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Examining the Association between Government Budget and Poverty Rate in Nigeria

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Abstract

This study empirically examines the connection between public debt management, youth unemployment, corruption and poverty eradication through ratio and statistical analysis. It relies on secondary data from the Nigerian annual budget covering 2018 to 2022. The statistical analysis rests on Descriptive, Pearson correlation, r, and linear regression r. The Pearson correlation statistical analysis result shows no significant positive relationship between poverty eradication, youth unemployment and public debt management. However, the relationship that exists between poverty eradication and corruption is negative. Findings show a positive, not significant effect of youth unemployment on poverty eradication and corruption. Public debt management's effect on poverty eradication is negative. The ratio analysis result shows that the poverty rate continues to rise despite increasing budget size and debt financing costs. Youth unemployment is the slightest problem relating to poverty eradication, followed by public debt management, while corruption is reversing all the government efforts on poverty eradication in Nigeria. Therefore, this study suggests a revised IMF-World Bank debt sustainability formula to highlight the real borrowing strength of an economy to improve the results of poverty eradication efforts.

Keywords: *Corruption; Debt sustainability; IMF-World Bank; Poverty; Public Debt Management; Youth unemployment.*

1. Introduction

Nigeria is home to about 214 million people, 75% under 35(World Bank, 2020a). Unfortunately, Nigeria is currently in extreme poverty as the general consumption level is below $1.90 per day. The Nigeria Living Standards Survey (NLSS) 2019 report indicates that 83 million Nigerians live below $381.75 or ₦137430 per annum (World Bank, 2020b). The government has made many national and international efforts to confront poverty through various reforms financed by the annual federal budget, such as the National Poverty Eradication Programme (NAPEP) and Operations Feed the Nation (OFN). The efforts include Presidential Youth Empowerment Scheme (P-YES) and Social Welfare Services Scheme (SOWESS), as buttressed in the Nigerian National Development Plan (NDP) 2021-2025. However, the programmes have not yielded the desired result (Federal Government of Nigeria, 2021a).

More importantly, the Federal Government keeps yearning for a solution out of necessity. For instance, it developed strategies to reduce joblessness to 16.2% in 2018, 12.9 % in 2019 and 11.2% by 2020 through various education and skills development programmes, but this failed again (Federal Government of Nigeria, 2020). Furthermore, the Country is scheduled to create 1.5 million jobs in 2017, 3.8 million in 2018, 4.3 million in 2019 and 5.1 million in 2020, but the efforts are futile (Federal Government of Nigeria, 2020). Nonetheless, the fund allocation spending continues through the annual budgetary system without much improvement in the poverty rate, as shown in Table 1.

Despite the annual expenditure on poverty eradication programmes, the continuous drop in living standards has caused scholars such as Omolehinwa (2021) and Amakom (2013) to express apprehension over the association between corruption and poverty. They link poverty to corruption and explain that lack of transparency in government transactions has contributed to the wastage of resources which jeopardises poverty eradication efforts. Amakom (2013) argues that government spending policies lack open public budget management, transparency and

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stakeholders' involvement that rests on performance and impacts. Omolaoye (2021) argues that the Nigerian 2022 budget legalises corruption to the detriment of the citizens because many of the budget items are overstated. Obadan (2001) attributes Nigeria as a paradox, endowed with many resources yet ridden in abject poverty.

This study observes the apprehension of the Federal Government of Nigeria in her failed attempts to end poverty. It is, therefore, timely to contribute to the way forward through data analysis. Earlier similar studies in Nigeria, such as Aliyu and Dansabo (2017), are available for reference, but the objective of poverty eradication by 2030 is not yet achieved, and developments afterwards may make a difference in the findings and conclusions reached. Additionally, this study comes from an area with a shortage of similar analyses. This study is empirical as an added innovation. This study is novel; suggesting a new formula for debt sustainability measurement has opened a new line of further debate on the subject matter. This study explores the principles of the poverty trap (Gordon, 2021) and leadership psychology (Eljawati et al., 2022) and relies on the public value theory (Turkel & Turkel, 2016). This study employs a trans-disciplinary approach in the combination of accounting, political science and economics to examine how Nigeria is trapped in debt, corruption and poverty, as well as proffers resolutions to curb these menace.

Moreover, this study is in tandem with the realisation of the United Nations Sustainable Development Goals 2030, which preaches zero poverty by 2030 (Florentin, 2021). However, there have been earlier attempts to appraise the Nigerian budget spending, this current diagnosis centres on poverty healing prescriptions of corruption and public debt management improvement. Hence, the poverty determinants include youth unemployment and corruption as macroeconomic strategies (National Bureau of Statistics, 2020). This study exposes the implications of escalating youth unemployment, corruption and public debt management on poverty eradication efforts. As such, this study expects that focusing on corruption and public debt management could serve as a strategy to reduce poverty under rational expectations because more funds would be available for poverty eradication programmes. The analysis is timely and crucial as it could be helpful to policy-makers and financiers such as the IMF and The World Bank. The tactic concentrates on the masses' aspirations for prosperity as an innovation to various earlier budget highlights (PricewaterhouseCoopers (PwC), 2022; KPMG, 2022).

Statement of the Problem

Given the catastrophic complications of extreme poverty on the people, there is difficulty in achieving decent work, zero hunger, quality education, sound health and well-being. Particular dynamics are necessary to drive new thinking for better lives. This necessity kindles new thoughts of positivity toward corruption reduction, public debt management efficiency, and attitudinal change towards government poverty eradication programmes in Nigeria. The motivation lies in the need for Nigerians to live a fulfilled life in an entire state of well-being in line with Maslow's physiological hierarchy of need, inculcating necessities of survival in terms of appropriate education, food, water and shelter (Maslow, 1954).

Therefore, this study aims to contribute to Nigeria's debate on poverty eradication by engaging empirical analyses of the connection between public debt management, youth unemployment, corruption and poverty eradication. The objectives are to investigate how the budget expenditure on public debt financing, youth unemployment rate, and fund leakages by corruption affect poverty eradication. The research question is how do youth unemployment, public debt management and corruption affect poverty eradication in Nigeria?

As the money owner, the budget appraisal is essential to the public for improving the implemented or proposed budget programmes and society in the long run (Rubin, 2015). Hence, this study focuses on the poverty eradication programme portrayed in the Nigerian budgets for 2018 and 2022. It scrutinises some critical elements of spending as it concerns public debt management and poverty eradication for clarity and feedback purposes.

This study opens new thoughts on human welfare and well-being in policy formulation. Accountants and Auditors would gain from the study analysis to improve their focus on public accounting issues. The methodology combines currency and trend with cogent statistical analysis for academics to emulate. Accounting, economics, and Political science students would find this valuable study for referencing in further research.

2. Literature Review

2.1 Conceptual review

This study examines scholars' thoughts on corruption, public debt management, and poverty. Some scholars advocate efficient public debt management to avoid trapping people in poverty due to failed financial interventions (Can & Bakoglu, 2021; World Bank, 2020c). A public budget communicates the government revenue and expenditure plan in a given period, usually annually. The public budget differs from the private individual, corporate or household budget. Scholars such as Lepori and Montauti (2020) explain that the public budget is a dynamic policy instrument of government that explains how the government would work during the budget period. According to Bartle (2022), the public budget is guided by different policies such as tax and expenditure policies as presented by different government committees and establishments for the common good of society. The public budget involves diverse interest groups and structures characterised by power, political, moral and social stakes. It is complex, dynamic, and exposed to different interest groups and public scrutiny (Lepori & Montauti, 2020). However, the public budget is to serve a public common good through various progressive and sustainable programmes (Khan, 2019).

Scholars unite in the need for a confident new context to budgeting that accommodates anti-poverty projections for positive public accountability, transparency and macroeconomic imports (KPMG 2022; Nweze, 2022). However, the poverty rate could reduce if government spending focuses on providing basic amenities with tax revenue (Dankumo et al., 2019). Aina (2014) argues that statistics indicate a worrisome, high poverty level in Nigeria due to unemployment.

Furthermore, poverty aligns with youth unemployment, leading to insecurity such as kidnapping due to poor income or consumption (Oduwole, 2015). Youth unemployment averts poverty traps through job creation opportunities (Fasoranti et al., 2022). This literature review portends heterogeneous responses to poverty eradication programmes, as are evident in youth unemployment policy summersaults due to corruption while spending skyrockets. Hence, the hypothesis Ho1: There is no significant effect of youth unemployment on poverty eradication in Nigeria.

According to Transparency International (2022), corruption connotes cruelty in handling delegated power for personal gain at a cost to society. The cost is multifaceted, including social costs such as poverty. Corruption occurs anywhere by anyone; it occurs at any time in different circumstances. Koelble (2022) aver that corruption entails uneven distribution of national resources by the leaders with costly implications for the people in a democracy. Dankumo et al. (2019) find that the poverty level rises as corruption increases in Nigeria due to public officers stealing public resources.

According to Aina (2014), escalating poverty contradicts expanding economy, suggesting that corruption leads to poverty. The study argues that corruption manifests through waste and misallocation of resources to the detriment of infrastructural development at the expense of the masses, thus fueling poverty. For example, Aina (2014) calls for a further empirical study to buttress the argument. Hence, this study posits that: Ho2: There is no significant effect of corruption on poverty eradication in Nigeria.

Moreover, the budget relies on peoples' money in the form of tax and must be accounted for by balancing with required expenditure to match the revenue flow. However, there are situations when the planned expenditure overshoots the likely revenue achievable in the same budget period. Hence, there is a budget shortfall in the form of a budget deficit. The budget deficit necessitates borrowing to augment the revenue towards achieving the planned expenditure. Hence, public debt occurs through borrowing from various institutions such as banks, bondholders, individuals, and private and other local and international lenders such as the IMF and the World Bank. The borrowing is at a cost such as interest and fees. The borrower must meet the lender's terms, such as the debt sustainability profile is concerned. Therefore, public debt should be managed to achieve budget goals such as the poverty eradication programme. However, sometimes public debt is diverted from the initial borrowing goal, which could escalate poverty. Hence, hypothesis 3 that is: Ho_3: There is no significant effect of public debt management on poverty eradication in Nigeria.

Furthermore, the lender ignores checking on the actualisation of the debt goal in the sustainability criteria. The borrower, such as the IMF, checks a sovereign borrower's repayment strength using criteria such as debt sustainability ratio. According to Hakura (2020), sustainability connotes ascertaining a borrower's risk level and insecurity in the debt repayment and servicing forecast. The debt sustainability frameworks of the IMF and the World Bank connote the debt-carrying capability of a country. It incorporates debt sustainability thresholds. The settings lead to debt sustainability analysis thresholds for managing the lenders' risk appetite (Hakura, 2020). However, this study avers that the debt sustainability threshold should incorporate any information that will protect the borrower from debt service distress and negate the debt objective. This study observes that the debt sustainability measurement does not adequately cover borrowing goal actualisation; otherwise, goals such as poverty eradication of a borrower will not continue to deteriorate as the debt increases.

Nonetheless, there is a misunderstanding on how financial intervention should work when managing extreme poverty in Emerging Market and Developing Economies (EMDE). This review exposes the oversight of the IMF-World Bank Debt Sustainability measure in the omission of intervention impact on poverty eradication. It becomes clear that the proper way an intervention should work is to give relief; otherwise, incessant budget deficit financing through costly borrowing may be worthless.

2.2 Theoretical review

This study rests on pubic value theory (PVT); Moore (1995) conceptualises the theory which teaches that in addition to the roles of public officers as regulators, public service reformers and providers, they must also establish societal values to shape the public sphere in all aspects of life, politically, economically and culturally, through practice by example. According to Moore (as cited in Moore &Bennington, 2011), PVT appreciates public governance complexity and conceptualises the need for strategies to promote values. PVT focuses on associating governmental action with business resources to develop public governance based on collective and representative dynamics (Bryson et al., 2014). The theory highlights an understanding of how policy interventions can achieve their purpose. Therefore, relying on PVT principles, this study pursues workable dynamics for poverty eradication in Nigeria.

3. Methodology

This study employs secondary data covering five years of Nigeria's budget from 2018 to 2022. The data scrutiny is by ratio and statistical analysis. Statistical analyses in the form of linear regression, Pearson correlation and descriptive statistics are employed to investigate the study variables. Linear regression statistical analysis is employed because of its predictive power, which is essential in this study since the data gathered qualifies for such scrutiny. Moreover, the style of using linear regression statistical analysis fashions after Kimhi and Eshel (2018) because using linear regression statistical analysis to highlight an understanding of how poverty eradication policy interventions can achieve their purpose provides a careful research design.

Furthermore, the Pearson correlation coefficient analyses are executed on the data gathered to gauge the relationship between the independent and dependent variables. Descriptive statistics are used for initial analysis. The examination focuses on poverty eradication (PE) proxy as the youth unemployment rate as the dependent variable on corruption (C) and public debt management (PDM). Corruption (C) proxy is Corruption Perception Index (CPI), Public debt management (PDM) is proxy as a fiscal deficit to aggregate revenue rate (FDA). The economic model for this study is as follows:

$$PE= \beta 0+ \beta 1YER+ \beta 2\ PDM + \beta 3C + \varepsilon$$

$$\beta 1> 0, \beta 2> \text{and } \beta 3>0.$$

Where: PE = Poverty eradication, YER = Youth unemployment rate, PDM= Public Debt Management, C= Corruption. $\beta 0$ is the Intercept coefficient' β is the coefficient for the dependent variable, and ε is the error term.

4. Data Analysis and Results

4.1 Ratio analysis of the 2018 to 2022 budgets

Tables 1 to 3 show the analysis

Table 1: 2018-2022 five year - comparative analysis of Nigeria's budget

S/N	PARTICULARS	2018	2019	2020	2021	2022
	EXPENDITURE:	**₦'Trillion**	**₦'Trillion**	**₦'Trillion**	**₦'Trillion**	**₦'Trillion**
1	STATUTORY TRANSFERS	0.53	0.502	0.428	0.484	0.768
2	DEBT SERVICE/SINKING FUND	2.204	2.254	2.951	3.344	3.901
3	RECURRENT NON-DEBT EXPENDITURE	3.512	4.07	4.942	5.773	6.829
4	CONTRIBUTION TO DEVELOPMENT FUND	2.873	2.092	2.488	4.463	4.891
6	BUDGET SIZE	9.12	8.918	10.81	14.06	16.39
	FINANCING:					
7	OIL REVENUE	3.001	3.688	1.034	2	1.816
8	NON-OIL REVENUE	3.966	3.1	4.8	6.021	8.251
9	AID AND GRANTS	0.199	0.21	-	0.045	0.063
10	AGGREGATE REVENUES/INFLOW	7.166	6.998	5.834	8.066	10.132
11	FISCAL DEFICIT	1.954	1.918	4.976	5.998	6.261
12	BUDGET SIZE	9.12	8.918	10.81	14.06	16.39
13	BUDGET PERFORMANCE	79%	83.95%	99.70%	94.10%	-

Source: https://www.budgetoffice.gov.ng, 2022.

This study traces the 2022 poverty score and other relevant statistics to the immediate past four years of 2018, 2019, 2020 and 2021, as shown in Tables 1 and 2. The 2022 budget, tagged the 'budget of economic growth and sustainability, is intended to reduce poverty, among other developmental goals. Table 1 shows that the 2022 budget covers an initial proposal of ₦16.39 trillion for expenditure, apportioned at ₦4.89 trillion to the development fund and

₦0.768 trillion to statutory transfers. Debt service/sinking fund gulped ₦3.901 trillion or about 24% of the total budget. Recurrent expenditure is ₦ 6.829 trillion (Federal Government of Nigeria, 2021b). The source of funding includes ₦1.816 trillion for oil revenue, ₦8.251 trillion for non-oil revenue, aids and grants equal to ₦.063 trillion and a Fiscal deficit of ₦6.261 trillion (Federal Government of Nigeria budget office, 2022). More so, aggregate revenue inflow has been growing. It grew from ₦7.16 trillion in 2018 to ₦8.06 trillion in 2021, estimated at ₦10.13 in 2022, as shown in Table 1.

However, the 2022 budget allocation of ₦4.89 trillion to development funds rose by 69% from ₦2.8 trillion in 2018. It was ₦2.09trillion, ₦2.448 trillion in 2019, 2020 and 2021, respectively, yet the poverty rate increased to 50% despite the increase in the budgeted developmental funding, as shown in Table 1. The 2022 budget shows a worsening debt service/ sinking fund figure from ₦2.204 trillion in 2018 to ₦2.951 trillion during the economic recession of 2020, as induced by the Covid-19 pandemic to ₦3.901 trillion in 2022, that is, an increase of ₦1.697 trillion or about 76% debt growth rate between 2018 and 2022 as shown in Table 1.

Table 2: Ratio Analysis of Nigeria budget indicators 2018 to 2022

S/N	INDICATOR	2018	2019	2020	2021	2022	Source
1	Fiscal deficit to aggregate revenue rate	27%	27%	85%	74.30%	62%	Author's computation
	Corruption perception index	27%	27%	27%	28%	28%	Transparency international
2	Exchange rate	305	305	360.5	412.99	411.95	https://databank.world bank.org
3	Youth unemployment rate	38%	36.50%	40.80%	32.50%	53%	tradingeconomics.com
4	Poverty rate	39.10%	43%	40%	48%	50%	https://databank.world bank.org
5	Debt sustainability ratio: Present Value (PV) of total public debt in percent of revenue (5% discount factor) (joint World Bank & IMF framework)	24%	26.49%	43.69%	37.60%	36.65%	Author's computation
6	Debt Sustainability threshold interpretation to the Joint World Bank and IMF	Strong	Strong	Strong	Strong	Strong	https://www.imf.org

Table 2 shows that Nigeria failed in poverty rates at 39%, 43%, 40%, 48% and 50% scores for 2018, 2019, 2020, 2021 and 2022 respectively. These scores expose the inability of an average Nigerian to live a meaningful life, especially without enough food and medications (World Bank, 2022). The 2022 budget indicates that the poverty situation is precarious as it continues to degenerate at a 50% estimate for 2022, suggesting that about 100 million Nigerians cannot feed themselves adequately due to serious youth unemployment (World Bank. 2022). Table 2 depicts a worsening fiscal deficit to aggregate revenue ratio of 27% in 2018, estimated at 62% in 2022. The official exchange rate worsened to ₦411.95 to one dollar in 2022 from ₦305/per dollar in 2018. Onwuamaeze (2021) charges that the government should carefully manage the Nigerian foreign exchange system to enhance development.

The inverse relationship between government spending and poverty eradication statistics calls for concern as it affects many facets of life, including the security of lives and property. For example, systemic failure in poverty and corruption reduction strategies has negatively affected safety and security in Nigeria (Aliyu & Dansabo, 2017). The challenges that the 2022 budget poses over poverty issues are bothersome. This study observes that the budget would worsen the poverty rate due to rising youth unemployment from 38% in 2018 to 40.8% in 2020, escalating to 53% per the 2022 estimate in Table 2 (World Bank, 2022). The youth unemployment deterioration implies that the government is becoming helpless and incapable of reducing unemployment alone. Besides, the Nigerian youths who constitute most of the population can no longer wait on the limited government white-collar jobs. They need a reorientation tactic for skill acquisition and entrepreneurial prosperity since about 47 million youths could be jobless in 2022 (World Bank, 2022).

Another observation is the low corruption perception index hovering around 27% on average between 2018 and 2022, as shown in Table 2. The result portrays wastage, whereas such funds could be committed to a sustainable, better life of prosperity for Nigerians in the medium term. According to Omolaoye (2021), the 2022 budget has been amplified. More so, Nigeria's Corruption Perception Index (CPI) is niggling at 27%, 26%, 25%, 24%, for 2018, 2019, 2020 and

2021 respectively. It is estimated at 24.5% for 2022 (Transparency International, 2021). The CPI scores portray negative consequences. For example, Transparency International (2021) avers that corruption relates to insecurity in West Africa. However, all efforts to eradicate corruption, such as War Against Indiscipline and Corruption reform (WAI), failed (Amadi, 2020).

Table 3: Ten Sub-Saharan African Countries with improved poverty rate

S/N	Country	Years measured	Poverty improvement rate in %
1	BOTSWANA	2002 TO 2016	From 29.8 to 16.1
2	BURKINA FASO	2009 TO 2019	From 43.7 to 36.7
3	CAMEROON	2001 to 2014	From 40.2 to 37.5
4	CAPE VERDE	2001 TO 2016	From 38 to 10
5	COTE D'VOIRE	2011-2014	From 34 to 28
6	GHANA	1991 TO 2016	From 47.4 to 13.3
7	KENYA	2005 TO 2016	From 46.8 to 36.1
8	MAURITANIA	2008 TO 2014	From 10.9 to 6
9	REPUBLIC OF CONGO	2005 TO 2011	From 53.4 to 37
10	THE GAMBIA	2015 TO 2021	From 10 to 6.7

Source: www. povertydata.worldbank.org, 2022.

Table 3 shows that Nigeria is not progressive in her poverty eradication drive among her neighbours in Sub-Saharan Africa. Many of Nigeria's neighbours, such as Ghana, Burkina Faso, Botswana, Cape Verde, Cameroon, Kenya and The Gambia, have reduced poverty rates over the period under consideration (World Bank, 2020b). Hence, public debt management negatively affects poverty eradication in Nigeria.

4.2 Analysis of data for answering the research question and testing the hypotheses

Tables 4 to 8 explain the hypotheses results

Table 4: Descriptive Statistics of the secondary data collected for the research

	Minimum	Maximum	Mean	Std. Deviation
Poverty Rate (PE)	39.1	50	44.02	4.822
Corruption Perception Index (C)	24	27	25.3	1.2
Debt Sustainability Ratio	24	43.69	33.68	8.21
Youth unemployment Rate	32.5	53	40.16	7.77
Exchange Rate	305	412.99	359.08	53.74
Fiscal deficit to aggregate revenue rate (PDM)	27	85	55.06	26.87

Source: SPSS Output of data from field Survey, 2022.

The descriptive statistical analysis in Table 4 reveals a high mean level of 44%, 25%, 33.68%, 40% and 55% for poverty rate, CPI, debt sustainability ratio, youth unemployment and fiscal deficit to aggregate revenue rate, respectively. The Table shows that the mean exchange rate for 2018 to 2022 is ₦359. The standard deviations for corruption perception are high because of the low CPI from 2018 to 2022. The result indicates that corruption inhibits government performance.

Table 5: Correlations statistical analysis of the dependent and independent variables

		Poverty Rate	Youth unemployment Rate	Fiscal deficit to aggregate revenue Rate	Corruption Perception Index
Poverty Rate (PE)	Pearson Correlation	1			
	Sig. (2-tailed)				
Youth unemployment Rate	Pearson Correlation	0.38	1		
	Sig. (2-tailed)	0.52			
Fiscal deficit to aggregate revenue rate (PDM)	Pearson Correlation	0.32	0.15	1	
	Sig. (2-tailed)	0.6	0.81		
Corruption Perception Index (C)	Pearson Correlation	-0.77	-0.18	-0.83	1
	Sig. (2-tailed)	0.13	0.77	0.08	

Source: SPSS Output of field Survey, 2022.

In Table 5, the Pearson correlation statistical analysis result shows the relationship among the variables tested. The results show a not significant positive relationship between poverty eradication and the youth unemployment rate at r =.52. Similarly, for public debt management at r = .60. However, the relationship between poverty eradication and corruption is negative at r = -.77 and not significant. Hence, the result of the determinant variables tested on the dependent variable shows that youth unemployment is the slightest problem relating to poverty eradication, followed by public debt management, while corruption is reversing all the government efforts on poverty eradication in Nigeria. Having established a relationship among the study variables, a test of the effect of the study variables on one another is done with linear regression statistical analysis. Tables 6 to 9 covering model summary, ANOVA, coefficients and collinearity outputs show the results.

Table 6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.98[a]	0.97	0.88	1.71	2.08

a. Predictors: (Constant), Corruption Perception, Youth unemployment Rate, Fiscal deficit to aggregate revenue rate
b. Dependent Variable: Poverty Rate

Source: SPSS Output of field Survey, 2022.

Table 7: ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	90.09	3	30.03	10.3	.224[b]
	Residual	2.91	1	2.91		
	Total	93	4			

a. Dependent Variable: Poverty Rate
b. Predictors: (Constant), Corruption Perception, Youth unemployment Rate, Fiscal deficit to aggregate revenue rate.

Source: SPSS Output of field Survey, 2022.

Table 8: Coefficients of the dependent and independent variables

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	203.79	35.27		5.778	0.109		
	Youth unemployment Rate	0.16	0.112	0.257	1.43	0.388	0.968	1.033
	Fiscal deficit to aggregate revenue rate	-0.18	0.056	-0.995	-3.172	0.194	0.318	3.142
	Corruption Perception Index	-6.18	1.263	-1.543	-4.891	0.128	0.315	3.176

a. Dependent Variable: Poverty Rate

Source: SPSS Output of field Survey, 2022.

Table 9: Collinearity Diagnostics of the dependent and independent variables

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions			
				(Constant)	Youth unemployment Rate	Fiscal deficit to aggregate revenue rate	Corruption Perception Index
1	1	3.85	1	0	0	0	0
	2	0.13	5.46	0	0.01	0.3	0
	3	0.02	13.75	0	0.86	0.01	0
	4	0	122.35	1	0.03	0.69	0.89

a. Dependent Variable: Poverty Rate

Source: SPSS Output of Field Survey, 2022.

In Tables 6 to 9, the linear regression result shows a not significant regression equation at (F (3, 2.9) = 10, p < .001, R2 = .97). Respondents predicted poverty eradication as equal to 203.79 +.16 for youth unemployment, - .18 for public debt management and - 6.18 for corruption measures. Therefore, the objects of measurement for each unit of poverty eradication decreased by .18 and 6.18 for each unit of public debt management and corruption variables, respectively. It increased by .16 for each unit of youth unemployment. Table 9 shows no collinearity issue in data diagnosed because none of the variance proportion lines has values above .90. Regorz (2020) avers that collinearity is present when at least two conjecturers under the variance proportions line are above .90.The results show that the null hypotheses are supported. The result for corruption eradication supports the findings of Dankumo et al. (2019), who find that public expenditure on poverty eradication is a waste due to corruption. The result for youth poverty eradication supports the findings in Oduwole (2015). The result for public debt management supports the findings of Achtziger (2022).

5. Discussion of Results

Poverty eradication

An issue to watch in Nigeria is the connection between poverty, youth unemployment and insecurity. Youth unemployment leads to Nigeria's insecurity of life and property (Fasoranti et al., 2022). The Global Security Index ranking retards from a score of 28.7% in 2018 to 27.1% in 2020 in the World, and Nigeria is one of the ten least peaceful countries in Africa (Transparency International, 2021). The World Bank warns about escalating conflicts in Nigeria, explaining that the effect of food insecurity leads to further capacity underutilisation (Nweze, 2022). However, Odekunle (2021) explains that some tertiary institutions, such as the University of Lagos, contribute to entrepreneurship growth in Nigeria. In essence, with the new youth collaborative focus on vocation and skill acquisition, prosperity looms around improved foreign reserves through enhanced production, minimised importation and the use of local substitutes instead of imported goods. However, the government has to support the youth with an enabling environment.

This study argues that concentration on corruption reduction could improve the poverty narratives. More funds would be available for job creation opportunities if the public corruption perception index improves because such funds could facilitate business inflow and an improved employment rate due to an overall improved image. The argument relies on the likelihood that policymakers would transparently and judiciously utilise funds allocated to developmental reforms to meet the reasonable developmental goals of poverty eradication and save Nigeria from hunger and its associated problems such as insecurity of life and properties, including kidnapping.

This study observes that some government poverty alleviation programmes fail because they are sometimes hidden in dogma documents without detailed processes and procedures in individual associated policy frameworks containing what to do, time frame, and expected impact rate. A transparent framework would guide programme operations, monitoring and appraisal. Although the Nigerian Sustainable Development Goals Implementation Plan (NSDGIP) 2020-2030, as explained in United Nations Development Programme (2021b), is pronounced and sometimes approved by the government. However, their gains are minimal because specific policy documents are scarce for the individual sub-programmes such as the P-YES. Nigeria should, therefore, move from leaders/executive committee oral or written personal pronouncements to separate sub-Millennium Development Goals policy documentation for checks and balances. Government should pass the policies into law to reduce harmful political or human interference since the law would incorporate punitive measures for sabotage. Hence, government auditors and public account committees should intensify qualitative policy performance appraisal. The concerned authorities should rigorously pursue project screening, monitoring and evaluation and focus on spending processes and procedures.

The government auditors must contribute more concisely to a sustainable policy framework on Nigerian poverty and corruption reduction programmes. For example, the Nigerian Economic Sustainability Plan 2020 should have detailed monitoring and compliance documents for each programme to effectively appraise the enormous sum of ₦2.3trillion committed. Similarly, for the established Nigerian Youth Employment Action Plan 2021 to 2024 (Federal Government of Nigeria, 2021c). Thus, transparency can improve resource utilisation and reduce borrowings through effective public debt management. Given the findings mentioned earlier, corruption negatively affects poverty eradication in Nigeria.

Public Debt Management

The public debt management analysis shows that funding is not the primary problem. Instead, it is necessary to watch revenue utilisation. Nigeria should, therefore, embrace alternatives to massive borrowing by addressing the borrowing strategy holistically to pave the way for prosperity. Hence, poverty could linger if the current magnitude of resource diversion to debt servicing continues. Can and Bakoglu (2021) aver that sustainability is when advancement meets the current expectations without conceding the capacity of the future generations to achieve their wants. For instance, reducing the budget deficit will spell a boom if borrowings are blocked from corruption but diverted to production and youth education towards innovative thinking that will disrupt poverty. The public debt management style could improve with foreign exchange management enhancement.

Nonetheless, of concern is the fragile nature of the 2022 budget, which indicates that the lending profiling and management costs would rob of innovative thinking to the detriment of the Nigerian nation. For instance, the budget analysis shows that the World Bank-IMF recommended sustainability framework interpretation only serves the lenders' appetite for earnings and not the nation's interest. For instance, the IMF-World Bank debt sustainability score places Nigeria as a strong nation, not considering the fact that the Country is in perpetual poverty. The misleading score for a nation in perpetual extreme poverty is delicate and contrary to the lending objective of achieving the sustainable development goals of 2030. UNDP (2021) advocates no poverty and hunger by 2030. The reality is that Nigeria is very weak since it records a 76% growth of revenue/debt ratio, as aforementioned.

The findings generally connote the need for belt-tightening, production improvement, and corruption-reducing style to turn extreme poverty into prosperity. This study examines the IMF-World Bank Sustainability measurement and discovers that it omits a crucial check of appropriate fund utilisation to the poverty impact assessment of lending performance. For example, the IMF/ World Bank Debt Sustainability measurement results posit that Nigeria has a solid capacity to take loans over the five years of 2018 to 2022 while its poverty rate continues to deteriorate, as shown in Table 2. Instead of impact assessment, the organisations keep offering pro-extreme poverty suggestions that will keep the nation in lender's induced poverty trap, to the detriment of the masses. This study finds a negative connection between corruption, high debt profile and extreme poverty, which is food for thought for policymakers. Henceforth, IMF-World Bank Debt sustainability measurement should incorporate their lending impact on poverty eradication towards realising the UNDP Sustainable Development Goals 2030.

6. Conclusion

This study reveals why the emerging markets, their lenders, government and workforce have failed in all the poverty eradication programmes that have gulped a huge fund over the years. Therefore, this study concludes that corruption and public debt management negatively affect Nigeria's poverty eradication. It suggests a new formula for debt sustainability measurement. This study seeks to combine lenders' efforts with the government by exposing how corruption pandemics and public debt financing have worsened extreme poverty. This study divulges that Nigerians continue bleeding with extreme poverty, hunger and insecurity because corruption and debt are freezing them. This study observes that despite a steady improvement in aggregate revenue, the poverty eradication programmes fail due to massive debt profile and corruption, leading to depletion of funds that is otherwise required for developmental goals actualisation. It is time to accommodate the masses' yearnings for food, improved productivity and security of lives and property in Nigeria. The way forward is for all to join hands to fight corruption and mounting debts collectively, sincerely if the suffering of the hungry matters.

7. Recommendations

This budget analysis suggests the need for enhanced blueprint on poverty eradication strategy to reduce debt and corruption in the medium term. The analysis calls for better policy transparency. The poverty eradication strategy should be a continuum by successive administrations to pursue fruition. The usual style of changing the nomenclature from WAI to NAPEP, which appears to be a pick-and-drop wasteful ineffective strategy, should stop. Nigerians must seize the bull by the horns through attitudinal change to officeholders' efforts, from severe criticism of upcoming poverty eradication programmes to encouragement and support for the programme's survival.

An individual Nigerian needs to play his part to ensure a corrupt-free society, as tiny drops of water make an ocean like Ghanaians. Burkinabe, Batswana, Cape Verdeans, Cameroonians, Kenyans, and The Gambians' have been elevated outside rising extreme poverty as aforementioned. Moreover, a sustainable, collaborative feedback system between the government and the governed would improve the actualisation of the poverty-reduction programme. Debt profiling could improve through reduced borrowing based on goods exchange initiatives of Nigerian fabrics with the imported ones. For instance, the Nigerian woven fabric *'Asooke'* could exchange for the imported jeans if massively produced with a high standard.

Import and Export should move from cash to goods exchange to improve the foreign exchange rate. The idea will boost economic growth through investors' attraction and job creation to reduce poverty. Improving the Nigeria Corruption Perception Index ranking is urgent because funds would be available to advance the poverty rate towards the actualisation of The Nigerian Sustainable Development Goals Implementation Plan (NSDGIP) 2020-2030. The World Bank and the IMF should review debt sustainability profiles measurement to include poverty impact assessment to avoid overburdening their customers. It is evident from the data analysed that debts do not assist in achieving the

United Nations Sustainable Development Goals 2030. Instead, the debtor retards to abject poverty, which is counter-productive.

The World Bank and the IMF's lending intentions have failed in Nigeria, an EMDE country that needs support to grow out of poverty. Hence, The World Bank and the IMF should review their lending aim, qualification, and goal actualisation monitoring style to include the lending impact on poverty eradication. Therefore, this study suggests a new debt sustainability formula that is equal to the Present Value (PV) of total public debt (TPD) in per cent of total revenue (TR) (5% discount factor) less poverty rate. The recommended formula is $DSR = \left(\frac{PV(TPD)}{TR}\right) - PR$. This study relies on five years' most current data of 2018 to 2022. Further study could cover older periods in the same or other economies. The suggested formula is open to further scholarly discussion.

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