

## Public Spending and the Poor in a Nigeria's Nascent Democracy: Lessons for Inclusive and Sustainable Development

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Nigeria came into existence in 1914 as a result of amalgamation of the North with the Southern protectorates. Following years of military rule after gaining independence in 1960, and a republic in 1963; the third Republic was born in 1999 and this was followed by a successful transmission of political leadership from one civilian administration to another through the process of election for the first time in the 2007 general elections. The Nigeria economic fortune occasioned by oil boom of 1970s brought fundamental changes in the Nigerian economy such that before July, 1986, Nigeria witnessed a traumatic economic crisis. For example, there was heavy dependence of the economy on crude petroleum such that oil and gas comprises over 90% of Nigeria's exports and more than 70% of consolidated budgetary revenue. Public sector also became the prime mover of the economy through huge investments of oil revenue in physical economic and social infrastructure.

Oil discovery created both external and internal imbalance in Nigerian economy that has impoverished more than 64% of Nigerian households and widen poverty and inequality gap. Poverty remains one of the most critical challenges facing the country and population growth rates have meant a steady increase in the number of poor. Poverty has risen in Nigeria, with almost 100 million people living on less than a \$1 (£0.63) a day, despite economic growth. The proportion of Nigerians living in absolute poverty has risen from 54.7% in 2004 to about 60.9% in 2015. Nigeria is one of the top five countries that have the largest number of poor; ranked third in the world where 7% of the world poor lives and failed to meet the Millennium Development Goal (MDG) of eradicating extreme poverty and hunger. In the 2014 Human Development Index, Nigeria ranked 152 out of 187 countries which placed Nigeria among countries with Low Human Development index.

The direct provision of tax-financed public consumption goods and services to the very poor has been found to be an important instrument of a comprehensive policy designed to eradicate poverty. This include increase expenditure on education, health, infrastructural development, public health projects in rural villages and urban fringe benefits, school lunches and pre-school nutritional supplementation program and provision of clean waters and electrification to remote rural areas. Accelerating the creation of productive jobs through private sector growth, improvements in education (skills) and increase education and labour force participation of women can also be a medium-term strategy.

This study investigates trends in public expenditure to health, education, infrastructural development and specific poverty eradication programme and how this relate to social outcomes in health and education among the rural and urban dwellers and among men and women in Nigeria from 1999 to 2015. This is to determine whether shifting governments' policy focus to giving greater attention to equity in outcomes rather than fiscal equity will ensure inclusive and sustainable development in Nigeria.

