeria especially among the active labor force (youth) is very alarming. According to the Nigeria National Bureau of Statistics (2019) report, youth unemployment rate averaged 23.63% from 2014 until it reaches an all time high of 38% in the 2nd quarter of 2018. During the 3rd quarter of 2018, the unemployment rate was 39.7% which is the combination of 23.1% unemployment rate and 16.6% underemployment rate. The Bureau projected that if the rising trend of unemployment is not urgently curtailed, the unemployment rate will reach 33.5% by 2020.

While inaugurating the National Employment Council (NEC) in 2018, the Nigeria minister of labor and productivity charged the council to bring out policy measures that will reverse the increasing unemployment trend in Nigeria. He noted that despite the fact that 14 different programs were implemented by the federal government from 1972 till date to reduce unemployment and eradicate poverty, the unemployment rate and poverty levels are still increasing which indicates high resilience against the intervention programs. This rising trend of unemployment is in contrast with Dudley Seer's assertion on development. Those figures on unemployment shows that Nigeria as a nation is not experiencing development. The unemployment rate has been increasing from 9.0% in 2015 to 23.1% in 2018. These show that the unemployment rate has been increasing with no sign of going down. In fact, it has been projected that by 2020, the unemployment rate would have reached 33.5% (NBS, 2018). Therefore, according to Seer's question on unemployment, Nigeria is not experiencing development.

RECOMMENDATIONS

i. Nigeria Government Should Invest Heavily in Child's Education:- Educating girls is proven to have both economic returns and intergenerational impact. According to an adage, if you train a girl

child educationally, you are training the world. According to UNISEF (2019), 10.5 million to 13.2 million Nigerian children of age 5 – 14 years are not in school. Also, one in every five of the world out of school children is from Nigeria. Out of this figure, about 75% of the children are girls. Therefore, for development to take place, the Nigeria government is advised to invest in female education.

ii. **Invest in Health and Wellbeing:-** There is a correlation between healthcare and development and economic growth and consequently to economic development. Most health indicators concerning Nigeria such as malaria, tuberculosis and infant and maternal mortality affects the productivity of the country by affecting the life expectancy of the population. According to the WHO (2019), the average life expectancy in Nigeria is around 54.5 years of age, with men having average of 53.7 and females 55.4 years. The United Nations Population Funds (UNFPA) declared Nigeria to be the world's third lowest life expectancy rate and the lowest in West Africa sub-region. The report indicates that Nigeria life expectancy is only better than that of Central African Republic, Chad and Sierra Leone. High life expectancy will make the country to have more people of working age than dependants which could improve the development of the country.

iii. **Policies to Tackle Inequality:-** On the issue of inequality, the Nigerian government should make policies that will drastically reduce the inequalities ravaging the country. Policies that will heavily tax the rich and use such taxes to provide infrastructures to the poor such as good classrooms for schools, free feeding to encourage the poor to school, good water and health care to increase their lives expectancy, good roads, electricity etc. Government should bring Policy that will make women to fully participate in politics and into political offices. The life of Nigerian women is affected by much discrimination. Majority

of women are employed in casual low-skilled, low paid jobs. For example, out of 469 lawmakers elected from the 36 States of the Nigeria Federation and the Federal Capital territory, only 18 are women; 7 in the Senate and 11 in the House of representatives. This low number indicates a worrisome status of women participation in politics. Policy to balance or increase the rate of women participation should be made.

iv. **Provision of Loans -** The Nigerian government should provide loans to the rural citizens to invest in agriculture in order to tackle poverty because majority of a country's population resides in the rural areas. Also, loans should be given to the urban youth to invest in small businesses to generate income.

v. **Policies to Tackle Unemployment:-** The Nigerian government should bring policies to tackle unemployment in the country. When a larger population of a country are employed, it increases the aggregate consumption and investment. Therefore, the government should bring out policies that will engage the youth in entrepreneurship activities. Government should provide Platforms that could create jobs such as industries to assist the citizens. The government should change the education curriculum of the country to have more of technical and entrepreneurship curriculums to enable graduates have jobs.

CONCLUSION

The study analyses the Dudley Seer's theory of development on the Nigeria economy. It was discovered that all the three indicators of poverty, unemployment and inequality were all increasing instead of decreasing. The study recommends that the Nigeria government should provide loans to the rural areas for investment into the agricultural sector. Government should provide entrepreneurship program to the urban youth to tackle poverty. Also, taxing policy should be made to tax the poor more to provide infrastructures to the citizens.

Investment in child's education and also invest in health.

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