

Foreign Donor Interventions and Economic Development: Impact Assessment of European Union Micro Project Programme in Nigeria

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Abstract

Efforts to develop the economy of developing economies of the world have often attracted the contribution of intervening agencies. Through the intervention programmes of the European Union Micro Project Programme (EU-MPP), Nigeria has benefited from these efforts. The study examines the impact EU-MPP6 on the socio economic wellbeing of the people of Cross River State, in terms of the provision of potable water. The study hypothesized that the provision of potable water by EU-MPP6 has not significantly improved the socio economic wellbeing of the people of Cross River State. Survey research design was adopted in the study. Data were obtained from primary and secondary sources. The primary data was obtained with the use of a research questionnaire. The population of the study consists of residents of the Akpabuyo and Etung local government areas of Cross River State. The sample of the study comprised 200 respondents. Results obtained from the analysis of data showed that the provision of potable water has significant impact on the socio-economic well-being of the populace. It was further recommended, among other things, the need to put in place an effective project maintenance system to ensure sustainability

Keywords: *Foreign donor, Economic development, European Union micro projects*

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Background to the Study

A significant objective of foreign, otherwise referred to as international donor intervention in developing countries is the promotion of economic development and welfare, usually measured by its impact on economic growth and development. (Audretsch & Feldman 1996) said the premise that African countries are poor and cannot be developed without external intervention from the developed West has brought about the involvement of both bilateral and multilateral donor agencies in the development process of many African countries. The interventions have mainly being in form of the injection of capital into certain sectors of the economies of African states. However, some donor agencies have also intervened directly in certain programmes and projects in the developing countries, thereby completing government efforts in the development process (Umaru, 2012).

(Amsden 1997) maintained that, after the Nigerian independence in 1960, many bilateral and multilateral donor agencies have responded to the development needs of the country by way of intervening in developmental programmes and projects. Lewis (1982) remarks that all donor nations have mixed purposes for intervening and that these can be categorized into three groups; first, economic assistance to further the donor's national interest in the following ways; a) strategic and defense purpose, b) ideological and or political purpose, and c) the donor's own economic and commercial interests, sought through expanded export, increase access to scarce materials or new opportunities for private investors.

The European Union has played an important role as a donor agency in the provision of economic benefits. According to (Okon 2012), the European Union Micro Project Programme (EU-MPP) is an interventionist development programme aimed at the economic and social development of rural commodities, in this case, in response to the felt needs of those living in the “Niger Delta”. The programme is the result of a co-operative instrument developed by the European Community between it and some of its member countries, to finance local micro-projects that have an economic and social impact on the lives of those in developing countries (Okon, 2012). The programme aspires to achieve, the provision of basic healthcare facilities, education, rural transportation, water supply, sanitation and electricity. It also aims at increasing awareness on issues of “gender and HIV/AIDs, the environment conflict and human rights, transparency and accountability in local government administration, income generating and other non-conventional projects as may be desired by the participating community” (EU-MPP6 Fact Sheet, 2012).

It started out with “MPP3 (that is Micro Project Programmes in three states of the Niger Delta; Rivers, Bayelsa and Delta states). The vision of MPP3 in the development of the Niger Delta region was a laudable programme which must be commended by all stakeholders” (Ibaba, 2005). The implementation of MPP3 is said to have savored the hardship of the people for many years (Omoweh, 2004). It was “a direct way of empowering the people at the same time enveloping development as a gift of democracy to the remote areas as a bid of tapping from the national cake” (Etekpe, 2007). He further added that, after the successful implementation of the MPP3 projects, the European Union decided to include three more States in its next phase, the MPP6.

According to MacRae (2012), MPP6 was implemented in six of the “nine states that made up the Niger Delta Region of the country”, which is also the crude oil producing region of the country. The states that benefited from the programme include “Abia, Akwa Ibom, Cross

River, Edo, Imo and Ondo states”. Martins (2013) said, “It is pertinent to note that the MPP6 was never the only interventionists programme introduced in Nigeria within this period. What made it special and" worth expounding was the approach it adopted”.

Emerging studies have shown that, despite intervention of donor agencies to complement government efforts in providing social services, the development gap are till widen (MacRae 2012; Martns 2013; Anam, 2014). This leaves us with more questions than answers as to whether donor agencies are actually sincere with their proclaimed motive of intervening in developmental projects and programmes of developing countries, or they are simply creating a dependency syndrome among Third World countries so as to achieve their strategic interests even at the expense of the developing nations. However, (Anam 2014) argued that, the micro project programmes (MPP6) as a poverty alleviation strategy initiative has raised people's productivity and creativity and enhanced entrepreneurship and technological advancement. In addition, it plays a very crucial role in securing economic and social progress and improving income distribution in Cross River State (Becker, 2008). This study is set to examine the impact of EU-MPP6 projects in the provision potable water in Cross River State, Nigeria.

Objective of the Study

The study examines the impact EU-MPP6 on the socio economic wellbeing of the people of Cross River State, in terms of the provision of potable water.

Hypothesis

The provision of potable water by EU-MPP6 has not significantly improved the socio economic wellbeing of the people of Cross River State.

Method and Source of Data

The study adopted survey research design. The method supports the use of large and small populations. Data were obtained from primary and secondary sources. The primary data was obtained with the use of a research questionnaire. The population of the study consists of all residents in the Akpabuyo and Etung local government areas of Cross River State. The sample of the study comprised 200 respondents.

Literature Review

According to (Arora & Athreye 2002), economic development involves development of human capital, increasing the literacy ratio, improve important infrastructure, improvement of health and safety and others areas that aims at increasing the general welfare of the citizens. The terms economic development and economic growth are used interchangeably but there is a very big difference between the two. Economic growth can be viewed as a sub category of economic development. Economic development is a government policy to increase the economic, social welfare and ensuring a stable political environment. Economic growth on the other hand is the general increase in the country products and services output (Arrow, 1962).

Beine, Docquier & Rapoport (2001) said, economic development includes economic growth measured in terms of GDP and its distributional dimensions. In respect of this some economists include role of reducing poverty, provision of improving basic needs, goods and services and reduced inequalities in income distribution in the definition of economic development which can be achieved by increasing the rate of production and employment. Thus, the growth of productive employment is another dimension which is included in the definition of economic development (Bell, 2012).

Singer and Ansari 1977) define development in terms of decrease of poverty. "Economic development is meant not simply an increase in the GNP of a country but rather a decrease in poverty at an individual level. Probably the best indicators of poverty are low food consumption and higher unemployment. If these problems are effectively dealt along with growth of GNP and with a reasonably equitable income distribution then and only then can genuine economic development be talked of".

In 1980 The World Bank outlined the challenges of development as economic growth, and joined the views of observers taking a broader perspective when in its 1991 World Development Report, it asserted: "The challenge of development is to improve quality of life. Especially in the world's poor countries, a better quality of life generally calls for higher incomes but it involves much more. It encompasses as ends in themselves better education, higher standard of health and nutrition, less poverty, a clearer environment, more equality of opportunity, greater individual freedom, and a richer cultural life". Bell (2012) added that, in 1990's, economists defined development in terms of human welfare, better education, low unemployment, low malnutrition, disease, low poverty, more equality etc. and little importance has been given to GDP and its content. In 1990's development economists focused more directly on the development process. Mahbub-ul Haq, a leading Pakistani economist has remarked, "The problem of development must be defined as a selective attack on the worst forms of poverty. Development must be defined in terms of progressive and eventual elimination of malnutrition, disease, illiteracy, squalor, unemployment and inequalities (Block & Keller, 2009).

In the United Nations Human Development Report (1994) the same idea was highlighted. The report asserts: "Human beings are born with certain potential capabilities. The purpose of development is to create an environment in which all people can expand their capabilities, and opportunities can be enlarged for both present and future generations. The real foundation of human development is universalism in acknowledging the life claims of everyone. Wealth is important for human life. But to concentrate on it exclusively is wrong for two reasons: First, accumulating wealth is not necessary for the fulfillment of some important human choices. Second, human choices extend far beyond economic well-being". Economic development is thus a broad concept which includes both economic and non-economic aspects.

Amartya 1999) pointed out that "Development requires the removal of major sources of inequalities, poverty as well tyranny, poor economic opportunities as well as systematic social deprivation, neglect of public facilities as well as intolerance or over activity of repressive states". Thus, we conclude that aggregate and per capita real incomes are not sufficient indicators of economic development. Rather economic development is concerned with economic, social and institutional mechanisms that are necessary for bringing large scale improvements in the levels of living of the masses.

Goulet (1971) considers three core values as an important basis and guideline:

1. Life Sustenance: The ability to meet basic needs: There are some basic needs (food, shelter, etc.) that are essential for improvement in the quality of life. So the basic function of economic activity is to overcome people from misery arising from shortage of food, shelter.

2. Self-esteem: A second universal component of the good life is self-esteem. Self-esteem refers to self-respect and independence and for development of a country it is an essential condition. Developing countries need development for self-esteem to eliminate the feeling of dominance.
3. Freedom: A third universal value is the concept of freedom. Freedom here is understood as a fundamental sense of release from freedom, freedom from misery, institutions and dogmatic beliefs. It refers to freedom from three evils of want, ignorance and squalor.

McGranahan (1972) introduces social factors as an important phenomenon in the process of economic development. According to McGranahan, “development theory is much preoccupied with the rate of social factors as inputs or prerequisites for economic growth. It is widely believed that neglect of these factors has been a reason for disappointing rate of economic growth. At the same time it is evident that there is no simple universal law that can be stated regarding the economic impact of education, health, housing and other social components”.

According to Michael Todaro definition of economic development includes both economic and social choices and suggests that improving standard of living must guarantee economic and social choices and argues that development should “expand the range of economic and social choice to individuals and nations by freeing them from servitude and dependence, not in relation to other people and nation states, but also to the forces of ignorance and human misery”. Feldman & Kelley (2003) defines economic development “as an innovative process leading to the structural transformation of the social system” while Schumpeter defines development in terms of a discontinuous and spontaneous change in the stationary state which forever alters and displaces the equilibrium state previously existing”..

Reiterating, the assertion of economic development given by Professor Michael Todaro is an increase in living conditions, improvement of the citizens self-esteem needs and free and a just society. He suggests that the most accurate method of measuring economic development is the Human Development Index which takes into account the literacy rates & life expectancy which in-turn has an outright impact on productivity and could lead to Economic Growth. However, economic development can also be measured by taking into account the GDI (gender related index) (Bok, 2009). The human dimension which reflects the need for change in socio economic wellbeing is the focus of this argument. Government and nongovernmental projects must directly and indirectly positively enhance the wellbeing of citizens.

Okon (2012) acknowledged that, the European Union Micro Project Programme (EU-MPP) “aimed at the economic and social development of rural communities and this is in response to the felt needs of those living in the region”. The programme is the result of a co-operative instrument developed by the European Community between it and some of its member countries, to finance local micro-projects that have an economic and social impact on the lives of those in developing countries. The programme is concerned with the provision of basic healthcare facilities, education, rural transportation, water supply, sanitation and electricity, among other development issues (EU-MPP6 Fact Sheet, 2012).

Anam (2014) disclosed that the EU programmes in the Niger Delta region of Nigeria are in phases. The first phase, which was referred to as MPP3 (covered 3 states; Rivers, Bayelsa and Delta), funded 858 micro projects. The second phase, MPP6 (covered 6 states of Abia, Akwa Ibom, Cross River, Edo, Imo and Ondo States) witnessed the execution of 1900 micro projects and now the third phase, MPP9 (Okon, 2012). The ongoing MPP9 is targeted at 1200 micro projects (Martins, 2013). He stated that the programme also includes an additional 125 pilot projects in the Etung Local Government Area of the Cross River State. The projects are to contribute to poverty reduction in rural and semi-urban communities through the promotion of community/ rural participation in the process. He maintained, "This it is hoped, will in turn contribute to strengthening peace and stability in the Niger Delta and achieving the Millennium Development Goals (MDGs). The MPP9 programme is funded by a grant of 9.2 billion naira from the 9th European Development Fund and represents a continuation and expansion of earlier EU micro project interventions in the Niger Delta" (MacRae, 2012).

The micro project programme (MPP6) has been involved in several poverty alleviation projects in local government areas of Cross River State. These include boreholes drilling and water supply schemes, health care delivery projects, building and renovation of classroom blocks as well as environmental protection projects. The adoption of these projects is consistent and sustainable due to the fact that the poor have been identified (Bassey, 2014).

Potable safe water is a basic necessity of life. Water is needed in all human activities. Its importance in enhancing the well being of the rural class cannot be overstressed. Water quality is prerequisite for socioeconomic development (Ojo, 2001). In Nigeria, only 60 percent of households have access to adequate sanitation facilities remains low (UNDP, 2007). Tinubu (2007) stated that in Nigeria, more than half the population has no access to clean water and many women and children walk for hours a day to fetch it. Essien (2008) reported from his study on availability of safe water in Cross River State that water supply coverage is estimated at 35%. In recognition to the harmful effect of inadequate potable water supply on the health of people, the Cross River State government in corroboration with the international community and Nigeria respectively has continued to make efforts to address the needs for availability of safe water (Esrey, 2001).

According to World Health Organization (2010), safe drinking water and basic sanitation is of crucial importance to the preservation of human health, especially among children. Water-related diseases are the most common cause of illness and health among the poor in developing countries. The World Health Organization (2010) reported that 1.6 million deaths of children per year may be attributed to unsafe water, poor sanitation and lack of hygiene (WHO, 2010). Drinking or using unsafe water in food preparation leads to widespread acute and chronic illnesses and is a major cause of death and suffering worldwide in many different countries. Reduction of waterborne diseases and development of safe water resources is a major public health goal in developing countries (Ottong & Bassey 2009).

Expanding access to water and sanitation is a moral and ethical imperative rooted in the cultural and religious traditions of communities around the world. Extending water supply and sanitation services have largely contribute to promoting good health among people in Cross River State (Nkpoyen, 2012). According to the World Water Council (2014), the availability of safe water has helped in improving the health of human beings in the community. Water has an economic value in its competing uses has been recognized as an

economic good. This principle has brought about greater willingness to accept pricing in managing water with considerable debate on how pricing can be reconciled with affordability, especially the rural and urban poor consumers (Oludimu, 2004). Juma (2013) in his study on availability of safe water in rural communities reported that executing water is a significant step to community development approach in empowering and dwellers especially towards enhancing their socioeconomic conditions, by providing them with fresh and accessible water, thereby increasing their living standards.

Theoretical Framework: Integrated Development theory

The major proponent of this theory is Abasiokong (1982). According to Abasiokong (1982), integrated development is a comprehensive and coordinated approach of all persons and agencies concerned, aimed at involving rural people in determining policies, planning and implementation of programme that are designed to improve their economic social and cultural conditions and enable them to make a positive contribution to socioeconomic development.

The proponent of this theory maintains that development is concerned with everything, including the crops grown by the farmers, the goods sold and the road along which it is transported to the market by the traders, the schools attended by the children and the disease affecting a body. The theory therefore seeks to understand these linkages and to make appropriate provisions for the resultant effects of alteration in one or few elements on the others (Nkpoyen, 2013). The integrated rural development model considers development to be a comprehensive and holistic strategy involving the improvement of the entire rural economy, and emphasizes the fact that the economic base in the rural areas has to be broadened through efforts to mobilize and better utilize human and natural resources by providing services, by creating motivation and purchasing power through distribution of income and employment opportunities, by establishing closer links between agricultural, industrial and service sectors in the rural areas and by improving the conditions of living regarding housing, water supply, education, healthcare delivery, etc. through assistance of micro projects programme.

The theory advocates that micro projects programme as a poverty alleviation strategy should be multi-dimensional, covering access to potable water, educational programme, improving the health status of the citizens and other institutional framework necessary to improve their socioeconomic lives. This also entails the cooperation and coordinated actions of all agencies involved in development to join forces with the community to ensure its development (Ottong and Basse, 2009).

Data Presentation and Analysis

Data collected were properly checked to make sure all items were responded to. Thereafter, they were edited, coded and analyzed using one-way analysis of variance (ANOVA) statistical tool. The test of significance is based on the .05 level.

Table 1

Result of one-way ANOVA test of the influence of extent of provision of potable water on enhanced health status of respondents

View on provision of potable water	N	X	SD	
High	113	14.29	3.06	
Moderate	168	12.33	3.49	
Low	439	10.74	3.25	
Total	720	12.64	3.31	
Source of variation	SS	DF	MS	E-ratio
Between Groups	85.26	2	42.63	6.16
Within groups	4961.64	717	6.92	
Total	5046.90	719		

* $P < 0.05$, $F_{2,717} = 3.01$

The calculated F-value which represents the observed influence of provision of potable water on the socio-economic well-being of the people (with particular reference to enhanced health status) is equivalent to 6.16. As shown in the table, this is found to be greater than the critical F-ratio of 3.01 at 0.05 level of significance with 2 and 717 degrees of freedom. With this result, the null hypothesis was rejected while the alternate is retained. The interpretation of this is that the provision of potable water has significant impact on the socio-economic well-being of the populace.

Conclusion

The findings of this study provide us with some evidences to reach some specific conclusion. The study concluded that the provision of potable water has significant impact on the socio-economic well-being of the populace. There is need to provide a mechanism for the effective maintenance of government projects. A better way to do this is to involve community members in designing and implementing projects. The consultative process will allow rural people to express their goals and priorities. Experience advanced by scholar's shows that when rural people are given the opportunity to express their views, they add real value to the quality of the resulting decision and guard the projects, with the consciousness that it is their own. This consciousness promotes greater responsibility in monitoring the sustenance of the project.

Akintola et al (1980) added training the rural people to provide some technical assistance in the course of implementing projects enables them to identify, prepare and implement their own subprojects, thereby augmenting their capacity to compete for investment funds. Project experts should therefore be employed to train members of the rural communities on basic technical skills, thereby improving their manpower power capacity to maintain basic projects after provision has been made by the government and its agency. We can therefore conclude using the position of Colwell & Greene (2008) that there is a dire need to resuscitate the rural economies by advancing their course.

Recommendations

Based on the conclusion reach above, the study recommends as follows,

1. There is need to improve the provision of infrastructural facilities in rural dwellers.
2. There should be more access to potable water in rural communities as most economic activities and health status of the people large depends on it.

3. There is need to set up maintenance mechanisms for rural projects including water facilities in rural areas. Most rural projects, water schemes in particular are not functioning due to faulty installation or lack of maintenance. This trend has to be corrected.
4. The major water development projects are concentrated in the urban areas. And most of these projects remain uncompleted, while those that were completed have long broken down without any serious plans to rehabilitate them. There is therefore need to improve, refocus provision priority to the rural areas where there is felt need for water supply.

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