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Prudent Macroeconomic Management for Poverty Reduction and Sustainable Development in Nigeria

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Abstract: The high levels of corruption, unemployment and abysmal development reflect a situation of poor macroeconomic management in Nigeria. Sound macroeconomic policies and management contribute in many ways to high quality growth that has positive correlation with poverty reduction. Increased and more efficient public spending in the areas of public education, healthcare, and employment remain the catalysts for poverty reduction and sustainable development. It is believed that efficient use of resources is central to economic growth and sustainable development. Descriptive research design was used for the study. Data generated were triangulated, analyzed and it was found that prudent macroeconomic management has positive association with poverty reduction and sustainable development.

Keywords: Macroeconomic management; Microeconomics; John Keynes; Wage employment; Unemployment.

1. Introduction

Management is the economic organ of the industrial society and the key management task is economic performance. According to Muo (1999) management is carried out within the environment and the stability or otherwise of that environment affects the practice and efficacy of management. He posits that management environment consists of the external, which is outside the control of management and internal, which is within management control. External environment has political, economic, sociocultural, demographic, technological and international dimensions. Over the past 30 years, the Nigerian environment has been characterized by macroeconomic instability, financial system distress, political uncertainty, unemployment, insecurity, poverty, mismanagement of natural resources, among other issues. The role of prudent macroeconomic management in the circumstance would be in the form of attempts to exploit opportunities to ensure the efficient allocation and utilization of natural resources so as to reduce poverty and pave the way for desirable sustainable development. This is important, because according to Ouattara (1997) without doubt, macroeconomics and the environment are inextricably linked. The need therefore, for prudent macroeconomic arises, very importantly to check corruption because development projects failed in the past because enough attention was not paid to controlling corruption (Kaufmann and Dininio, 2006). At the expiration date of the UN Millennium Development Goals (MDGs) in 2015 the number of people living in poverty was reduced and estimated at about 1 billion, with the majority living in sub-Saharan Africa. Despite this modest reduction, progress has been less than expected particularly in the developing countries. This disappointment most probably informed the UN understanding in placing the issue of poverty reduction as the number one step in the 17 steps of the Sustainable Development Goals (SDGs) strategy. There is also concern about the level of financial resources dedicated to poverty reduction and the ways in which such funds; including aids from donor agencies are utilized. According to Klugman (2002a) most development economists and practitioners now believe that aid and policy effectiveness depend on the input of other agents such as the private sector, civil society organizations as well as the proper and healthy functioning of the societal and institutional structures within which they operate. Generally, poverty relates to a situation in which the individual lacks the capacity to independently secure a decent standard of living or decent quality of life (Obasi, 2001). According to Coudouel *et al.* (2006) the poor believe that poverty is primarily hopelessness, defenselessness, exclusion from social and commercial life, low ability to provide basic necessities for the household, and an inability to continue traditions important to their lives. According to the World Development Report (2000/2001) the critical dimensions of poverty includes lack of opportunity; which involves low levels of consumption and income, usually relative to a national poverty line. This is equally associated with the level and distribution of human capital and social and physical assets, such as land and market opportunities that determine the returns to these assets. The variance in the returns to different assets is also important. Low capabilities relate to little or no improvements in health and education indicators among a particular socioeconomic group. Another dimension of poverty is low level of security. Exposure to risk and income shocks that may arise at the national, local, household or individual levels is important.

Lack of empowerment is again a fundamental dimension of poverty. Empowerment is the capability of poor people and other excluded groups to participate in, negotiate with, change, and hold accountable, institutions that affect their wellbeing. Klugman (2002a) emphasize that the empirical correlations between these different dimensions of poverty are overwhelmingly positive. However, he posits that numerous statistical studies confirm that rapid economic growth is the engine of poverty reduction. Therefore, domestic economic policies have an important effect on sustained growth, including prudent macroeconomic management, more open markets and a stable and predictable environment for private sector activity. Ouattara (1997) believes that macroeconomic stability is a minimum and necessary condition for development. He asserts that stability enhances growth prospects, increases employment and incomes and ensures the preservation of the environment. It is believed that good regulatory and judicial, social, as well as political, social, and demographic forces also affect the ability of poor people to acquire a range of financial and human capital assets to pull them out of poverty which in turn accelerates and improves economic growth and leads to sustainable development. Prudent macroeconomic management is pivotal to poverty reduction and sustainable development because it is directly concerned with the efficient and effective allocation and application of national resources with high degrees of transparency and accountability. Before 2000 there has been controversy as to how prudently huge national resources are accounted for particularly the money accruing from oil. As at 2012, the NNPC claimed that the Federal Government of Nigeria (FGN) was owing it N1.3trillion. According to the NNPC the money rose steadily from N752biilion at the end of 2011 to N1trillion in the first half of 2012. But following the huge scale fraud uncovered in the management of the subsidy scheme that swallowed N2.7trillion in 2011, according to Central Bank of Nigeria (CBN) account, the FGN said it would only pay subsidy claims cleared by a presidential panel set to verify import documents submitted by companies. Subsequently, according to Okonjo-Iweala (2015) FGN paid marketers a large portion of their outstanding, N762 billion from January 2014 to May 2015, of which about N500 billion was from November 2014 and 192billion in 2015 along. According to Okonjo-Iweala (2015) marketers also claim additional N291.7billion outstanding of which N160.5 billion is in foreign exchange differentials. To this extent, FGN asked for verification by CBN and PPPRA of the large sums in foreign exchange differentially to ensure that the money is validly owed. While no one is sure of the extent of reconciliation and payment of such huge sums of money from the national treasury, rather everybody is sure that the whole thing is drenched in corruption and weak macroeconomic management. Ouattara (1997) believes that there cannot be high quality growth where sound macroeconomic policy reforms, fiscal and non-fiscal measures to build natural resources are lacking (Adekoya, 2017), (Mboho and Inyang, 2011; Nyong, 2004; Todaro, 1977; Wallace, 2006). Oladele *et al.* (2013) insist that revenue from oil had been largely mismanaged by successive governments, as the level of economic and social infrastructural development on ground do not reflect the revenue derived from the petroleum industry. Lack of amenities including water, impedes development. According to (DFID *et al.*, 2002) poor water and sanitation services impact severely on poor women's physical security, opportunities, income generating capacity, nutritional status, time, overall health and wellbeing (Ali, 2012).

1.1. Conceptual Framework of the Study

According to Zagha *et al.* (2006) development economists working on development now hold the view that growth is a matter of getting national policies right. According to Wallace (2006) for policy makers around the world, finding ways to promote faster growth is a top priority. He posits that economists tend to advise that disciplined macroeconomic policies, structural policies that promote competition and flexibility and strong institutions provide a framework in which entrepreneurship and growth should flourish. He posits that there is no unique, universal set of rules to guide policy makers as economists believe, but insists that it is only vital to separate out those reforms that are essential for growth from those that are merely desirable because of efficiency gains. Johnson *et al.* (2000) suggest that economic institutions, such as the central banks and other governmental agencies which define the rules of the game in society for economic transactions are critical building blocks for sustained long-term growth. They insist that strong institutions imply effective property rights and mechanisms for enforcing contracts thereby promoting investment and efficiency. They opine that significant growth and development episode occurred in countries with initially weak institutions because of prudent macroeconomic management. They cite data from many counties to state that countries with initially weak institutions that were able to ignite and sustain growth were also successful in upgrading the quality of their broad economic institutions during their growth episode. They put in place sound and prudent macroeconomic policies with regard to fiscal, exchange rate, and trade policies, as well as policies relative to education and the costs of doing business that ignite growth despite weak institutions. In the process, growth is then sustained and institutions are improved, possibly laying the necessary foundations for long-term growth prospects and sustainable development. In order to break the vicious circle of poverty, the government should understand the importance of prudent macroeconomic management so as to ensure better investment in human capital, infrastructure, equitable property right and access to financial services. According to Klugman (2002a) access to financial services is often, problematic for the poor partly because the poor lacks the physical collateral necessary to obtain loans. However, it is also difficult to extend credit access to the poor because they lack access to formal and informal institutions through which credit is available and to information about credit schemes. A study of this nature is appropriate at this time not only because about 70 percent of Nigerians are poor, it is also relevant because not many local researchers to the knowledge of this investigator have worked on the relevant areas under investigation. The study is equally imperative now, because according to Devarajan *et al.* (1997) there is little empirical evidence that public sector capital expenditure has a positive impact on growth, reflecting the tendency that such investment in the past was wasteful or inefficient. Macroeconomic management is critical to the health of any nation. According to Kaliski (2001) macroeconomic is the study of the behaviors and activities of the economy as a whole, it looks at such areas as the central banking system, unemployment, gross domestic product, poverty level, government spending, policy formulation and implementation (Rostow, 1960). Also, active collaboration with the Organized Private Sector (OPS) is important for the reduction of unemployment and sustainable development because some of them are efficiently managed and have become multinational companies (MNCs) like the Dangote Group (Adekoya, 2017). According to Ouattara (1997) economic growth and sustainable development rest on efficient use of resources, support and adoption of complementary policies that help to conserve natural resources.

1.2. Statement of the Problem

The first target of the UN MDGs was to halve extreme poverty and hunger by the end of 2015. Others were to achieve universal primary education, empower women and promote equality between men and women, reduce under – 5 mortality by two-thirds, reduce maternal mortality by three-fourths, reverse the spread of diseases, especially HIV/AIDS and malaria, ensure environmental sustainability and create a global partnership for development, with targets for aid, trade and debts relief. It was highly expected that progress on these goals would pave the highway for sustainable development. Even though progress was recorded, especially over the target to halve extreme poverty by some countries, Nigeria is one of the countries that never met any of the targets by 2015. It would have been impossible for Nigeria to reduce its poverty rate by half as at 2015, given the preponderance of weak economic institutions and macroeconomic management. Although Nigeria is endowed with abundant mineral and other resources, but these are frittered away into private pockets through massive corruption; thereby placing the country among the first five (5) most corrupt countries in the world. With a high number of out-of-school children, unemployment and underemployments rates, poor infrastructure, security challenges as epitomized by Boko Haram, Niger Delta Militants, Lagos Area Boys, Arewa Youths, threats, and other types of agitations or *zangazanga*, it points to the fact that the country is still far from addressing the issues that would lead to poverty reduction and sustainable development. Sustainable development means the type of development that allows the people to meet their needs and at the same time guarantees the chances of the future generations to meet their own needs. The challenge now is for the country to refocus attention towards reducing corruption, ensuring higher enrolments in primary and secondary education; improving healthcare, reducing unemployment and paying genuine attention to the empowerment of the youths. Achieving this feat requires nothing less than prudent macroeconomic management and collaboration with relevant stakeholders like the OPS Multinational Corporations (MNCs), donor agencies, the World Bank, and other global financial institutions (FIs) like the International Monetary Fund (IMF), African Development Bank (ADB) among others. Cultivating the FIs is important because the poor need access to financial services to enable them take advantage of business and other opportunities that would help them come out of extreme poverty. The forecast is that if SSA including Nigeria is to reduce poverty, its real per capita GDP growth rates will have to increase to about 5 percent (Buvinic and King, 2007; Ogunwale, 2012; Ojiabor, 2014; Osehobo, 2012; Pattillo *et al.*, 2006; World Bank, 1996a;1996b). In macroeconomics, the emphasis is at the aggregate or overall economy. However, it is believed that in countries with the lowest average income and in which agriculture remains the main source of economic activity, such as Nigeria, and other SSA countries, the poor's lack of education, healthcare, and employment opportunities prevents them from being able to fully benefit from improved macroeconomic and structural policies, thus hindering economic growth (Blackden and Bhanu, 1999).

1.3. Objective of the Study

The study was designed to explore the relationship between prudent macroeconomic management and sustainable development.

1.4. Significance of the Study

The study will provide the opportunity for students', academics, researchers', policy makers and others to appreciate the importance of prudent macroeconomic management for sustainable development in Nigeria.

1.5. Research Questions

1. Does prudent macroeconomic management lead to poverty reduction and sustainable development?
2. Will equitable distribution of national resources lead to poverty reduction in Nigeria?
3. Is macroeconomics involved in the study of GDP and unemployment?
4. Does corruption undermine growth and sustainable development?
5. Does rating among the most corrupt nations suggest national development?

1.6. Restatement of Research Questions

1. Prudent macroeconomic management leads to poverty reduction and sustainable development.
2. Equitable distribution of national resources will lead to poverty reduction.
3. Macroeconomics studies GDP and unemployment.
4. Corruption undermines growth and sustainable development.
5. Rating among the most corruption nations does not suggest national development.

2. Literature Review

Poverty in Nigeria is more readily associated with unemployment and underemployment. Unemployment among the youths in Nigeria is still very high, it is estimated that over 60 percent of the youths are unemployed, thereby making the majority vulnerable to poverty. Under development in the real sector, comprising agriculture, manufacturing and other heavy industries partly caused by continued weakness in macroeconomic policy, remains the main factor discouraging private investment, even if macroeconomic stability has the potential of improvement, the issue of corruption stands to frustrate policy implementation. More than three quarters of Nigerian households are self-employed in either agriculture or a variety of nonfarm activities. Urban self-employment has been a significant channel through which many of the poor have escaped poverty. Both the rural and urban poor in Nigeria rely mostly on micro, small, medium enterprises (MSMEs) for survival, and this sector provides over 90 percent of total employment in Nigeria (Ibeenwo, 2015). However, growth in the sector is limited by internal constraints, such as poor economies of scale and lack of access to technology or credit. According to Besley and Cord (2007) very few self-employment activities develop into more established companies that hire significant numbers of employees. Even though wage employment, whether formal or informal, represents the primary economic activity in only about one-fourth of households, the contraction of wage employment, mainly because of both OPS and Public Sector (PS) retrenchments over the last 30 years and more have deprived the poor of a potentially powerful mechanism for escaping poverty. They posit that public spending potentially plays a critical role in relation to the poor, notably through provision of key services, such as education and health, and investment in infrastructure including roads, markets and electricity, water, among others. They insist that although public spending has poverty-reducing effects it benefits the poorest of the poor less than others because of its distribution pattern and inequality. According to Klugman (2002a) high levels of inequality contribute to high levels of poverty in several ways. First, for any given level of economic development or mean income, higher inequality implies higher poverty since a smaller share of resources is obtained by those at the bottom of the distribution of income or consumption. Second, higher initial inequality may result in lower subsequent growth and, in less poverty reduction. He states that the negative impact of inequality on growth and sustainable development may result from various factors. For example, access to credit and other resources may be concentrated in the hands of privileged groups, thereby preventing the poor and the poorest of the poor from investing. Third, according to him, higher levels of inequality may reduce the benefits of growth for the poor because a higher initial inequality may lower the share of the poor" benefits from growth. He further argues that, independent of inequality's impact on poverty, inequality has a direct, negative impact on social welfare (World Bank, 2000;2001).

2.1. Macroeconomic Management and Poverty Reduction

Klugman (2002b) suggests that economic growth is the single most important factor influencing poverty, and that macroeconomic stability is the cornerstone of successful efforts at poverty reduction. According to him several studies believe that growth, investment and, productivity are positively correlated with macroeconomic stability. He opines that although it is difficult to ascertain or prove the direction of causation, empirical results confirm that macroeconomic instability has generally been associated with poor growth performance, and by extension, development. Prudent macroeconomic management depends on macroeconomic stability without which both domestic and foreign investors will stay away and resources will be diverted elsewhere at the detriment of sustainable growth and development. A good set of macroeconomic policies that encourages private investment is significantly necessary for poverty reduction activities. According to Klugman (2002b) increased and more efficient public spending in the areas of education, healthcare, employment generation, among others opens the windows for effective poverty reduction (Devarajan *et al.*, 1997; Easterly and Kraay, 1999; Fischer, 1993). Other aspects of macroeconomic instability like inflation brings a heavy burden of which is typically borne disproportionately by those in lower income brackets; because the poor, usually, hold most of their financial assets in the form of cash, therefore less able than the better off to protect their real value from inflation. In the light of the importance of growth for poverty reduction and of macroeconomic stability for growth, the main objective of macroeconomic policy should be the establishment or strengthening of macroeconomic stability. Macroeconomic stability depends not only on the macroeconomic management of an economy, but also on the structure of key markets and sector. Klugman (2002b) believes that to enhance prudent macroeconomic management and macroeconomic stability countries of the world need to support and strengthen macroeconomic policies with sound structural reforms that upgrade and improve the functioning of these markets and sectors. He postulates that macroeconomic stability exists when the key economic relationships are in balances for example, between domestic demand and output, fiscal revenues and expenditure, and savings and investment as well as the balance of payments necessary to improve national development (Todaro, 1982). Economists studying the trends of government spending in developing countries believe that there is need to reform public spending to make it more efficient, better help the poor, and address infrastructure bottlenecks. They insist that while improving infrastructure and providing a greater level of services, including to the poor governments must improve the efficiency and equity of public spending. Clements *et al.* (2007) agree that improving the composition of spending across different categories and programmes could also help catalyze faster growth and poverty reduction.

2.2. Macroeconomic Policies and Development

Klugman (2002b) reveals that macroeconomic policies influence and contribute in a variety of ways to the attainment of rapid, sustainable economic growth and development aimed at poverty reduction. He insists that by pursuing sound economic policies, policy makers can send clear signals to the private sector. The extent to which they are able to establish a track record of policy implementation will influence private sector confidence which will in turn affect investment, economic growth, and poverty reduction. He emphasizes that prudent macroeconomic policies can result in low and stable inflation. His argument is that high inflation hurts the poor by lowering growth and by redistributing real income and wealth to the detriment of those in society least able to defend their economic interests. To enhance rapid poverty reduction in society, policy makers need to integrate their poverty reduction and macroeconomic strategies into a consistent and operational framework, in a manner that does not jeopardize macroeconomic stability and growth objectives. Macroeconomic stability describes a situation in which key economic relationships are broadly in balance and sustainable, therefore poverty reduction policies or strategies need to be country driven, with broad participation of civil society organizations, elected and appointed officials, key donor agencies, as well as relevant international FIs. In the opinion of Klugman (2002b) sound fiscal policy can have a direct impact on the poor, both through the governments overall fiscal stance and through the distributional implication of tax policy and public standing on essential services. Structural fiscal reforms in budget and treasury management, public administration, governance, transparency and accountability can equally benefit the poor through inducing more efficient and prudent use of public resources. In the context of the integrated poverty reduction prudent macroeconomic management framework, policymakers should ensure to rank poverty reduction programmes in order of relative importance and in tandem with the country's absorptive capacity in light of existing institutional and administrative capacity (World Bank, 1982). Good macroeconomic reforms are essential to ensure a stable environment and the DFID *et al.* (2002) believe that poverty reduction is linked with good environmental management. To improve on fiscal transparency around the world, the IMF continues to introduce new measures for macroeconomic management. According to Hemming and Shields (2007). The IMF approved a new fiscal transparency code that introduces mine new good practices governments should follow to promote better-informed public debate about how they tax and spend. The IMFs revised code of good practices on Fiscal Transparency draws on the real world experiences of developing countries emerging markets, and advanced economics, and follows a broad public consultation process. According to them, the revision retains the original code's four pillars of fiscal transparency, clarity of roles and responsibilities, open budget processes, public availability of information, and assurances of integrity. The new specific good practices cover revenue from natural resources, government contract with resources companies, revenue collection, the legal basis for the use or sale of government assets, the impact of budget measures, and a publication of a citizen's guide to the budget. They emphasize the necessity of the fiscal transparency code because of the link between fiscal transparency, good governance and accountability, the quality and credibility of fiscal policy, and economic performance.

3. Methodology

3.1. Research Design

The descriptive survey design was used for the study. Usually, descriptive designs, do not make use of hypotheses because they only describe phenomena as they exist at any point in time and such phenomena have no need for statistical testing (Nwankwo, 2011). The method is historical in nature and does not usually require a large sample or structured questionnaire. However, the investigator may also engage in interviews and data so collected are reported, described and interpreted to form part of the study (Osuala, 2015).

3.2. Data Collection Methods

Data were generated through primary and secondary sources, such as books, journals, newspapers, interviews, among others. Secondary data are information that has been previously collected for some other purposes other than the research project at hand, whereas primary data are information gathered and assembled specifically for the research objectives at hand. However, it does not mean that secondary data are secondary to primary data in research work. Both data are often used to complement each other in an effort to achieve the broad research objective. Notwithstanding some limitations, secondary data provide cost and time savings. Some information like poverty profiles, population profiles, among others, can be obtained only from poverty and population statistics. In certain research, it may be necessary to demonstrate the practical usefulness of secondary data when applied appropriately and intelligently to achieve research objectives. The use of both secondary and primary data helps to provide alternative insights and deeper understanding of the problem under investigation (Ali, 2016).

3.3. Decision Rule

The decision rule for the criterion mean is at 2.5, while the cut-off for the analysis of responses is at 60 percent.

3.4. Data Analysis

Data were analyzed through descriptive statistics and result presented in tables.

4. Presentation of Result

Table-1. Relative poverty: Non-poor, Moderate poor and Extremely poor (%) 1980 – 2010

Year	Non-poor	Moderately poor	Extremely poor
1980	72.8	21.0	6.2
1985	53.7	34.2	12.1
1992	57.3	28.9	13.9
1996	34.4	36.3	29.3
2004	43.3	32.4	22.0
2010	31.0	30.3	38.7

Source: Author Fieldwork (2017) Adapted from Kale (2012).

Table 1 proved that about 39 percent of Nigerians are extremely poor, suggesting that the huge national resources are mismanaged. According to Obasanjo (2017) 90 percent of the nation's revenue is used to pay overhead, allowances, salaries, and not much is left for capital development, while 75 percent of the people live in abject poverty.

Table-2. Incidence of Poverty by Sector using different Poverty Measures (%) as at 2010.

Sector	Food poor	Absolute poor	Relative poor	Dollar per day
Urban	26.7	52.0	61.8	52.4
Rural	48.3	66.1	73.2	66.3
National	41.0	60.9	69.0	61.2

Source: Author Fieldwork (2017) Adapted from Kale (2012).

The absolute poverty level as in table 2 remains very high, and not a positive move toward sustainable development. This is evident in the absence of the kinds of infrastructural facilities, health and education services that should befit Nigeria as a major oil producing country in the world. But Nigeria is rated 145th out of 172 countries by UN in its HDI (Oladele *et al.*, 2013).

Table-3. Incidence of Poverty by Zone using different Poverty Measures (%) as at 2010

Zone	Food poverty	Absolute poverty	Relative poverty	Dollar per day
North Central	38.6	59.5	67.5	59.7
North East	51.5	69.0	76.3	69.1
North West	51.8	70.0	77.7	70.4
South East	41.0	58.7	67.0	59.2
South-South	35.5	55.9	63.8	56.1
South West	25.4	49.8	59.1	50.1

Source: Author Fieldwork (2017) Adapted from Kale (2012).

Table 3 showed that both absolute and relative poverty incidence is highest in the Northern and Southeast parts of Nigeria. And these people are revolting through different types of zangazanga, like restructuring campaigns (Obogo, 2017).

Table-4. Profile of Respondents (n = 90)

S/N	Description	Category	Total number	Percentage
1	Sex	a) Female b) Male	40 50	44.44 55.56
2	Education	a) Above FLSC b) Diplomas/degrees c) Higher degrees	15 51 24	16.67 56.66 26.67
3	Age	a) 18 to 25 b) 26 to 40 c) 41 to 70	20 55 15	22.22 61.11 16.67
4	Experience	a) Less than 5 years b) More than 10 years c) More than 25 years	11 45 34	12.22 50.00 31/78
5	Income	a) Low b) Middle c) High	15 47 28	16.67 52.22 31.11
6	Employment	a) Private b) Public c) Self employed d) Unemployed	22 37 17 14	24.44 41.11 18.89 15.56

Source: Author Fieldwork (2017)

Table 4 showed that the sample was thoroughly mixed, to enhance the quality of responses.

Table-5. Poverty Reduction and Sustainable Development by Prudent Macroeconomic Management

S/N	Statement	SA	A	U	D	SD	Total	$\bar{X}$	Decision Rule @ 2.5 of $\bar{X}$
		5	4	3	2	1			
1	Stealing of public funds by public officers helps in poverty reduction and sustainable development in Nigeria	1	2	1	4	4	12	2.40	Rejected
2	Prudent macroeconomic management is necessary for poverty reduction and sustainable development in Nigeria	5	4	1	2	3	15	3.0	Accepted
3	Macroeconomics studies national GDP, unemployment and government spending, etc.	4	5	1	2	1	13	2.60	Accepted
4	Giving and receiving bribes lead to poverty reduction and sustainable development in Nigeria	1	1	2	2	2	8	1.60	Rejected
5	Stable economic policies lead to prudent macroeconomics management	4	4	1	2	3	14	2.80	Accepted
6	Low life expectancy is a measure of poverty in society	5	3	1	2	2	13	2.60	Accepted
7	High levels of unemployment can lead to youth restiveness	4	5	1	2	2	14	2.80	Accepted
8	Corruption undermines growth and sustainable development	4	5	1	2	3	15	3.00	Accepted
9	Rating among the most corrupt nations suggests national development	1	1	2	1	1	6	1.20	Rejected
10	Equitable distribution of national resources will help in poverty reduction in Nigeria	5	3	2	3	2	15	3.00	Accepted

Source: Author Fieldwork (2017)

Prudent macroeconomic management and unambiguously implemented fiscal policies expand the bundle of physical and human capital, and infrastructure, reduce deterioration of social amenities, stimulate growth and help in poverty reduction. The analysis in table 5 supports the assertion of Klugman (2002b) that sound macroeconomic management is critical to poverty reduction and sustainable development.

Table-6. Poverty Reduction and Sustainable Development by Prudent Macroeconomic Management (Analysis of Responses)

Items	Statements	Yes		No			
		No	%	No	%	Total	Decision @ 60% yes
1	Stealing of public funds by public officers helps in sustainable development Nigeria	5	5.56	85	94.44	90	Rejected
2	Prudent macroeconomic management is necessary for poverty reduction and sustainable development in Nigeria	75	83.33	15	16.67	90	Accepted
3	Macroeconomics studies national GDP, unemployment, and government spending among others	80	88.89	10	44.41	90	Accepted
4	Giving and receiving bribe lead to poverty reduction and sustainable development in Nigeria	2	2.28	89	7.78	90	Rejected
5	Stable economic policies lead to prudent macroeconomic management	83	92.22	7	7.78	90	Accepted
6	Low life expectancy is a measure of poverty in society	87	96.67	3	3.33	90	Accepted
7	High levels of unemployment can lead to youth restiveness	86	95.56	4	4.44	90	Accepted
8	Rating among the most corrupt nations suggests national development	1	10.11	89	98.99	90	Rejected
9	Corruption undermines growth and sustainable development	82.9	1.11	8	8.89	90	Accepted
10	Equitable distribution of national resources will help in poverty reduction in Nigeria	88	97.78	2	2.22	90	Accepted

Sources: Author Fieldwork (2017)

The responses in table 6 validate the research questions of the study and the corresponding answers. It also supports Ouattara (1997) that macroeconomic management is concerned with how necessary resources can be raised for sustainable development and high quality growth. Equally, it gives credence to the rubost argument of this study that efficient use of national resources is central to poverty reduction and sustainable development.

5. Discussion

The need for prudent macroeconomic management, poverty reduction, and sustainable development cannot be overemphasized for many reasons. For example, it will ensure that the annual GDP increases from year to year to show that the economy is growing. It will also be concerned and ensure that the rate of unemployment is kept at the bearest minimum. When unemployment is reduced poverty will also reduce to some extent. Economists believe that if GDP is too low or decreasing, an increase in unemployment will occur, and poverty persists. GDP can only increase, unemployment and poverty reduced, and sustainable development occurs, through prudent macroeconomic management. A major goal of macroeconomics is to find ways to overcome instability and to have continuous national growth, coupled with high levels of production, full employment and stable prices. It is also agreed that good fiscal policy will have positive effect on national income, productivity, government spending and employment. Traditional economists believe that in many places where political agitations exist, the basis of reform lies in macroeconomics because the economic conditions of the people with regard to poverty, hunger, illiteracy among others, become a major factor in the attitude and relationship toward their leaders. This makes a case for equitable distribution of national income, which is the total of all the expenditures, for goods and services made by individuals, customers, businesses and governments combined. This is hardly the case in Nigeria because less than 10 percent of the people are in control of national resources leading to persistent demands for *resource control, restructuring*, *wey my own*, *balancing*, *landlord*, among others. Table 1 showed that about 39 percent of Nigerians are extremely poor, and the national relative poverty level is put at about 69 percent as shown in table 2. From table 3 it was noted that poverty is highest in the Northern part of Nigeria, where there is serious challenges posed by youth restiveness and other agitations for social equity. Poverty is also very high in the South East where there is agitation for separation. All these could be minimized through prudent macroeconomic management that creates the environment to meet the poor at the points of their needs. Klugman (2002b) suggests that a good poverty reduction strategy requires the knowledge of what matters most to the poor and how the poor obtain and spend their money. He reports that in Bangladesh for example, the poor spend about 73 percent of their income on food, with fuel, housing and clothing combined, accounting for just 21 percent, and that the sale of unskilled labour appears to be the most important source of income for the poor. In Nigeria, most people are hungry while huge national resources are swept away by corruption and weak macroeconomic management. This is a country where N4.2billion is allegedly spent every six days on *so-called kerosene subsidy*. This is one country where a national corporation like the NNPC is yet to reconcile how $49.8billion was appropriated or misappropriate with the Central Bank of Nigeria (CBN), and nobody is sure of the actual amount. Literature provides evidence that corruption and weak macroeconomic management undermine poverty reduction and sustainable development goals. The analyses in tables 5 and 6 strengthen this assertion, and on the other hand support the findings of (Klugman, 2002a;2002b) that prudent macroeconomic management is necessary for poverty reduction and sustainable development. Corruption and mismanagement reflect a situation of primitive equilibrium, where national resources are shared and put away in remote villages and even inside pit toilets, to waste, in different parts of the country, as part of the share of the national cake, while workers are owed many months salary arrears, and children learn under mango trees. Such stolen and hidden cash does not form part of national spending. To this extent, the need for prudent macroeconomic management, poverty reduction and sustainable development cannot be overemphasized. John Maynard Keynes, who popularized the theory of macroeconomics in the early part of the last century thought that a decline in total national spending would be decrease in business activity, leading to unemployment. His plausible argument succeeds today because Nigeria's national spending is being highly depleted through diversion, corruption, and mismanagement of national resources. Keynes was of the view that a decrease in total spending with unemployment brings about more unemployment, while decreased spending during full employment will help to check inflation. Modern development and macroeconomists may argue more over his own views, but the challenge is on how huge revenue from national or natural resources like oil could be use so as to lead will poverty reduction and sustainable development in Nigeria by 2030.

6. Scope for Further Study

Microeconomics studies the individual components of the economy such as costs of producing goods and services, profitability, prices and market structure. Further study should investigate the relationship of microeconomic management with poverty reduction and national development in Nigeria.

7. Recommendations

i. The National Assembly as their oversight function should specify penalty for giving and receiving bribe because it helps in the diversion of public funds needed for national development.

ii. There is urgent need to ensure equitable distribution of national resources starting from a sound wage system, because a sound wage system is one good way of equitable distribution of wealth.

iii. There should be stable economic policy measures to enhance prudent macroeconomic management. This is imperative because stability enhances growth prospects, increases employment and incomes (Ouattara, 1997).

iv. Investing more in education and healthcare is critical to enhance productivity and life expectancy of Nigerians. Essential public education and healthcare are central to poverty reduction and sustainable development (Ouattara, 1997).

v. One good way of reducing youth restiveness, poverty, hunger, and increasing growth at the same time is the reduction of unemployment. The government needs to do more in this direction, and not the mere temporary jobs given to the youths. The economy could be further diversified with the support of the OPS to create more permanent jobs because lost labour productivity is detrimental to sustainable development.

8. Conclusion

Literature provides evidence that corruption and weak macroeconomic management lie at the heart of poverty, hunger and lack of sustainable development. Nigeria among the countries that could not meet the MDGs target on poverty reduction as at 2015 needs to restrategize towards meeting the SDGs target on poverty reduction and sustainable development by 2030. Prudent macroeconomic management that will result to employment generation is important to achieve this important goal. If national income and total expenditure become high full employment would be maintained because of the great demand for goods and services on the part of all segments of the economy. Through study and analysis, this study found that prudent macroeconomic management has positive association with poverty reduction and sustainable development. This is the crux of the present study. The result is not an exaggeration as it supports the earlier findings of Klugman (2002b) that prudent macroeconomic management leads to poverty reduction and economic growth. This result also echoes the classic views of Ouattara (1997) that sound macroeconomic management, economic growth, brings about lasting employment gains and poverty reduction: provides greater equality of income through greater equality of opportunity including, women and the protection of the environment.

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