

Neo-liberalism and Theoretical Explanation of Poverty in Africa: The Nigerian Perspective

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Abstract : After the Second World War, there was an emergence of a new stage of capitalist globalization with its Neo-liberal ideology. There were global economic and political restructurings that affected third-world countries like Nigeria. Neo-liberalism is the driving force of globalization, which is the latest manifestation of imperialism that engenders endemic poverty in Nigeria. Poverty is severe and widespread in Nigeria. Poverty entails a situation where a person lives on less than one dollar per day and has no access to basic necessities of life. Poverty is inhuman and a breach of human rights. The Nigerian government initiated some strategies in the past to help in poverty reduction. Neo-liberalism manifested in the Third World, such as Nigeria, through the privatization of public enterprises, trade liberalization, and the rollback of the state investments in providing important social services. These main ideas of Neo-liberalism produced poverty in Nigeria and also encouraged the abandonment of the social contract between the government and the people. There is thus a gap in the provision of social services and subsidies for the masses, all of which Neo-liberal ideological positions contradict. This paper is a qualitative study which draws data from secondary sources. The theoretical framework is anchored on the market theory of capitalist globalization and public choice theory. The objectives of this study are to (i) examine the impacts of Neo-liberalism on poverty in Nigeria as a typical example of a Third World country and (ii) find out the effects of Neo-liberalism on the provision of social services and subsidies and employment. The findings from this study revealed that (i) the adoption of the Neo-liberal ideology by the Nigerian government has led to increased poverty and poor provision of social services and employment in Nigeria; and (ii) there is an increase in foreign debts which compounds poverty situation in Nigeria. This study makes the following recommendations: (i) Government should adopt strategies that are pro-poor to eradicate poverty; (ii) The Trade Unions and the masses should develop strategies to challenge Neo-liberalism and reject Neo-liberal ideology.

Keywords : neo-liberalism, poverty, employment, poverty reduction, structural adjustment programme

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