# Public Policy Management and Poverty in Nigeria: A Discourse on National Economic Empowerment and Development Strategy (NEEDS)

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## Abstract

The thrust of this paper is on public policy management and poverty in Nigeria .The paper focuses on NEEDS, launched in 2004 during President Olusegun Obasanjo's administration, aimed to provide a comprehensive framework for Nigeria's economic and social development and address poverty through structured public policy management. The paper is guided by the following objectives; to evaluate the effectiveness of the NEEDS strategy in achieving its stated goals of poverty reduction; to assert the impact of NEEDS on the socio-economic conditions of vulnerable populations in Nigeria; examine the specific policy interventions and programs implemented under the NEEDS framework and to identify the strengths and weaknesses of the NEEDS policy design. The paper relied on Secondary sources of data to give a robust analysis to the study. The paper found out that there were some modest improvements in educational indicators, such as increases in female enrollment in primary schools. The paper concluded that there is a

persistent gap between policy formulation and effective implementation remains a fundamental challenge. The paper recommended among others that emphasis on building capacity of government agencies at all levels to effectively implement policies.

**Keywords**: Policy, Implementation, Management, Poverty

## Introduction

Poverty has many facets, and its causes are intricate. In addition to having little money and personal belongings, the impoverished frequently lack access to necessities like clothing, food, and housing. Since it is a long-standing illness that affects many countries, governments and international organizations have developed a number of strategies to combat the threat. One of the issues Nigeria is now dealing with is poverty. The prevalence of poverty is high in spite of the nation's wealth in natural, physical, and human resources. Strange ironies abound in Nigeria's social and economic heritage. Despite having a wealth of natural and human resources, the nation consistently languishes in abject poverty and underdevelopment. Nigeria, for instance, is regarded as having more than 220 million people, making it the 19th largest country in the universe in terms of human endowment. Nigeria is estimated to have 80 million workers. There are over 170 colleges in the nation, with roughly 43 owned by the federal government or state governments and 127 owned by private citizens and business organizations (United Nation, 2021).

Nigeria's prosperity plan is called NEEDS, or the National Economic Empowerment and Development Strategy. It serves as a means for the populace to communicate to the government their preferences for the current and future Nigeria. It is the government's method of informing the populace about its strategies to get past the significant and widespread barriers to advancement that both the people and the government have identified. It also serves as a means of communicating to the global community Nigeria's position in the globe and in the region, as well as how it would like to be assisted.According to Okolie (2005), the Nigerian government employs impractical development plans that exacerbate reliance, perpetuate underdevelopment, and undermine attempts at sustainable human development in Nigeria. Consequently, because of the persistence of illiteracy, poverty, unemployment, starvation, and inflation, development has

remained mostly elusive. The World Bank's development initiatives are evident everywhere, but particularly in the less developed nations' rural areas. World Bank-assisted agricultural development projects, water and sanitation projects, market development, education development, health facilities, etc., are typical examples. These projects are scattered throughout Nigeria.

The Poverty Reduction and Economic Management (PREM) Network, which was established in 2002, and the International Development Association (IDA), which was established in 1960, are two organizations that strive to reduce poverty by offering loans (referred to as "credits") and grants for programs with low interest rates of 0.75 percent to boost economic growth, reduce inequalities, and improve people's living conditions. However, the rising prevalence of poverty among developing states worldwide, particularly in sub-Saharan Africa, forced the World Bank to concentrate more on poverty reduction strategies. All of these assessments suggest that we have failed miserably to provide high-quality education, maintain a good standard of living, and live long and healthy lives.

**Statement of the problem**

Despite multiple efforts, implementing public policy in Nigeria to reduce poverty has proven to be an ongoing issue. A major national initiative to combat poverty through a comprehensive framework that included economic growth, wealth creation, employment production, and a reorientation of social values was the National Economic Empowerment and Development Strategy (NEEDS), which was adopted in 2004.

However, poverty rates in Nigeria have remained persistently high and have even become worse at times, despite the ambitious goals and resources allocated to NEEDS. This raises the possibility of a discrepancy between the way the policy was conceived, managed, and implemented, and how it actually affected the lives of the impoverished (NEEDS, 2004). This study aims to take a detailed and scholarly investigation of NEEDS in order to be able to give solutions, as existential realities support the fact that the poverty status of Nigerians has continued to grow despite the country's numerous poverty reduction programs. How much has poverty been eradicated?

Persistently high levels of poverty suggest serious difficulties in the effective management and implementation of the National Economic Empowerment and Development Strategy (NEEDS), despite the strategy's articulation and implementation as a crucial public policy framework for poverty reduction in Nigeria. This prevents the strategy from having the desired effect on poverty alleviation and national economic empowerment.

**Objective of the study**

The specific objective of this study **is to critically examine and evaluate the National Economic Empowerment and Development Strategy (NEEDS) as a public policy tool for poverty reduction and national development in Nigeria. Other objectives are to:**

1 Evaluate the effectiveness of the NEEDS strategy in achieving its stated goals of poverty reduction
2. Assert the impact of NEEDS on the socio-economic conditions of vulnerable populations in Nigeria.
3. Examine the specific policy interventions and programs implemented under the NEEDS framework
4. Identify the strengths and weaknesses of the NEEDS policy design.

**Theoretical Framework**

Weible and Sabatier's (2018) institutional analysis and development (IAD) paradigm served as the theoretical foundation for this investigation. Impacts on policy decisions, policy on poverty, and socioeconomic development results are all analyzed using this approach (Weible & Sabatier, 2018). It focuses on how policymakers make decisions in institutional contexts that influence their mindset, specifically when they are participating in collective actions (Weible & Sabatier, 2018). The framework core offers tools for investigating how different institutions and policymakers start and produce different outcomes, always evaluated in terms of balancing management, equality, accountability, and other goals like prosperity and well-being (Weible & Sabatier, 2018).

The IAD framework's routes for problem-solving were in line with investigating how governance policy affected Nigeria's socioeconomic development problems. The material and physical conditions that affected how people lived, worked, and

established laws are the foundation of Nigeria's institutional situation of governance (Weible & Sabatier, 2018). The IAD framework is relevant to the Nigerian context since bad governance has contributed to the country's socioeconomic development (Akinde, 2020). The impact of government actions on the standard of living of the people they represent was identified by this study. The thorough application of this framework to examine the effects of various policies as represented in the Vision, policy choices, and governance outcomes was one of the logical linkages between the framework and the nature of this study.

**Review of Related Literature**

Poverty Reduction and the World Bank Report (1991) states that Nigeria has no effective program in place to reduce poverty. The so-called programs or plans for reducing poverty were poorly run, the intended beneficiaries did not receive the advantages, and their high administrative costs made them less appealing. In this regard, federally sponsored programs have not been successful since the intended beneficiaries were not included in the planning and implementation of the programs aimed at reducing poverty. Initiatives to end poverty have been undertaken over the years, but they have not significantly improved Nigeria's overall state of economic progress. Nigeria is enmeshed in a vicious cycle of poverty as a result of all of these factors.

The NEEDS Document (2005) states that a lack of fundamental services including clean water, education, land, and health care is another factor contributing to poverty. Lack of resources, including credit and networks of friends and family, is another. In addition, there is a shortage of money for things like clothing, food, housing, and empowerment (political power, confidence, dignity). Others indirectly contribute to inequality by, for instance, depriving some segments of the population of their human rights or dignity or by limiting their political influence. Vulnerability to poverty is increased by discrimination based on gender, age, handicap, or illness. So do market meltdowns, wars, droughts, floods, and shocks that are human or national in origin. All of these factors, when combined with poor economic management, contribute to the acceleration of poverty.

According to Axel (2004), the understanding of Nigeria as a rent-based state—a position that poses a significant obstacle to development—had a fundamental

impact on NEEDS. In Amadi (2004), he expressed hope that the Extractive Industries Transparency Initiative (EITI) would tackle the issues caused by Nigeria's rentier position, claiming that NEEDS supplied the workability that was lacking from all other development programs. He went on to say that NEEDS differed from earlier plans in four important ways: the collaborative planning framework, the participatory nature of the planning process, the ability to implement it, and its clear focus and workable content. He came to the conclusion that NEEDS was founded on the knowledge that Nigeria possesses all the necessary resources to rank among the world's most prosperous economies.

**Effectiveness of the NEEDS strategy in achieving its stated goals of poverty reduction**

The new approach's guiding principles and best practices from several national examples point to a variety of problems that a nation's plan for reducing poverty might tackle. This is meant to serve as a summary that governments may find helpful in structuring their thoughts as they work toward the development of a PRSP with the help of all process participants.The objectives of poverty reduction and social development should be in line with a nation's macroeconomic, structural, and social policies. A strategy for reducing poverty should also be developed in a way that promotes openness and widespread involvement in the selection of objectives, the creation of policies, and the oversight of their execution. The PRSP would typically consist of:

- Long-term objectives for major poverty reduction goals and the institutional, structural, and macroeconomic framework for accomplishing them, based on national and international experience.
- These longer-term objectives could be converted into annual (or six-month) targets covering, say, a three-year horizon for related intermediate and proxy indicators, given the long lags—both in reporting and in effects—typically associated with poverty outcomes and the need to ensure shorter-term monitoring of progress. A long-term objective to raise the literacy rate, for instance, could be converted into yearly (intermediate) goals that address things like the primary school enrollment rate.
- Over a minimum three-year horizon, the institutional and policy foundations for rapid sustained growth and poverty reduction—including sectoral strategies, specific anti-poverty programs, institutional and

structural reforms, poverty reduction goals, and the related domestic and external funding needs—should all be incorporated into a coherent macroeconomic framework.

- While the creation of nation-specific indicators and monitoring methods to track them was still in its early stages in the majority of countries, the PRS process has started to focus stakeholders on results. Generally speaking, decision-making was unrelated to the information that was available.
- Policymakers now have a better understanding of the connections between sector plans and poverty reduction thanks to the process of unifying sector programs under a single strategic umbrella. It has been contested whether sectoral spending plans satisfy the requirements for reducing poverty. However, as previously said, the majority of PRSPs have not successfully integrated sector strategies with the macroeconomic framework by carefully examining the drivers of growth and other macro-micro relationships.
- While discussions of the macroeconomic framework and associated structural reforms have remained largely same, the development discourse has gained new participants and transparency as a result of extensive consultations carried out in the majority of PRSP nations during strategy formation.

**Impact of NEEDS on the socio-economic conditions of vulnerable populations in Nigeria**

To address the many crises, the government has implemented a number of programs. All of them have failed at some of the goals but succeeded at others. A synopsis of these is given below:

Table 2 **Selected Targets under NEEDS, 2003–07**

| | 2003 | 2004 | 2005 | 2006 | 2007 |
|---|---|---|---|---|---|
| **Macroeconomic** | | | | | |
| Growth in real GDP (percent) | 10.2 | 5.0 | 6.0 | 6.0 | 7.0 |
| Growth in oil sector (percent) | 23.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Growth in nonoil sector (percent) | 3.3 | 7.3 | 8.5 | 8.3 | 9.5 |
| Reduction in poverty incidence (percent) | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| Minimum number of new jobs (millions) | — | 1.0 | 2.0 | 2.0 | 2.0 |
| Growth in real private consumption (percent) | — | 4.8 | 4.8 | 4.8 | 4.8 |
| Growth in real private consumption, per capita (percent) | — | 2.0 | 2.0 | 2.0 | 2.0 |
| Inflation rate (percent) | 15.0 | 10.0 | 9.5 | 9.5 | 9.0 |
| **Sectoral** | | | | | |
| Growth in agricultural sector (percent) | 7.0 | 6.0 | 6.0 | 6.0 | 6.0 |
| Growth in manufacturing sector (percent) | — | 7.0 | 7.0 | 7.0 | 7.0 |
| Manufacturing capacity utilization (percent) | 53.0 | — | — | — | 70.0 |
| Number of tourist visitors (percent) | — | 10.0 | 10.0 | 10.0 | 10.0 |
| Communication (teledensity) | 1:40 | — | — | — | 1:25 |
| Solid minerals | Self-employment for at least 500,000 Nigerians | | | | |
| Agricultural exports | — | — | — | — | $3 billion |
| Environment | Reduce all forms of environmental degradation by 30% of 2004 levels by 2007 | | | | |

Adopted from IMF Country Report No. 05/433, (Dec, 2005)

**Economic recovery plan:** In order to combat the recession and encourage sustainable economic growth, the government introduced the Economic Recovery and Growth Plan (ERGP) in 2017. Enhancing infrastructure, encouraging economic diversity, and enhancing macroeconomic stability were the main objectives of the strategy. The policy rate was kept at 11.5% by the central bank in 2021 to aid in the revival of the economy. Because oil revenues have recovered, the nation's current account deficit has dropped from 4% of GDP to 2.9% of GDP. Gross reserves grew to $40.1 billion in 2021 as a result of the increase in oil exports and the disbursement of the $3.4 billion SDR allocation, or 0.8% of GDP. The ERGP has been somewhat successful in fostering economic diversification and enhancing macroeconomic stability in terms of economic recovery. However, the COVID-19 pandemic has reversed part of the progress gained under the plan, and it has failed to adequately address Nigeria's infrastructure gap. The pandemic has also brought attention to the need for additional funding for healthcare infrastructure and shown flaws in the current system. Important sectors like power, housing, and transportation have not received much investment. Additionally, the plan failed to address the high unemployment rate that persists, especially among youth. COVID-19 response strategy: To address the economic and public health impacts of the epidemic, the government established the National Economic Empowerment and Development Strategy.

**COVID-19 Response Plan**. The plan advocated for measures like strengthening the social safety net, providing financial stimulus to assist individuals and businesses, and increasing healthcare capacity. In order to manage the outbreak and mitigate the COVID-19 pandemic's impacts in Nigeria, the President also established the Presidential Task Force (PTF) on the virus, whose responsibility it was to supervise and coordinate the country's multi-sectoral and intergovernmental initiatives. The PTF adopted the National COVID-19 Multi-Sectoral Pandemic Response Plan, which provided the foundation for the federal government's comprehensive response. The plan provided financial stimulus packages to mitigate the adverse financial impacts of the epidemic on individuals and businesses. It also increased healthcare capacity by building isolation facilities, buying medical equipment and supplies, and recruiting and educating healthcare workers. The strategy did not, however, adequately address the underlying problems of Nigeria's healthcare system. For example, the lack of adequate healthcare infrastructure and personnel limits the country's ability to respond to impending pandemics.

**Security measures:** Over the past ten years, the nation has struggled with security issues. As a result, resources have been mobilized to stop and push back the greatest security violations, and security spending has increased. In particular, large-scale security force deployments have been made to the most susceptible areas, along with community policing initiatives for intelligence collection. However, the causes of the security issues—poor socioeconomic growth, a lack of infrastructure, and weak governance institutions—remain unsolved.

**Social protection programmes:** To help vulnerable communities, the government has put in place a number of social protection programs, such as emergency food assistance, school feeding programs, and cash transfer programs. The national conditional cash transfer, the school food program, and the economic stimulus bill were some examples of social policy responses. Vulnerable communities have benefited from the programs, particularly during the COVID-19 epidemic. They decreased child labor and raised school attendance rates. However, the programs' coverage is restricted. The programs have not helped many disadvantaged groups, particularly in rural areas. Additionally, the programs have not sufficiently targeted the most vulnerable and impoverished households. The

substantial disparity in social safety net spending between Nigeria and other African nations, especially South Africa, is brought to light in the report by Human Rights Watch. Nigeria only allocated 0.3% of its GDP to social safety programs in 2016, whereas South Africa allocated 3.4% of its GDP to social security. According to the report, Sub-Saharan Africa spends an average of 1.5% of GDP on social safety nets, which is much more than Nigeria spends. This low investment on social safety nets has affected the government's economic assistance programs for households during the lockdown. The Nigerian government provided a range of financial assistance programs, including food assistance and cash transfers, to low-income households. However, based on the limited coverage of homes in these programs, it seems that many needy households did not benefit from the government's efforts.

**Policy Interventions and Programs Implemented Under the NEEDS Framework.**

NEEDS aims to rebuild confidence in the government as a development facilitator, an organization that establishes or preserves an atmosphere that empowers Nigerians to carry out livelihood plans and accomplish individual objectives. The government must shift its focus from managing enterprises to delivering basic services. To free up labor and money for improving fundamental services, it must sell off the companies that are currently under state control.

Corrupt practices are prohibited by the government's establishment of the Economic and Financial Crimes Commission, the Independent Corrupt Practices and Other Related Crimes Commission, and extensive anticorruption programs. Oil businesses are encouraged to fully report their income and operating costs as part of the government's commitment to the Extractive Industries Transparency Initiative. One of the world's most transparent license auctions was the government's broadcast auction of digital mobile licenses.

The government has expanded on these initiatives under NEEDS: • Modernizing and fortifying the anticorruption agencies it has set up.

- Bringing unethical and unlawful practices to light and disciplining those involved.

- Promoting the adoption and publication of official codes of ethics by organizations.
- Creating official ethical training and encouraging leadership through modeling.
- Passing the Right to Information Act and the Fiscal Responsibility Pact.

According to the Fiscal Responsibility Pact, government organizations must establish a revenue stability fund into which windfall revenues will be deposited and report yearly audited accounts within six months of the end of their fiscal year. Feedback and transparency will be encouraged under the Right to Information Act.

A yearly budget framework and rules will be adopted by all governmental levels thanks to NEEDS initiatives. The rules will encourage the creation of internal revenues and savings, budget discipline, cost effectiveness, balanced budgets, and the implementation of key programs. Heads of government agencies will be able to compare their performance and foster a shared culture of excellence through a peer evaluation mechanism. The National Economic Council, the Joint Tax Board, and the Joint Planning Board will collaborate to create a more efficient economic management system. The timely issuance of annual budgets should be a defining feature of the NEEDS period. The press and special reports will keep the Nigerian people, who are involved in the prosperity plan, updated on the effectiveness of these initiatives.

**Strengths and weaknesses of the NEEDS policy design**

It seems that different governments' responses to the issue of poverty have been mainly disorganized and ad hoc. 28 federal projects and programs with a focus on poverty alleviation are documented in a recent assessment of policies and actions. Additionally, a number of state governments have implemented programs to reduce poverty. In order to address the different forms of poverty, including unemployment, lack of access to credit, and the rural and gender dimensions of poverty, various governments established programs like community banks, family support programs, the National Directorate of Employment, the Peoples Bank, Better Life for Rural Women, and the Directorate of Food, Roads, and Rural Infrastructure. None of these programs had a major, long-lasting, or sustainable

positive impact, even if none of them were wholly without merit. Measures were taken to assess previous poverty alleviation programs, streamline institutions relating to poverty, and coordinate sectoral efforts once democratic governance was established in 1999. The government's attempts to lower the rate of poverty were found to be hampered by a number of significant reasons. Among them were: Inadequate coordination; a lack of a thorough policy framework; excessive political meddling; and inefficient poverty targeting that results in benefits leaking to unintended recipients and Programs' unmanageable scale led to resources being sparsely distributed across an excessive number of projects.

**Findings**

According to the document, NEEDS acknowledges education as a powerful tool for socioeconomic empowerment and a crucial transformational tool. It is the duty of the education sector to develop and provide the workforce needed to advance and maintain the NEEDS program. Only with an effective, pertinent, and functional education system can the objectives of wealth growth, job creation, poverty alleviation, and value reorientation be successfully pursued, achieved, and maintained. Education is essential to achieving the NEEDS objectives. The plan aims to change this area as well.

**Conclusion**

The purpose of this study was to thoroughly investigate Nigeria's politics around poverty alleviation, paying particular emphasis to the NEEDS. According to the study's hypothesis, NEEDS appears to be insufficient as a program for reducing poverty in Nigeria. Additionally, it was brought up that the World Bank Program in Nigeria's underlying politics seemed to be the reason why poverty seemed to be rising even after several years of implementing NEEDS. First, it was said that NEEDS espoused neo-liberal ideology, which is predicated on a number of principles, including free markets, private ownership, free trade, export-led growth, and a sharp cutback in government social spending. This type of thinking, which was disputed, did not bode well for Nigeria because it concentrated riches in a small number of hands while the majority of people remained under the oppressive weight of extreme poverty. Second, it was suggested that because NEEDS is just another World Bank paper in Nigeria, poverty seemed to be on the rise. For starters, its language and content imply that it is primarily or significantly

influenced by World Bank development policies. Another explanation is that the program's creators have some sort of connection to the World Bank.

**Recommendations**

The report suggests that anti-poverty initiatives should be legally mandated and implemented by all governments; this suggests that the initiatives will be independent of the whims and inclinations of particular governments. It is imperative to implement more direct anti-poverty programs that take into account the creative capacities of the impoverished. This entails enhancing the potential of human capital through education, skill, training, health, and nutrition; a development plan to provide jobs in both rural and urban areas is also crucial. Poverty encroachment may be significantly reduced by creating new jobs targeted at the poorest, not the middle or upper classes. Additionally, there should be a greater focus on enhancing the ability of all levels of government agencies to carry out policy efficiently.

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