

Public policy, economic growth, and poverty reduction: A comparative analysis of Cross River State, Nigeria

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Abstract

This study, titled *"Public Policy, Economic Growth, and Poverty Reduction: A Comparative Analysis of Cross River State, Nigeria,"* investigates the relationship between public policies, economic growth, and poverty alleviation. The objectives were to evaluate policy effectiveness, pinpoint areas for improvement, and identify challenges affecting outcomes in the state. A survey research method was utilized, collecting primary data through structured questionnaires from 384 participants, including residents, policymakers, and business owners. Key indicators assessed included income levels, employment opportunities, access to public services, and perceptions of policy outcomes. Data analysis, employing descriptive statistics and a Chi-square test, revealed that while policies have led to progress in employment, education, healthcare, and infrastructure, systemic challenges persist. Respondents identified improper implementation (31.3%) and political instability and corruption (21.4%) as key obstacles. The Chi-square test showed a statistically significant relationship ($p = 0.004$) between public policies and poverty reduction, underscoring the importance of governance in achieving sustainable development. The study concludes that public policies have moderately advanced economic growth and poverty reduction but face constraints from governance inefficiencies. Recommendations include better policy coordination, increased resource allocation, anti-corruption measures, and strengthened monitoring and evaluation systems to enhance long-term impact and adaptability.

Key words: Economic Growth, Governance, Poverty Reduction, Public Policies, Socio-Economic Development, Sustainable Development

Background to the study

Public policy plays a pivotal role in shaping economic growth and poverty reduction, as it defines the framework for how resources are allocated and how services are delivered to citizens. Effective public policies can create an environment conducive to economic development by fostering stable institutions, promoting investments, and facilitating the efficient use of resources (Chaves-Avila, & Gallego-Bono, 2020). Governments implement policies that target key sectors such as infrastructure, education, healthcare, and social welfare, all of which directly or indirectly contribute to the overall economic growth of a country (Sadeh, Radu, Feniser, & Borşa, 2020). Additionally, policies that encourage innovation, entrepreneurship, and the growth of small and medium-sized enterprises (SMEs) can significantly boost economic productivity.

Economic growth, driven by sound public policies, has the potential to reduce poverty by creating job opportunities, improving income distribution, and providing a foundation for human development. Growth in the economy generally leads to higher wages, increased productivity, and the expansion of public services (Nguyen, Giang, Tran, & Do, 2021). However, the relationship between economic growth and poverty reduction is complex and depends on how the benefits of growth are distributed. Policies that ensure equitable access to opportunities, protect vulnerable populations, and focus on inclusive growth can minimize the risk of deepening inequality and ensure that the poorest segments of society benefit from broader economic progress (van Niekerk, 2020).

For poverty reduction to be sustainable, it is crucial that public policies not only address immediate needs but also focus on long-term structural changes. This includes investing in human capital through education and healthcare, improving social safety nets, and implementing labor market reforms that enhance job security and fair wages (Ayoo, 2022). Poverty alleviation

strategies must also address the root causes of inequality, such as access to land, credit, and technology, which can empower individuals and communities to break the cycle of poverty (Osmani, 2021). Therefore, a balanced approach to public policy that integrates economic growth with social development is essential for achieving lasting poverty reduction.

Public policy, economic growth, and poverty reduction are deeply intertwined in shaping international development outcomes. Countries with well-structured public policies, such as those in Scandinavia or East Asia, have demonstrated that strategic investments in education, healthcare, and social welfare can lead to sustained economic growth and significant poverty reduction (Olawajun, & Olawajun, 2021). Globally, multilateral organizations like the World Bank and the United Nations emphasize the need for inclusive growth policies that prioritize sustainable development, environmental protection, and social equality (Kamran, Rafique, Nadeem, & Anwar, 2023). While the global economy faces challenges such as climate change, technological disruption, and geopolitical tensions, nations with strong public institutions and well-crafted policies are more resilient to economic shocks, ensuring a more equitable distribution of prosperity.

Many nations face unique challenges in balancing economic growth with poverty reduction. While some African countries have experienced impressive growth rates, the benefits have often been uneven, with large portions of the population remaining in poverty. Public policies in Africa have sometimes focused too heavily on resource extraction and industrialization, without sufficient attention to rural development, education, and healthcare (Wade, 2020). In Nigeria, despite being Africa's largest economy, poverty levels remain high due to issues such as corruption, inadequate infrastructure, and insufficient social protection programs. In Cross River State, localized policies aimed at enhancing agricultural productivity, improving infrastructure, and promoting tourism are seen as vital drivers of economic growth (Nwogbo, & Ighodalo, 2021). However, effective poverty reduction in the state requires a more inclusive approach that considers the socio-economic realities of rural and marginalized communities, ensuring that economic gains are shared broadly among the population.

Problematic

Public Policy, Economic Growth, and Poverty Reduction faces several challenges that could hinder its effectiveness. One key issue is the ineffective implementation of public policies due to weak administrative frameworks, corruption, and lack of political commitment (Mugellini, Della Bella, Colagrossi, Isenring, & Killias, 2021). Although policies aimed at fostering economic growth and poverty alleviation are often formulated, their impact is diminished by mismanagement and inadequate infrastructure, such as poor road networks, limited electricity, and inadequate healthcare facilities (Akbar, Abdullah, Naveed, & Syed, 2022). This infrastructural gap limits business growth, reduces access to essential services, and perpetuates poverty, particularly in rural areas of the state.

Another challenge is the over-dependence on a few sectors, such as agriculture and tourism, which are vulnerable to environmental factors and global economic shifts. This lack of diversification restricts sustainable economic growth and hinders poverty reduction efforts. Additionally, there is a significant issue of inequality in the distribution of resources, with urban areas benefiting disproportionately compared to rural communities (Cong, & Ren, 2023). The limited access to quality education and skills development further exacerbates this, as it prevents the workforce from being competitive and adaptable to evolving economic demands. These problems are compounded by political instability, weak governance, and environmental

degradation, all of which undermine efforts to achieve inclusive growth and effective poverty reduction.

Theoretical framework

Modernization Theory by Walt Rostow (1960s)

Modernization theory proposes that development follows a linear path, with societies moving through distinct stages from traditional to modern. It emphasizes the role of economic growth, particularly through industrialization and technological progress, in driving societal transformation. The theory suggests that developing countries can achieve development by adopting the economic, social, and political structures of Western nations, with public policy playing a crucial role in fostering the conditions necessary for economic growth and poverty reduction.

Modernization theory asserts that development follows a linear trajectory, where societies progress through distinct stages, transitioning from traditional to modern forms. Central to this theory is the belief that economic growth, often spurred by public policies, is a crucial step in reducing poverty. Economic growth, particularly through industrialization and technological innovation, is seen as a catalyst for societal transformation, ultimately leading to improved living standards and poverty alleviation. The theory also adopts a Western-centric view, suggesting that developing countries can achieve progress by emulating the economic, social, and political structures of Western nations. In this framework, public policy plays a vital role in creating the conditions necessary for economic growth and the reduction of poverty.

Modernization theory is suitable for this study because it emphasizes the role of public policy in fostering economic growth as a necessary precondition for poverty reduction. It can help analyze how Cross River State might move through stages of development by implementing policies that support economic and social transformation.

Dependency Theory by Andre Gunder Frank (1966)

Dependency theory argues that the underdevelopment of countries in the Global South is a result of their exploitation by more developed nations. It emphasizes that developing countries are structurally dependent on wealthier countries through unequal trade relations, foreign capital, and global economic systems, which limit their ability to achieve sustainable growth. The theory suggests that this dependence perpetuates poverty rather than alleviating it, and that developing countries' economic policies are often constrained by external forces, preventing them from achieving genuine development and autonomy.

Dependency theory posits that the underdevelopment of countries in the Global South is primarily caused by their exploitation by more developed nations. This exploitation manifests through unequal trade, debt, and dependence on foreign capital, which restricts their ability to achieve sustainable growth. The theory highlights that the economic structures of developing nations are heavily influenced by external forces such as multinational corporations, foreign aid, and international trade agreements, which often perpetuate poverty instead of alleviating it. Additionally, it posits that the economic policies of these countries, including those in Cross River State, are constrained by global economic pressures, leading to decisions that may not address local needs or effectively reduce poverty. Dependency theory offers a perspective for analyzing the challenges faced by Cross River State in achieving economic growth and poverty reduction.

Methodology

The methodology for this study adopted a survey research method to collect data. A structured questionnaire was used as the primary data collection tool, targeting a sample population of 384 individuals. The sample included residents, policymakers, and business owners within Cross River State, ensuring a representative distribution across different sectors. The survey gathered quantitative data on key indicators such as income levels, employment, access to public services, and perceptions of the effectiveness of public policies in promoting economic growth and reducing poverty. The data were analyzed using descriptive statistics to identify patterns and relationships between public policies, economic growth, and poverty reduction in the state.

Findings

The table presents the distribution of perceptions regarding the impact of public policies on economic growth in Cross River State. A total of 51 respondents (13.3%) perceived the impact as "very positive," while 106 respondents (27.6%) considered it "positive." A significant portion, 87 respondents (22.7%), held a "neutral" view, indicating neither a positive nor negative perception. Meanwhile, 68 respondents (17.7%) saw the impact as "negative," and 72 respondents (18.8%) viewed it as "very negative." This distribution shows that while a majority have a positive or neutral perception, a substantial portion of respondents still perceive the impact of public policies as either negative or very negative.

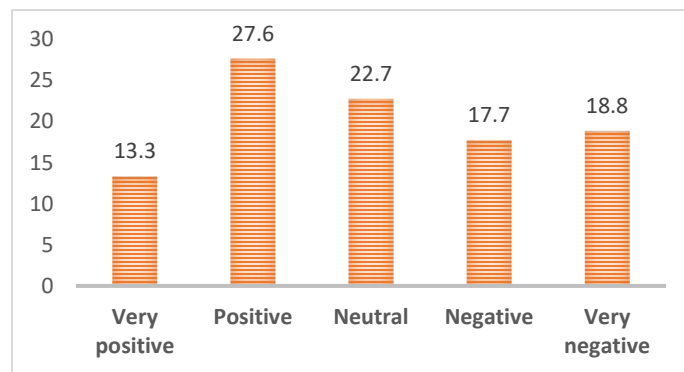


FIG. 1: Perception of the impact of public policies on economic growth

Source: Author's Fieldwork, 2024.

Figure 2 illustrates the perceived effectiveness of public policies in reducing poverty in Cross River State. A total of 61 respondents (15.9%) believe that effective policies have been implemented, while the largest group, 120 respondents (31.3%), attribute the lack of success to the "lack of proper implementation." Another 77 respondents (20.1%) cite "limited resources for policy execution" as a key factor hindering poverty reduction. Additionally, 82 respondents (21.4%) point to "political instability and corruption" as significant barriers, while 44 respondents (11.5%) identify a "lack of political will" as a contributing issue. These responses indicate that implementation challenges, resource constraints, and political factors are the primary concerns impacting the success of poverty reduction efforts in Cross River State.

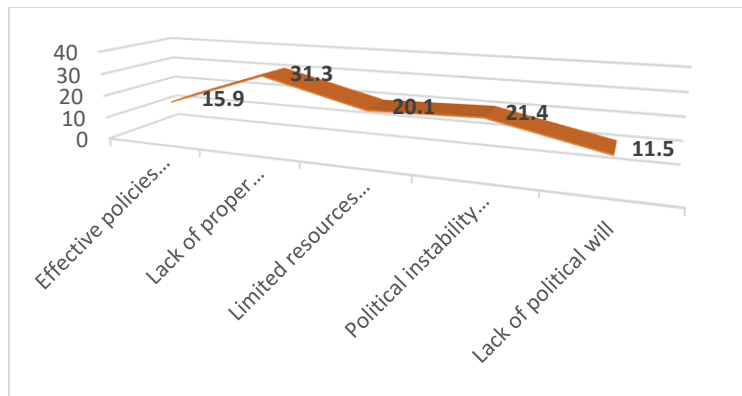


FIG. 2: Effect of public policies in reducing poverty

Source: Author's Fieldwork, 2024.

Figure 3 shows the areas where respondents believe public policies have led to significant improvements in Cross River State. A majority, 105 respondents (27.4%), identified "infrastructure development" as the area of most notable improvement, followed closely by 98 respondents (25.5%) who highlighted "education and skills development." Employment opportunities were seen as significantly improved by 92 respondents (23.9%), while 51 respondents (13.3%) noted improvements in healthcare access. However, 38 respondents (9.9%) felt that none of the listed areas had experienced significant improvement due to public policies. This data suggests that infrastructure, education, and employment are the primary areas benefiting from public policy, with a smaller proportion perceiving no major advancements in these sectors.

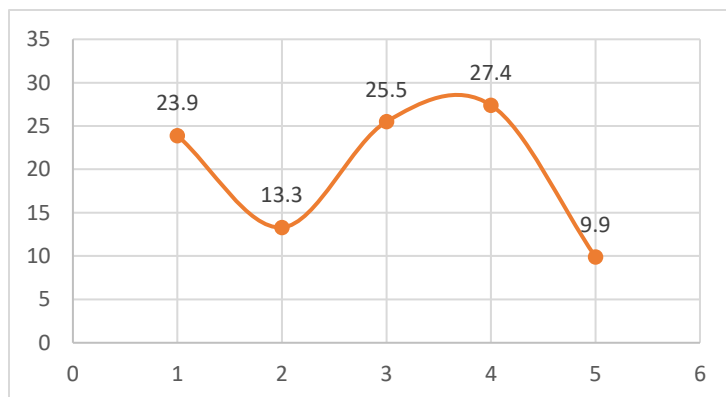


FIG. 3: Areas of significant improvement due to public policies

Source: Author's Fieldwork, 2024.

Figure 4 illustrates the overall perception of the relationship between economic growth and poverty reduction as a result of public policies in Cross River State. A total of 79 respondents (20.6%) believe the relationship is "strongly positive," while 112 respondents (29.2%) view it as "moderately positive." A significant number of respondents, 75 (19.5%), maintain a "neutral" stance, indicating neither a positive nor negative perception. Meanwhile, 84 respondents (21.9%) feel the relationship is "moderately negative," and 34 respondents (8.9%) consider it "strongly negative." These findings suggest that while a majority perceive a positive or neutral relationship,

a notable proportion of respondents remain concerned about the effectiveness of public policies in linking economic growth with poverty reduction.

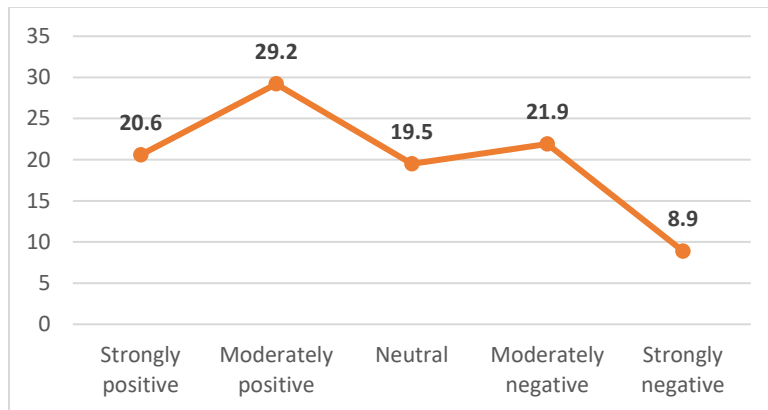


FIG. 4: Overall relationship between economic growth and poverty reduction as a result of public policies

Source: Author's Fieldwork, 2024.

Hypotheses

H_0 : There is no significant relationship between public policies and poverty reduction in Cross River State, Nigeria.

H_1 : There is a significant relationship between public policies and poverty reduction in Cross River State, Nigeria.

The Chi-square test for independence was suitable to test this hypothesis. This test helped to determine if there is a significant association between public policies (measured by respondents' perceptions) and the level of poverty reduction in Cross River State. By comparing the observed frequencies with expected frequencies, the test assessed whether any correlation exists between the two variables.

Table 1: Chi-Square Test Output:

Test Statistics	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	15.236	4	0.004
Likelihood Ratio	15.493	4	0.004
Linear-by-Linear Association	6.374	1	0.012
N of Valid Cases	384		

Results

The results of the Chi-square test for independence show that the Chi-square statistic is 15.236 with 4 degrees of freedom, and the p-value is 0.004, which is below the standard significance level of 0.05. This indicates a statistically significant relationship between public policies and poverty reduction. Similarly, the likelihood ratio test also yields a p-value of 0.004, further confirming the significant association between the two variables. Additionally, the Linear-by-Linear Association test provides a p-value of 0.012, suggesting a statistically significant trend in the relationship. With a total of 384 valid responses, the analysis supports the rejection of the

null hypothesis, concluding that there is indeed a significant relationship between public policies and poverty reduction in Cross River State, Nigeria.

Conclusion

This study has demonstrated a significant relationship between public policies and poverty reduction in Cross River State, Nigeria. The findings, based on the Chi-square test for independence, reveal that effective public policies are crucial in promoting economic growth and addressing poverty. The data analysis highlighted that while some respondents perceive positive impacts of these policies, others remain critical due to factors such as poor implementation, political instability, and limited resources. Despite these challenges, certain areas such as employment opportunities, healthcare, and infrastructure development have shown notable improvements. The study underscores the importance of strengthening policy frameworks, enhancing political will, and ensuring the efficient implementation of public policies to effectively tackle poverty and stimulate sustainable development in the state.

Recommendations

Based on the findings of this study, it is recommended that the government of Cross River State focus on improving the implementation of public policies aimed at poverty reduction. This can be achieved by ensuring better coordination between various sectors, increasing the allocation of resources, and addressing political instability and corruption that hinder policy effectiveness. Additionally, there is a need for more targeted policies that cater to the unique needs of vulnerable populations, with a focus on sectors such as education, healthcare, and employment. Strengthening the capacity of local government agencies to execute these policies efficiently, alongside fostering greater political will, will ensure more tangible and lasting improvements in the socio-economic well-being of the people.

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