

## Appraisal of Auto-Rickshaw as Poverty Alleviation Strategy in Nigeria: An Example of Lagos Metropolis

Bashiru Adisa Raji

Department of Geography and Regional Planning, Faculty of Social and Management Sciences,  
Centre for Transport Studies, Olabisi Onabanjo University, Ago-Iwoye, Ogun State, Nigeria

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**Abstract:** The study examines the use of auto-rickshaw (three wheeled cycle) as poverty alleviation scheme in metropolitan area of Lagos, Nigeria. About 200 tricycle operators of National poverty eradication programmes were sampled in 24 loading points with 73.5% benefited and 26% did not benefited from the scheme. The study revealed that male operators dominated the scheme. Majority of the operators fall into working class group and as well have one level of education or the other. Most of the challenges of the tricycle operators include among others, high cost of the tricycle and unfriendly payback period, extortion from police and local council officials, problem of routes choice and competition with other road users. The programme changes not only the welfare of the operators but the overall assessment of the programme by the tricycle operators shows that the programme is helpful. However if the current trend in the implementation of the scheme is not reviewed by the appropriate authorities to favour the tricycle operators, the scheme may suffer the fate of failure which other scheme earlier introduce to reduce poverty faced.

**Key words:** Poverty alleviation, auto-rickshaw, lagos metropolis, National poverty eradication programe, payback period, Nigeria

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### INTRODUCTION

Africa harbours most of the poorest countries in the world; this is because so many factors such as wars, natural disasters, foreign debt, corruption, ethnic superiority, corruption and other poverty indices strive (Elumilade *et al.*, 2006). The World Bank (1996) described Nigeria as a country with paradox. The paradox stems from the fact that the poverty level in the country contradicts the country's immense wealth.

In Nigeria, the problem of poverty has for a long time been a cause for concern to the government. Initial attention focused on rural development and town and country planning as a practical means of dealing with the problem. Thus, the 2nd and 4th national development plans contain both direct and indirect allusions to as well as objectives of policies and programmes aimed at minimizing the causes of poverty.

These various causes of poverty which include low productivity, market imperfections, structural shifts in the economy, inadequate commitment to programme implementation and political instability, etc., are complex and the consequences often reinforce the causes further impoverishing the people. In a fairly recent survey, Obi noted that Nigeria's festering poverty profile was described as widespread and severe. The report of comparative analysis of welfare ranked Nigeria below

Kenya, Ghana and Zambia and expressed concern over the dwindling purchasing power of the people and the increasing income inequality in Nigeria which have made life unbearable for the citizenry despite improved inflation rates.

Nigeria is enormously endowed with human, agricultural, petroleum, natural gas and massive untapped mineral resources. Unfortunately, Nigeria is grouped as one of the poorest counties at the threshold of the 21st century when ironically she was ranked among the richest 50 in the early 1970s (Obadan, 2004).

In 1960, about 15% of the population was poor but in 1980, the national average poverty incidence was put at 28.1% of the population. In 1985, the national average poverty incidence increased to 46.3%. However by 1996, poverty incidence in the country was 66% or 76.6 million Nigerians out of a population of 110 million. In the year 2000, the incidence of poverty at the national level was put at about 70% and in 2005, the national average is put at 54.7 (FOS, 1995, 1996, 1997; Obadan, 2004; Sanusi, 2011). The increasing poverty level in the country necessitated the introduction of poverty alleviation programmes by successive governments in the country. But with recent declaration of the reduction in the incidence of poverty level from 70-50% by National Bureau of Statistics, this study strive to examine how the use of auto-rickshaw (Keke NAPEP) as one of the various

strategies employed by the current poverty alleviation programme in the country, National Poverty Alleviation Programme (NAPEP) has helped the beneficiaries in alleviating their life challenges. The study equally strives to look at problems encountered in obtaining these auto-rickshaws and how these problems can be solved in order to enhancing sustenance of the programme.

### **Overview of National poverty alleviation programme in Nigeria**

**Earlier programmes:** At independence in 1960 and for the best part of the 1960s, poverty eradication efforts in Nigeria centred on education which was seen as the key to economic, technological and intellectual development of the nation. Show the light and the people will find the way was then the slogan of Nigeria's first president, the late Nnamdi Azikiwe. Therefore, education programmes were implemented alongside agricultural extension services which encouraged increased food production. The causes of this state of poverty in the country had variously been traced to the following factors among others:

- Corruption
- Bad governance
- Debt overhang
- Unemployment
- Low productivity
- Burgeoning population growth
- Globalisation
- Unfocused government policies

Successive governments, however have tried to address some of these issues through the enunciation of poverty related programmes. Whether these programmes have succeeded in either alleviating poverty or not is a moot point. Suffice it to say, however that the 1st of such programmes called, Operation Feed the Nation (OFN) was enunciated in 1979 by Gen. Olusegun Obasanjo administration. The programme had the specific focus of increasing food production on the premise that availability of cheap food will mean higher nutrition level and invariably lead to national growth and development. OFN lasted until Shehu Shagari's government took over in 1979. Shagari (1979-1983) shared almost the same poverty reduction idea with his predecessor. He came up with his own pet project named the Green Revolution which also emphasised food production. It must be stated though that lack of continuity and shift in approach trailed poverty alleviation programmes since the ouster of Shagari from power in 1983. Each subsequent military administration came with

a different idea or no idea at all. Poverty reduction programmes became more regime specific because there was hardly any continuity with those initiated by previous governments. The military regime of Gen. Muhammad Buhari (1983-1985) did not have a specific poverty alleviation programme as it clearly focused on fighting indiscipline and corruption. This initiative better known as War Against Indiscipline (WAI), sought to inculcate a military-style regiment of discipline such as queuing for public services, observing road signs, memorising the national anthem and generally sprucing up the national psyche on the distinctions of right and wrong and handling of public property, etc. Some analysts argue that the fight against indiscipline and corruption were equal to a poverty alleviation programme in the sense that the two were partly the reason why many Nigerians are poor. Gen. Ibrahim Babangida (1985-1993) is known to be one head of state that introduced a series of poverty alleviation programmes. These include the peoples' bank which sought to provide loans to prospective entrepreneurs on soft terms and without stringent requirements of collaterals. It also regulated the peoples' bank as sources of cheap funds for communities and their members.

Another programme was the Directorate of Food Roads and Rural Infrastructure (DFRRI) which sought to open up rural areas via construction of feeder roads and provision of basic amenities that would turn them into production centres for the national economy. The DFRRI was on offer as the most comprehensive programme on the nation's war against poverty. Considering the truism that rural populations in Nigeria are significantly poorer than their urban counterparts, this programme targeted this core group.

Its premise was just not to open the rural areas but the hinterland which ordinarily would not have been accessible. It also aimed at promoting rural employment based on the assumption that if rural infrastructure such as electricity was available in the villages many welders for example would operate from there instead of scrambling for space in congested urban centers.

On the other hand, DFRRI assumed that if the hinterland was linked by road, farmers would transport their products to the markets easily and at cheaper rates, thereby reducing the cost of food production as a way out of poverty. Many Nigerians are however agreed that this, like other programmes by the regime were good but their impacts on the populace and poverty were minimal because of shortcomings in their implementation. Another programme that tried to head-off the scourge of poverty by targeting the agricultural sector was the Nigerian Agricultural Land Development Authority (NALDA). The

authority was intended to reduce the prevalence of subsistence agriculture in the country and in its place, infuse large scale commercial farming by assisting farmers with inputs and developing land for them to the point of planting at subsidised rates.

While all these programmes collapsed at one point or the other nonetheless at least one of these programmes enunciated by the Babangida regime, the National Directorate of Employment (NDE) had a 17 years staying power up to date. By its mandate, NDE was to design and implement programmes to combat mass unemployment and articulate policies aimed at developing work programmes with labour intensive potentials. From its programmes and its staying power, this was a scheme that could be adjudged as the most successful of Babangida's poverty alleviation policies. Babangida saw unemployment as one of the key issues challenging the agenda of government, since it posed a potential danger to the socio political and economic system of the nation. Until the 1980s, unemployment was not a serious problem in Nigeria. Global economic recession, however took its toll on the country because as that decade progressed, inherent weaknesses were noticed in the nation's economy. The need for the creation of NDE is also traced to the drastic reduction in oil prices and the resultant economic policies at the time. The situation led to low capacity utilization in the nation's industries and the outright closure of some. Subsequent lay-offs due to closure and rationalisation informed on the need to introduce a system that would accommodate such people so that the already bloated job market will not suffer more congestion.

The reduction in employment opportunities and rationalisation in both the public and private sectors formed the basis on which the Nigerian unemployment situation was viewed as a danger for the socio-economic stability of the nation. It is on record that hundreds of thousands of youths have benefited from the NDE scheme through its four-pronged approach that include Vocational acquisition training (673,000), Entrepreneurial (business) training (373,366), training for rural employment and training for labour-based works programme.

In 2000 alone, NDE said that 21,708 youths received training in vocational skills in 36 states of the federation and Abuja while 5,075 graduated in different trades. The scheme which has a special arrangement for women believe focused on training on how to process, preserve and package food. However, the drawback on NDE's schemes for now is that there is no follow-up programme for beneficiaries. Many of them who did not utilise the skills they acquired and others who did not properly invest the loans they received have found themselves

in a worse state. While the directorate asserts that it disbursed ₦526, 901,313.11, since inception for its various programmes, only 24.4% of this total or ₦129, 048,757.63 was recovered from beneficiaries.

The regime of Late Gen. Sani Abacha (1993, 1998) was known as the midwife of the Family Economic Advancement Programme (FEAP) in Nigeria's quest for a way out of debilitating poverty as this was the period that marked Nigeria's relapse into the global bracket of 25 poorest nations. Significantly, FEAP existed for about 2 years (1998, 2000) during which it received funding to the tune of ₦7 billion out of which about ₦3.3 billion was disbursed as loans to about 21,000 cooperative societies nationwide that were production oriented. Such projects targeted for assistance included poultry production, garri making, soap making and animal husbandry.

As a rider to all poverty alleviation programmes enunciated over the years in the country, it must recalled that spouses of heads of state also joined in the fray with novel programmes that not only elevated the status of these 1st ladies but also focused on issues of poverty using state funds.

Most noticeable were the Better Life for rural women heralded by Mrs. Mariam Babangida and Mrs. Mariam Sani Abacha's Family Support Programme (FSP). These programmes also tried to introduce a gender element into anti-poverty programmes, acting on the assumption that women needed special treatment in the light of their immense contributions to the national economy both as small-scale entrepreneurs and home keepers.

Nonetheless, most of these poverty alleviation programmes suffered the same fate as a recent government assessment showed. It found that they all failed due largely to the fact that:

- They were mostly not designed to alleviate poverty
- They lacked a clearly defined policy framework with proper guidelines for poverty alleviation
- They suffered from polity instability, political interference, policy and macro-economic dislocations
- They also lacked continuity Poverty Alleviation

**Starting a new:** There is the need to start a new programme which will take into consideration the shortcomings of earlier poverty alleviation programmes. The new programme, National Poverty Alleviation Programme (NAPEP) was introduced by the administration of General Olusegun Obasanjo in 1999.

**National poverty alleviation programme, a new programme:** Taking cognisance of this, the present administration which had at inception in May, 1999 set

out poverty as one of its areas of focus, approved the blueprint for the establishment of the National Poverty Eradication Programme (NAPEP), a central coordination point for all anti-poverty efforts from the local government level to the national level by which schemes would be executed with the sole purpose of eradicating absolute poverty. Such schemes already identified include:

- Youth Empowerment Scheme (YES)
- Rural Infrastructures Development Scheme (RIDS)
- Social Welfare Services Scheme (SOWESS)
- Natural Resource Development and Conservation Scheme (NRDCS)

On the whole, these schemes would spearhead the government's ambitious programme of eradicating absolute poverty, a condition where a person or group of persons are unable to satisfy their most basic requirements for survival in terms of food, clothing, shelter, health, transport, education and recreation amongst Nigerians.

With a take-off grant of ₦6 billion approved for it in 2001, NAPEP has established structures at all levels nationwide. Under its Capacity Acquisition Programme (CAP), it trained 100,000 unemployed youths just as 5,000 others who received training as tailors and fashion designers were resettled. A total of 50,000 unemployed graduates have also benefited from NAPEP's Mandatory attachment programme which is also an aspect of CAP. The programme has also established a databank of all unemployed youths in all the 36 states of the federation and the Federal Capital territory (FCT). About 1.1 million youths have so far been registered. Such data could be used in targeting groups in any future poverty alleviation effort.

The difference between NAPEP and past poverty reduction agencies is that it is not a sector project implementation agency but a coordination facility that ensures that the core poverty eradication Ministries were effective. It would only intervene when necessary, under its secondary mandate which gives it the right to provide complementary assistance to the implementing ministries and parastatals nationwide.

Duplication of functions by a myriad of agencies involved in anti-poverty schemes and programmes in the past had been blamed for their ineffectiveness and outright failure. Having subscribed to the UN-inspired millennium goals of halving global poverty by 2015, Nigeria has embraced the process of outlining its own Poverty Reduction Strategy Process (PRSP) which will eventually bring its anti-poverty efforts into the mainstream of the new global thinking that fighting

poverty needed to be driven by some acceptable principles. Experts have opined that given the dismal performance in the past, the PRSP holds some promise for success because poverty programmes are to be derived in an integrated way from a distillation of each aspect of poverty into its component parts. Government, the poor and stakeholders can work together to develop an overall plan to make progress with coordinated roles for sectoral ministries and other agencies.

### **Conceptual underpinning of the study**

**Poverty:** Poverty is defined as lack of certain capabilities such as being able to participate with dignity in societal endeavours (Aluko, 1975; Sen, 1987). Poverty is also seen as a lack of command over basic consumption needs that is a situation of inadequate level of consumption; giving rise to insufficient food, clothing and shelter (Ravallion and Bidani, 1994).

The World Bank (1990) defined poverty as the inability to attain a minimum standard of living. The report further constructed two indices based on a minimum level of consumption in order to show the practical aspect of the concept. The 1st index was a country specific poverty line; the 2nd was global, allowing cross-country comparisons (Walton, 1990; Elumilade *et al.*, 2006). Other indices invoked by United Nations include life expectancy, infant mortality rate, primary school ratios and number of persons per physician. Poverty is the condition of having insufficient resources or income. In its most extreme form, poverty is a lack of basic human needs such as adequate and nutritious food, clothing, housing, clean water and health services. Extreme poverty can cause terrible suffering and death and even modest levels of poverty can prevent people from realizing many of their desires. conceives poverty as a state of both material and non-material deprivation and that this general definition masks the complexity of the concept.

He points out that the perception of poverty varies between individuals and communities between communities or regions and between urban and rural areas. He further argues that the causes of poverty are multidimensional, spanning economic, social, cultural and political factors. Afonja and Ogwumike (1995), however submitted that there is no objective definition of poverty and no objective way of measuring how many people are living in poverty. They argue that the number differs greatly according to different plausible definitions. Two related questions that are fundamental to the measuring poverty are how many are poor and how poor are they! Based on Afonja and Ogwumike (1995) submission of the number and magnitude of people's poorness, we define a poor person as it relate to the study.

**Poor person:** A poor person is considered as one without job who cannot help himself or cater for his family who has no money, farm or business (Elumilade *et al.*, 2006). Adolescent males and females are poor if they have no parents, no education, no good food, clothes and health. The World Bank (1992) described a poor person as one who is undernourished and ageing fast, one without self confidence, looks dirty and lives in filthy environment, one who cannot cater for his family, train his children in the school and unable to pay medical bills. Table 1 shows percentage of poor people in Nigeria from 1980-1997. Poverty has been recognized as a phenomenon that is of concern to everybody around the world today both the rich and the poor. The poverty condition of the poor makes them helpless and hopeless which the rich do not feel comfortable and safe among the poor. Dike (1995) expresses the view that the 1st step in any effort to design and implement poverty alleviation policies is a lucid understanding of the concept of poverty and how it can be measured.

Olayemi contends that many approaches have been suggested to reduce poverty in the literature but that they can all be broadly grouped into three those that focus on rapid economic growth; those that focus more broadly on the basic needs of the poor and those that focus on rural development.

Ademiluyi and Otun (2010) however, cautioned that these approaches should not be seen as alternatives but be constructed as complementary approaches for tackling the wide dimensions of the poverty problem. In this study, poverty alleviation scheme of the use of (Auto-rickshaws) as transportation is to look at how the scheme has helped in beneficiary income generation in order to be self confidence, look clean and lives in a healthy environment, cater for family, train children in the school and been able to pay rent and medical bills.

**Auto-rickshaw:** Direct and indirect involvement of government in the provision of transportation is well established in the world over (Raji and Otun, 2008). The global economic recession and the fall out of Structural Adjustment Programme (SAP) between 1987 and 1993 in Nigeria greatly affect the purchasing power of government and the populace to replace existing public

transport fleet of buses and taxis (Adeniji, 1982). In order to meet the transport needs of people, motorcycle popularly called (okada or zemidjan) which is commonly used as means of inter-city transport in the riverine areas of the country surfaced as commercial transport system in most urban areas of the country. This has come to stay in most West-African states. With the externalities of motorcycles such road traffic accidents, robberies and so on, there is also the need to complement existing public transport and as well create jobs for people of Lagos about 500 unit auto-rickshaw tricycles was brought in March, 1998 to Lagos state and these was called Keke Marwa named after the then military governor of Lagos state Colonel Buba Marwa who initiated the use of tricycle as a means of transportation in the Lagos metropolis (Owoyele, 2009).

**Keke Marwa:** Keke Marwa is made in India by Bhujiani brothers makers of Maruti Jeep and Tata buses named Bhajah. It has the capacity of accommodating 3 passengers and one operator. It is 4 m and 3 inches in height and 3 m and 5 inches in length. It has a 3 stroke engines that uses petrol and its average speed is about 75 km. The tricycle is painted in official colour of Lagos (yellow with black stripe) (Fig. 1).

**Keke NAPEP:** At the enthronement of democratic rule in May, 1999 and the establishment of National Poverty Eradication Programmes (NAPEP), a bigger version of the auto-rickshaw called Keke NAPEP was brought to the entire country to fight poverty through job creation. Keke NAPEP is manufactured in Italy by APE auto-rickshaw company and was named Piaggio by its maker. It has the capacity of accommodating four passengers and one operator. It is 4 m and 5 inches in height and 3 m and 6.5 inches long. It has a 4 stroke engine with an average speed of 80 km and it is painted in National colour green with white stripes (Fig. 2). One way to empower people is by creating employment that can give them

Table 1: The non-poor, moderately poor and core poor in Nigeria

Years	Non-poor	Moderately poor	Core poor
	------(%)-----		
1980	72.8	21.0	6.2
1985	53.7	34.2	12.1
1992	57.2	28.9	13.9
1996/1997	34.4	36.3	29.3

FOS (1996) and Elumilade *et al.* (2006)



Fig. 1: An example of auto-rickshaws called Keke Marwa



Fig. 2: An example of auto-rickshaws called Keke NAPEP

income. Using Keke NAPEP for commercial transportation is one of the poverty alleviation strategies that the federal government employed through National poverty eradication programme in creating employment for the unemployed.

The study therefore focuses on Keke NAPEP operators' activities with the view to explore the significance of the scheme in alleviating beneficiaries' socio-economic challenges.

## MATERIALS AND METHODS

This study was based on the study of auto-rickshaw (tricycles) operators in Alimosho local government area of Lagos metropolis. The choice of Alimosho stems from preliminary study of tricycle operators in Lagos metropolis. The survey reveals that:

- The actual number of NAPEP tricycle operators was not known in the state due to their uncoordinated manner
- The largest concentration of NAPEP tricycle operators are found in Alimosho local government which incidentally happens to be the largest metropolitan area in Lagos state with NPC population of about 1,277,714 inhabitants
- It is occupied by settlements such as Ipaja, Ayobo, Ikotun, Ijekan, Iseri-Oshun, Idimu, Egbeda, Aboru Shasha that are currently enjoying rapid urban transformations and most of the settlements serve as urban fringe settlements that is plaque with transportation problem
- Many of transportation facilities enjoyed by other metropolitan areas of Lagos state are lacking and house low income inhabitants

Figure 3 shows the map of Alimosho local government area in Lagos state and Fig. 4 shows the map of the locations of sampled operators of NAPEP auto-rickshaws loading points in the local government area.

There 314 auto-rickshaw in the 24 loading points of the tricycles in Alimosho local government area of Lagos state. Out of the 314 auto-rickshaws, 200 representing 63.4% of the total are inscribed with NAPEP colour.

Of the 200 operators sampled, 147 (73.5%) benefited from NAPEP programme while 53 (26.5%) of the operators did not. Both operators responded to questionnaire administered.

However, 147 operators that benefited from the programme responses is presented in this study, information given by 53 operators that did not benefit from the programme also helped in the analysis. Arc view 3.3 was used to produce maps in Fig. 3 and 4. Geographical Positioning System (GPS) was used to locate the 24 loading points that were shown in Fig. 4. In picking sample size for operators, allocation of sample size to strata was used. There are various methods of allocating sample size to strata of which include:

- Proportional allocation
- Equal allocation
- Optimum allocation
- Neyman allocation (Okafor, 2002)

Improvement in the choice of sample size increases from proportional allocation to neyman allocation but based on the data available, proportional allocation was used.

In proportional allocation, Thomsen (1976), Sukhatme *et al.* (1984) and Okafor (2002) observed that the stratum sample is selected such that the size of the sample is proportional to the total number of units in each stratum such that  $n_h \propto N_h$  or  $n_h \propto W_h$ . If the total sample that is to be allocated is ( $n$ ) then the stratum sample is given as:

$$n_h = \frac{n}{N} N_h = n W_h$$

Where:

$n_h$  = Stratum sample size

$n$  = Total number of sample to be allocated (in this case,  $n = 150$ )

$N_h$  = Units or stratum of the observed population

$N$  = Observed total population

The result is shown in Table 2.

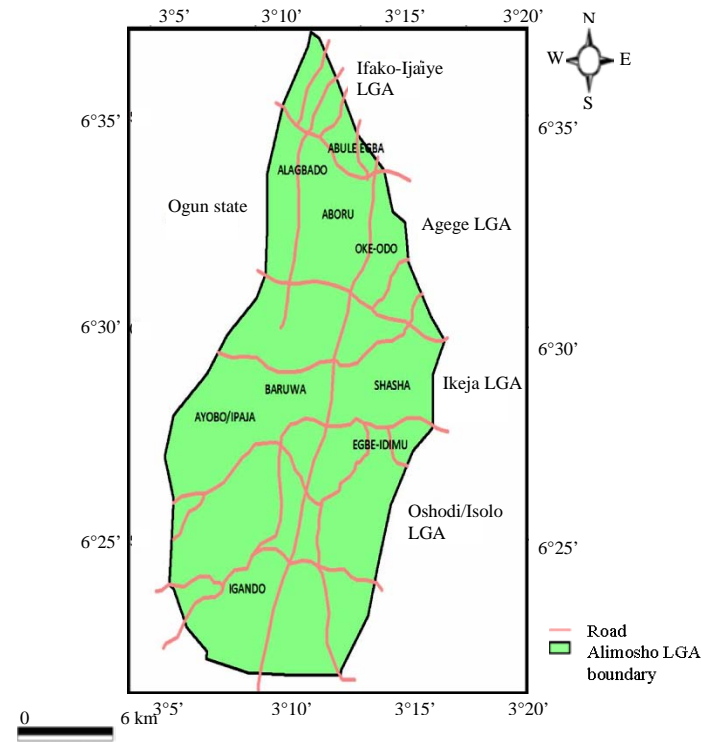


Fig. 3: Map of Alimosho local area

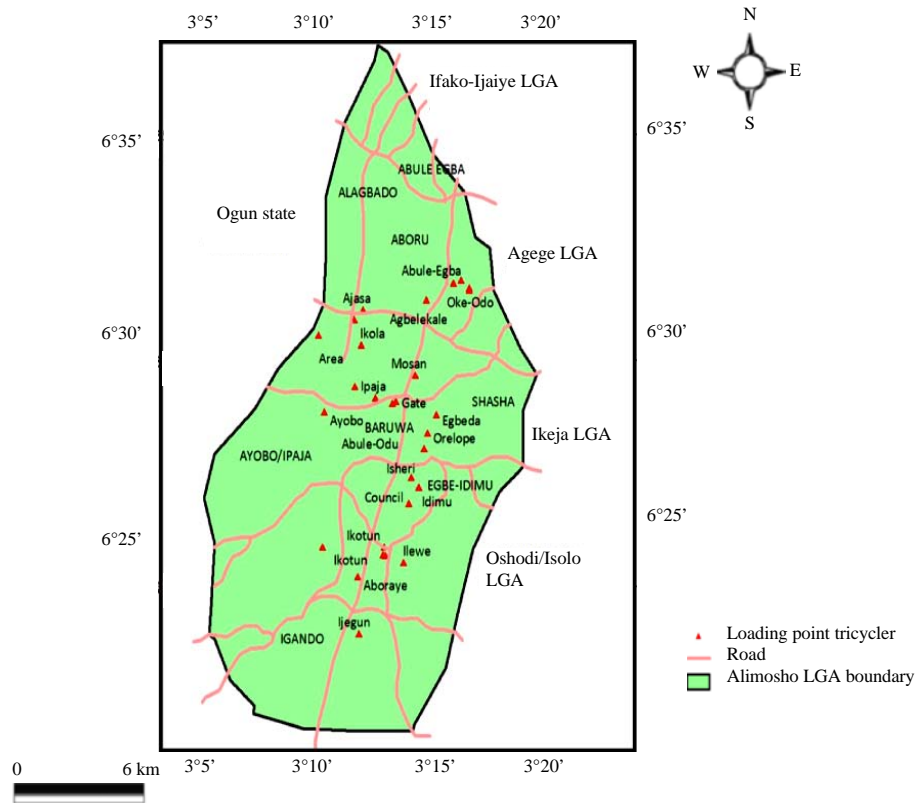


Fig. 4: Map of Alimosho local government showing the 24 loading points of the tricycle operators

Table 2: Locations of loading points of auto-rickshaw, estimated population of operators their sample size at each location

Locations	Estimated population	Sample size	Total questionnaires obtained
1	7	4	4
2	10	6	6
3	15	9	9
4	11	7	7
5	8	5	5
6	20	13	13
7	14	9	9
8	16	10	10
9	18	11	11
10	10	6	6
11	21	13	13
12	12	8	8
13	16	10	10
14	10	6	6
15	12	8	8
16	14	9	9
17	18	11	11
18	22	14	14
19	16	10	10
20	18	11	11
21	10	6	6
22	6	4	4
23	9	6	6
24	6	4	4
Total	319	200	200

## RESULTS AND DISCUSSION

**Operators socio-economic characteristics:** Table 3 shows socio-economic characteristics of the tricycle operators interviewed in the study area. Almost all the tricycle operators in the study area are male (97.3%) and a good number of them (86.4%) are married. The distribution of tricycle operators based on household size shows that 1.4% of the operators have household size of one, 21.8% have household size of two, 16.3% have household size of three and 60.5% of the tricycle operators have household size is >3.

Categorising the tricycle operators in the study area according to their age, the distribution showed that majority of the tricycle operators (69.4%) are in the working class group between 20-40 years. The division of the tricycle operators in the study area according to their level of education shows that majority 32.0% of the operators are not educated in any form, 30.6% have primary school education, 25.2% have secondary school education and 12.2% of the operators have post-secondary school education. The result shows that large numbers of the operators 68.0% have one form of education or the other.

The poor in Nigeria are not a homogeneous group as observed by Obi, though this study is based on tricycle operators a homogenous group but there are variations in their socio-economic status. For example, evidence from the World Bank poverty assessment on

Table 3: Socio-economic characteristics of tricycle operators

Variables	Frequency	Percent
<b>Gender</b>		
Male	143	97.3
Female	4	2.7
<b>Marital status</b>		
Single	6	4.1
Married	127	86.4
Divorced	11	7.5
Widowed	3	2.0
<b>Household size</b>		
1	2	1.4
2	32	21.8
3	24	16.3
>3	89	60.5
<b>Age (years)</b>		
20-30	15	10.2
31-40	87	59.2
41-50	35	23.8
51-60	7	4.8
>60	3	2.0
<b>Level of education</b>		
No formal education	47	32.0
Having primary education	45	30.6
Having secondary education	37	25.2
Having post-secondary education	18	12.2

Table 4: Poverty incidence by socio-economic groups, 1996/97

Socio-economic groups	Extreme poor	Moderate poor	Non-poor
Urban	25.2	33.0	41.8
Rural	31.6	38.2	30.7
Male-headed	29.8	36.7	33.6
Female-headed	25.0	33.5	41.5
<b>Age of head</b>			
15-24	16.2	21.2	62.6
25-34	20.2	32.5	47.3
35-44	27.9	36.7	35.4
45-54	32.7	38.6	28.7
55-64	32.6	37.3	30.1
≥ 65	33.5	34.6	32.0
<b>Education of head</b>			
None	34.3	38.3	27.4
Primary	24.3	35.1	40.6
Secondary	21.2	30.8	48.0
Post-secondary	15.3	32.9	51.8

Fiscal policy and poverty alleviation; some policy options for Nigeria by FOS (1999)

Nigeria using 1992/93 household survey data shows that the nature of those in poverty can be distinguished by the following characteristics; sector, education, age, gender and employment status of the head of household and the household size (FOS, 1995) as shown in Table 4.

The result of the finding regarding the level of education of the tricycle operators in the study Table 4 is in line with the result of (FOS, 1999) household survey of poverty incidence by socio-economic groups, 1996/97 which indicated that large proportion of people that are extremely poor, people that are moderately poor and non-poor with values 65.7, 61.7% and 72.6, respectively have one form of education or the other.

**Housing situations of operators:** The distribution of tricycle operators according to their housing situations is shown in Table 5. The results shows that 15.6% of the



Table 5: Housing situation of operators

Variables	Frequency	Percent
Owned a house	23	15.6
Rent a house	92	62.6
Living with a family	27	18.4
No response	5	3.4

Table 6: Operators ownership of tricycles

Variables	Frequency	Percent
<b>Ownership</b>		
Owned	135	91.8
Do not owned	12	8.2
<b>Number owned</b>		
1	43	31.9
2	64	47.4
3	21	15.5
>3	7	5.2

tricycle operators live in their personal house, a majority of the operators 62.6% rent the house they live in, 18.4% live with a family and 3.4% of the tricycle operators. The result in Table 5 shows that large numbers of the tricycle operators (81%) do not own their own houses and this require payment of house rents and certain responsibilities for those who rent a house and live with a family, respectively.

**Ownership type and number of tricycles owned:** Table 6 shows the distribution of tricycle operators according to ownership type of the tricycle. The result showed that 91.8% of the respondents owned the NAPEP tricycles while 8.2% of the do not owned the tricycle.

Out of 135 operators that owned the tricycle, Table 6 showed that 31.9% of the operators owned one tricycle, majority (47.4) of the operators sampled owned two tricycles, 15.5% of the operators owned three tricycles and 5.2% of the operators sample in the study area owned >3 tricycles.

**Years of operation of the tricycle:** An examination of tricycle operators' years of operation, the result in Table 7 shows that 7.5% of the tricycle operators start using Keke NAPEP <1 year during the period of survey, 8.2% of the operators have spent between 1-2 years using the tricycle.

The study further revealed that 32.6% of the operators sampled in the study area have spent between 3-4 years using the tricycle. The distribution also shows that while 6.1% of the tricycle operators have spent between 5-6 years using the tricycle, majority (45.6%) of the operators have spent >6 years using the tricycle.

**Daily average income generated and operating costs incurred by the tricycle operators:** This study is centre on how income generated by tricycle operators help in taking care of their live challenges and how this income

Table 7: Operators years of operation

Variables (years)	Frequency	Percent
1	11	7.5
1-2	12	8.2
3-4	48	32.6
5-6	9	6.1
>6	67	45.6

Table 8: Average daily income generating capabilities of tricycle operators

Variables (₦)	Frequency	Percent
(1000-2000)	7	4.8
(2001-3000)	36	24.5
(3001-4000)	91	61.9
(4001-5000)	11	7.5
(>5000)	2	1.4

Table 9: Average daily operating costs

Variables	Amount (₦)
Fuel	910:00
Engine oil	200:00
Gear oil*	200:00
Police	100:00
Local	100:00
Park ticket	100:00
Total amount	1,610:00

\*This does not occur on daily basis

generation indirectly helps in alleviating their poverty. Thus, Table 8 shows information of daily income of tricycle operators and Table 9 discusses average daily operating costs of the tricycle operators.

The average daily income rather than average monthly income or average annual income was used in order to make it easier for the operators to be able to recollect the amount they generate. The result shows that 4.8% of the operators in the study area generate between ₦1,000:00 and 2,000:00, 24.5% of the operators generate between ₦2,001:00 and 3,000:00, a majority of the operators (61.9%) generate between ₦3,001:00 and 4,000:00, 7.5% of the operators generate between ₦4,001:00 and 5,000:00 and 1.4% of the operators generate average daily income >₦5,000:00.

In essence, this distribution shows that majority of the operators generate an average of ₦112,000 (747 USD) monthly, resulting to an average of ₦1,344,000 (8,960 USD) yearly. The average daily operating costs of the tricycle operators as shown in Table 7 revealed a total amount of ₦1,610 which amount to ₦45,080 (301 USD) monthly and ₦540,960 (3,606 USD) yearly. The results in Table 8 and 9 show that the tricycle operators' average yearly net income is equivalent to ₦803,040 (5,354 USD). The results of the net income of the tricycle operators' necessitated the need to look at their financial situations of before and after acquiring the tricycles.

**Pre- and post-financial situations of tricycle operators:**

Table 10 shows the distribution of tricycle operators' financial situations before and after procuring NAPEP

Table 10: Financial situations of operators before and after procuring napep tricycle

Variables	Before procurement (%)		After procurement (%)	
	Easy	Difficult	Easy	Difficult
House rent	23.6	76.4	56.3	43.7
Electricity bills	56.8	43.2	92.7	7.3
Children school fees	3.3	96.7	54.2	45.8
Medical bills	35.7	64.3	46.8	53.2
Other responsibilities	43.6	56.4	67.3	32.7

tricycles. The distribution shows that 76.4% of the operators find it difficult to pay house rent before acquiring NAPEP tricycle; the former reduced from 76.4-43.7%, the later after acquiring NAPEP tricycle. This means that 56.3% of the operators find it easy to pay house rent after acquiring the tricycle.

On payment of electricity bills, the distribution shows that there is a decrease in the difficulty of operators to pay electricity bills from 43.2% before obtaining NAPEP tricycle to 7.3% after obtaining the tricycle. The result in Table 10 shows that on the payment of children school fees, the easiness in the payment of children school fees of the tricycle operators increases from 3.3% before acquiring NAPEP tricycle to 54.2% after acquiring the tricycle.

The distribution based on tricycle operators' medical bills shows that 64.3% of the operators find it difficult to pay medical bills before acquiring NAPEP tricycle; the former reduced from 64-53.2% the later after acquiring NAPEP tricycle. This means that large proportion of the operators still find it difficult to pay medical bills after acquiring the tricycle.

Based on other responsibilities, the distribution shows that there is a decrease in the difficulty of operators to face other responsibilities from 56.4% before obtaining NAPEP tricycle to 32.7% after obtaining the tricycle. The result shows that 67.3% of the operators find it easy to face other responsibilities after acquiring the tricycle.

The average financial situations of NAPEP tricycle operators was computed to give average welfare measure of tricycle operators' pre- and post-tricycle operations in Table 11. The result shows that there is a shift in operators welfare from easy situations of 36.6% before procurement of tricycle to easy situations of 63.5%.

The results in Table 11 though shows an appreciable changes in the financial situations or welfare of the tricycle operators, nevertheless, the tricycle operators sampled are being faced with other challenges.

**Challenges faced by tricycle operators:** Tricycle operators sampled in the course of this research expressed their challenges in the bid to acquire NAPEP tricycle and in their course of operation. These challenges

Table 11: Average welfare measure of pre- and post-NAPEP tricycle operators

Operators	Values
<b>Pre-procurement of NAPEP tricycles (%)</b>	
Easy	32.6
Difficult	67.4
<b>Post-procurement of NAPEP tricycles (%)</b>	
Easy	63.5
Difficult	36.5

include cost of procuring the tricycle, routes of operation, size of the tricycle, parking problem and problem involving other road users.

**Costs of obtaining the tricycle:** All the operators sampled (100%) were of the opinion that the cost of acquiring a tricycle is enormous. They liken the cost of acquiring an auto-rickshaw to buying a fairly used car. The operators explained that the tricycles are given out by Micro-finance bank on hire purchase at an average price of ₦550,000 and registration which cost between ₦80,000-85,000. The total of which is equivalent to ₦635,000 (4,233 USD).

The study further revealed that NAPEP is to encourage operators to buy through Imitative of Peace Tolerance and Training (IPET), one of its various scheme. IPET procure and sell the tricycle at a unit price of ₦330,000 (2,200 USD) and operators are to pay into two different accounts, ₦295,000 (1,967 USD) is to be paid into IPET account and ₦35,000 is to be paid as commission. Ironically, NAPEP sells to individual that has the capability to buy the tricycles in fleet at the rate of ₦330,000 (2,200 USD) and these individuals sells to Micro-finance bank at the rate of ₦350,000 (2,333 USD), the bank later sells to tricycle operators at the rate of ₦550,000 (3,667 USD) in hire purchase and this put additional financial costs of ₦200,000 (1,333 USD) to the purchase of the tricycle. The operators explained that the actions of NAPEP officials make it difficult to acquire the tricycle at the official price, thereby, questioned the credibility of the programme.

**Route choice, size of tricycle and parking facilities:** From the interview conducted through the use of questionnaire, operators were of the opinion that in many a time they often ply the route that is economical in order to meet up with the payment of the tricycle. Due to unspecified route and with the size of the tricycle they have to share road ways with trucks and other vehicles and this make the operators and passengers vulnerable to road traffic accident.

The operators in the study area also lament that because of uncoordinated tricycle riders association they lack parks of garages and many of the operators use roadside as park.

Table 12: Tricycle operators contention with other road users

Variables	Frequency	Percent
Vehicles	17	11.6
Pedestrians	10	6.8
Police	67	45.6
Traders	5	3.4
Local council officials	48	32.6

Table 13: Overall assessment of napep auto-rickshaw in poverty alleviation

Variables	Frequency	Percent
Excellent	17	11.6
Very good	74	50.3
Good	28	19.1
Fair	15	10.2
Poor	13	8.8

**Problems faced with other road users:** Another challenge the tricycle operators are facing is the face of between them and other road users. The distribution in Table 12 shows the percentage response of problems faced by tricycle operators in the study area. About 11.6% of the respondents compete with vehicles, 6.8% of the operators compete with pedestrians when sharing available space on the roadways with pedestrians or when using walkways during congestion, majority of the operators 45.6% see police as problem because of their extortions, 3.4% of the operators engage with traders when sharing side roads they use for parking or ran into the traders using side road as market place and 32.6% of the operators see the extortion and seizure of their tricycle by local government council officials. In spite of the challenges, the tricycle operators are facing, operators were asked to assess the significance of National poverty alleviation programme of the auto-rickshaws in poverty reduction through self-empowerment and job creation. The results of the operators response is shown in Table 13.

**Overall assessment of NAPEP auto-rickshaws:** The distribution of tricycle operators in response to their overall assessment of NAPEP auto-rickshaw in poverty reduction shows that 11.8% of the operators assessment is excellent, 50.3% gives the scheme very good rating, 19.1% of the operators see the programme to be good, 10.2% of the respondent believe the programme is fair and 8.8% of the tricycle operators sampled in the study area believe that the scheme performance is poor. In spite of the operators' complaints about NAPEP auto-rickshaw scheme, the distribution of the overall assessment of the programme revealed that large number of the operators sampled in the study area (81%) still believe that the scheme is reasonable or satisfactory and the positive change in the tricycle operators' difficult situations before and after purchasing the tricycle as shown in Table 10 and 11 earlier confirmed the result of Table 13.

## CONCLUSION

The study shows that large number of the tricycle operators live in a rented apartment. With increase in house rent in Lagos, it means tricycle operators will have to pay more on house rent and this will normally affect some of their responsibilities such as children school fees and medical bills. While researchers, therefore recommend that government should assist the tricycle operators in the area of housing either through provision of soft loans or come up with a low-cost housing scheme that will help the tricycle operators in owning their own house.

The result of the survey also shows that the tricycles are sold to contractors who used Micro-finance bank to sell at hire purchase to the tricycle operators at a very high price over a period of 6 or 15 months. The additional cost of ₦200,000 that micro-finance placed on the tricycle and a payback period of maximum of 6 or 15 months makes it difficult for the operators to cope with such arrangement. This action has defeated the purpose of the programme from poverty alleviation to poverty aggravation. It is recommended that government can sell directly to the micro-finance at the same unit price of ₦330,000 and the micro-finance houses release the tricycles to beneficiaries at a reasonable amount with a payback period that will be convenient for the operators. If the tricycles are sold to the operators at a reasonable price with a friendly payback period, the gesture will directly helps in encouraging more people to benefit from the scheme and indirectly increase the ownership of tricycle from 68.1% for two or more tricycles. The implication is that operators with two or more tricycles may employ more operators as observed in the field of survey and thereby creating job opportunities for others as well increase his income generating capabilities. Furthermore, the local government authority should mandate the tricycle operators to form an association under the supervision of the local government authority. Achieving a coordinated association for the tricycle operators will go a long way in curbing molestation of passengers and robberies which are common with motorcycle operators.

Some of the problems highlighted by the motorcycle operators are extortions from police officers and local government council officials. Actions of these officers are not contributing to reduction of poverty of the tricycle operators but rather add to their operating costs. It is recommended that appropriate authorities in charge of police affair and the local government officials should call these officers to order. The study equally shows that tricycle operators do not have specific routes to ply. They ply routes that are lucrative hence, they are found on highways and motorways. In order to safe guide the life of the operators and their passengers, it is recommended

that the ministry of transport in the state should enact law that will limit or specify the type of roads the tricycle operators can ply.

### RECOMMENDATIONS

Parking problem and uncoordinated association is one of the various challenges of the tricycle operators are facing. Researchers recommend that the local government authority should assist the tricycle operators in securing parking spaces in the 24 identified loading points and other loading points in the local government area with affordable tolling system. If the recommendation implemented, the local government authority will not only be saving life of passenger and operators of the tricycle from exposure to road traffic accident but also use it a medium to generate revenue to the local government. Whether measured in absolute or relative terms, poverty is a general phenomenon in Nigeria and this can also be attributed to the slothful economic growth, the low level and inequality in income distribution and lack of access to basic social amenities in geo-political divisions of Nigeria. As widely reported by Cable News Network (CNN), in one of its programmes, out of business, child abuse, child trafficking, unemployment and travel need for the poor in Africa are all symptoms of poverty. These menace plaguing developing countries and particularly Africa countries is regarded as another form of slavery which is coined as modern slavery. Like other poverty eradication schemes that are robust in their formulation but deficient in implementation, the scheme like NAPEP tricycle may fall into such schemes that failed if federal government allowed loop holes in its implementation. It is therefore, recommended that the 4th phase of Keke NAPEP must be handled with care in order to sustain the scheme.

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