



Human Capital Development and Poverty Reduction in Nigeria: Investigating the Nexus

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Abstract

This study investigates the relationship between human capital development and poverty reduction through education, health care, and the acquisition of skills and investment within the Nigerian context. This study aims to determine if human capital development fosters poverty reduction through education and health care investments and if gaps exist in existing policies developed by the government concerning human capital development. This qualitative research uses secondary data sources, including books, journal articles, government documents, and reputable online databases. Data were analysed and identified for patterns of relationship through thematic analysis. The findings show a strong positive relationship between human capital development and poverty reduction. However, the study indicates that insufficient investment in critical components of human capital, such as education and healthcare, partly accounts for the enduring prevalence of poverty. Lastly, the government and non-governmental organisations must carefully coordinate their policy initiatives for resource distribution and human capital development for effective, long-lasting poverty reduction.

Keywords: Development; Human Capital Development; Nigeria; Poverty Reduction; Public Administration.

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INTRODUCTION

Poverty continues to be a leading development challenge across the globe. It limits social stability, human development, and economic growth, particularly in developing countries. Over the past 20 years, several initiatives have been launched to combat poverty. The United Nations launched the Millennium Development Goals in 2000, aiming to reduce extreme poverty by half by 2015 (Alam, 2023). In 2015, the Sustainable Development Goals (SDGs) were launched, and more programmes and interventions were created. SDG number 1 was to end poverty in all its forms by 2030, but the COVID-19 pandemic and mixed progress completely stalled all progress made. Global extreme poverty increased for the first time in over 20 years (World Bank, 2022).

Nigeria is a particularly odd situation in this global environment. Nigeria still has some of the worst poverty rates on the continent, even though it has the largest economy in Africa and abundant natural and human resources (Adah & Abasilim, 2015). More than 70% of Nigerians, according to the National Bureau of Statistics (NBS, 2022), are below the poverty line. Rural inhabitants are disproportionately affected by multidimensional poverty, which encompasses problems with access to healthcare, education, nutrition, and critical services. The Poverty Alleviation Programme (PAP), the National Directorate of Employment (NDE), and the more recent National Social Investment Programmes (NSIP) are just a few of the initiatives that have been implemented to combat poverty. Nevertheless, their results are still few and uneven (Presidential Economic Advisory Council, 2021).

Human capital development through education, healthcare, skill development, and entrepreneurship is emphasised in increasing research as a key factor in decreasing poverty (Nwachukwu, 2024). Nigeria's strategy for developing human capital still has many policy holes (Abasilim, Adelus, & Mudau, 2025). Existing inequities are widened by differences in access to opportunities for skill development, growing unemployment rates, and insufficient investments in health and education. Few studies have thoroughly evaluated how human capital development affects poverty reduction in the Nigerian context, even though several studies have looked at techniques for reducing poverty in Nigeria (Idike, Ukeje, Ogbulu, Aloh, Obasi, Nwachukwu, & Ejem, 2021; Abdulkareem, Jimoh, & Shasi, 2023; Mustari, Razak, Junaedi, Fatmawati, Hawing, & Baharuddin, 2024)

This study fills this gap by investigating the relationship between human capital development and poverty reduction. It especially examines how skill development, healthcare, and education help reduce poverty. This study, which focuses on the Nigerian situation, adds to the larger conversation on sustainable development by providing scholars, policymakers, and practitioners with context-specific insights.

RESEARCH METHODOLOGY

This study took a descriptive and exploratory research approach to understanding how human capital development contributes to poverty reduction in Nigeria. The descriptive design facilitated the systematic collection, synthesis and interpretation of existing knowledge. On the other hand, the exploratory element allowed for identifying initial broad themes related to human capital development, high-priority policy gaps, and more general underlying patterns related to reducing poverty and enhancing human capital development. Data used to achieve the study's objectives were exclusively sourced from secondary sources, identified purposefully to maximise rigour, relevance, and reliability. Sources included academic books, and texts about poverty, human capital development and sustainable development; peer-reviewed journal articles from scholarly sources, such as Google Scholar, Web of Science, and Scopus; credible policy documents and reports from government institutions such as the Presidential Economic Advisory Council (PEAC) and National Bureau of Statistics (NBS); and World Bank; and credible online sources of information, and policy briefs which contained current up to date information regarding Nigeria's strategies for poverty reduction.

A purposive sample procedure was used to ensure that only materials relevant to the study objectives were selected for subsequent analysis. The research utilised theme analysis to analyse, synthesise, and interpret the data collected, which was the most appropriate form of analysis. Discovering repeated themes, relationships, and non-trivial patterns across multiple data sources

was also possible. The analysis began by closely engaging with the content of the selected materials through repeated and critical engagement following the six-phase model set out by Braun and Clarke (2006). Important quotations and concepts referring to key aspects of human capital development, such as education, health, skills development, and entrepreneurship, were identified and first coded. The next step was to group the codes into broader-themed (management) categories involving the key variables influencing the relationship between human capital development and poverty reduction. Thorough investigation of the emergent themes ensured internal consistency, conceptual clarity and coherence with the study objectives. Eventually, the notions were clarified and distilled into coherent analytical frameworks encompassing key informed obligations.

Several secondary data sources were triangulated to enhance the study's validity, credibility, and trustworthiness. Triangulating data sources mitigated potential biases and improved the strengths of interpretations. Using peer-reviewed literature, government formal publications, and reputable reports from internationally reputable organisations ensured that authentic data supported the results. The additional step of following a systematic documentation process throughout the investigation also demanded consistency, transparency, and replicability of results.

The Nexus Between Human Capital Development and Poverty Reduction in Nigeria

Numerous studies have contributed to understanding Nigeria's intricate relationship between human capital development and poverty reduction. Ayodeji and Lasisi (2015) delved into the impact of governmental policies on human capital development, poverty reduction, and inequality in Nigeria. Despite acknowledging the potential efficacy of policy interventions, they highlighted persistent challenges in implementation mechanisms, hindering the effectiveness of poverty alleviation initiatives. Adekoya (2018) examined the complex interplay between human capital development and poverty reduction, exploring correlations between per capita income, health, education, and poverty levels. Their findings revealed significant associations, offering nuanced insights into Nigeria's multifaceted poverty dynamics.

Ewubare and Mark (2018) investigated the intricate dynamics between human capital improvement and poverty reduction, emphasising the long-term correlation between poverty levels and indicators of human capital development. Their study underscored the critical role of public healthcare spending and educational enrollment in poverty alleviation efforts. Okoroafor et al. (2018) examined the connection between human capital growth and poverty reduction, particularly in Nigeria's north-central region, revealing a significant link between investments in health, education, and poverty reduction efforts. Orajaka and Okoli (2018) employed econometric regression modelling to analyse the impact of government investments across various sectors on poverty reduction.

Their findings highlighted the statistically significant role of these investments in alleviating poverty, emphasising the importance of targeted interventions. Ajayi, Eghafona, and Ibiezugbe (2020) investigated the impact of human capital investment on long-term economic development in Nigeria, identifying positive correlations between government spending on health and education and real GDP growth. Mamoudou (2021) employed a neoclassical growth model to elucidate the relationship between human capital investment and poverty reduction, emphasising the positive impact of such investments on economic growth. Despite these valuable contributions, notable gaps persist in the literature, warranting further research that focuses on marginalised populations, the effectiveness of specific human capital development programmes, and interdisciplinary approaches.

Olowookere et al. (2022) provided evidence of the crucial role of human capital development in achieving Sustainable Development Goal 1 (poverty reduction) in Nigeria. Their study emphasised the significance of government investment in education and health sectors, recommending alignment with global benchmarks to drive sustainable development. Orji, Olaniyi, and Adeyemo (2022) conducted a survey research in the Bwari Area Council of Nigeria, focusing on the contribution of MSMEs to human capital development and poverty reduction. The study found that MSMEs play a vital role in job creation and income generation, thereby improving living standards and reducing poverty. Additionally, MSMEs were identified as a breeding ground for

nurturing entrepreneurial talent, highlighting their potential to foster economic growth and higher living standards.

Similarly, Campbell and Ogunro (2022) investigated the linkage between human capital development and poverty alleviation in Nigeria using the Autoregressive Distributed Lag (ARDL) model. The study highlighted the critical role of education and healthcare in poverty reduction, emphasising the need for increased public and private sector investment in human capital development. The findings underscore the importance of inclusive economic growth in ensuring sustainable poverty reduction and socioeconomic development. Ali (2022) examined the relationship between human capital development, poverty, and income inequality in Nigeria using the Test and Error Correction Model. The study revealed a positive long-term relationship between human capital development and poverty reduction, underscoring the importance of government investment in education and healthcare in improving living standards and mitigating income inequality.

Ofino et al. (2023) explored the interactive effects of institutional quality and various components of human capital development on poverty levels in Nigeria. While affirming the potential of education and health in poverty reduction, they underscored the need to strengthen institutional quality to realise the full impact of human capital development initiatives. Ekpenyong (2023) investigated the interplay between human capital investment and poverty reduction in Nigeria. Through a mixed-methods approach, the study underscored the significance of investing in education, healthcare, and skills development for poverty alleviation. The findings emphasised the pivotal role of human capital in enhancing individuals' economic capabilities and fostering socioeconomic progress. Similarly, Abasilim and Onyekwuo-Oparah (2023) investigated the connection between human capital development and poverty reduction. In order to achieve long-term results in reducing poverty, their study found a strong positive correlation between the two variables and suggested that all levels of government implement more effective and robust human capital development programmes, with active participation from non-governmental organisations.

However, challenges such as disparities in access to education and healthcare services were noted, highlighting the need for targeted interventions to promote inclusive human capital development. In contrast, Omitogun, Johnson, and Aderemi (2023) examined the relationship between industrial development and poverty reduction in Nigeria. The study revealed an inverse relationship between manufacturing value added and poverty reduction, suggesting that industrial expansion alone may be ineffective in alleviating poverty without supportive policies and programmes. The findings underscore the importance of implementing policies to drive industrial growth, create employment opportunities, and stimulate economic output effectively to combat poverty.

Furthermore, Ofino (2023) explored the interactive effects of institutional quality and human capital development on poverty levels in Nigeria. The study highlighted the positive impact of institutional quality on poverty reduction, emphasising the need for effective governance structures to complement investments in human capital development for sustainable poverty alleviation. Chinecherem (2024) empirically analysed human capital development and poverty reduction in Nigeria, focusing on the impact of education and healthcare expenditures. The study found a positive but insignificant contribution of education and healthcare expenditures to poverty reduction, indicating the need for increased government investment in these sectors to address poverty effectively.

RESULTS

This research presents compelling evidence of a strong and multidimensional relationship between human capital development and poverty reduction in Nigeria, with education, health, skill acquisition, and entrepreneurship all relevant to poverty alleviation policy as part of the deeper structural reforms one expects to see to address persistent socio-economic inequalities. Using thematic analysis with secondary data, in total, the four distinct themes emerged: (1) importance of government investment; (2) contribution of SMEs; (3) importance of institutional quality; and

(4) Persistent Implementation Defects and Policy Disarray. We discuss those themes below concerning the literature and literature on includes development debates.

- a. **Importance of Government Investment:** However, the findings show that regular government support for health and education, as well as government technical help and, in some instances, subsidies, are critical to reducing poverty. Numerous studies show that investments in human capital are positively correlated with higher living standards (Ajayi, Eghafona, & Ibiezugbe, 2020; Ekpenyong, 2023). Data also shows significant differences in the distribution of money and policies that might impede the removal of poverty and development progress. This fourth conclusion follows a universal development narrative, relative to the United Nations Sustainable Development Goal 1 (SDG 1), which aims to eradicate poverty through social inclusion programmes (UNDP, 2023). There are indications that countries like Rwanda and Vietnam have experienced better poverty eradication outcomes that align with evidence-based approaches to variation in education and health expenditures than Nigeria has been able to implement throughout its budget.
- b. **Contribution of SMEs:** The research reveals the effect of micro, small and medium enterprises (MSMEs) on job generation, income-producing, and skill acquisition efforts targeted towards underrepresented groups. Research results by Orji, Olaniyi, and Adeyemo (2022) affirm that MSMEs are essential in developing entrepreneurship and upward socio-economic mobility. According to international best practices in poverty alleviation, the results also showed that institutional barriers, like a lack of policymaker engagement and access to credit facilities, have a detrimental effect on the scalability of entrepreneurial endeavours. This suggests that MSMEs need integrated development solutions linked to innovation-led economic growth and human capital development.
- c. **Importance of Institutional Quality:** The findings suggest that the relationship between human capital investments and poverty alleviation is influenced by institutional capacity. In particular, although Omitogun, Johnson and Aderemi (2023) and Ofino et al. (2023) identified positive health and education interventions, they indicated examples of malfeasance and poor governance structure and accountability. Thus, in poorly governed contexts, weak institutional quality may dilute the effectiveness of policies, especially in rural areas with pernicious health and education access challenges. So, institutional quality must be improved to enhance the effectiveness of human capital development initiatives. Prior cross-country evidence suggests that countries with stronger governance frameworks can better address poverty while investing the same funds (World Bank, 2022).
- d. **Persistent Implementation Defects and Policy Disarray:** Despite significant expenditures, the study found indications of inadequate system monitoring, fragmented policies, and insufficient integration of human capital development initiatives. For example, the National Social Investment Programme (NSIP) and Poverty Alleviation Programme (PAP) as interventions have suffered two types of perennial problems: (1) duplication of effort; and (2) funding on an ad-hoc basis without regard for policy priorities. These findings merely indicate similar concerns raised by Adekoya (2018) and Campbell and Ogunro (2022) that emphasise the underlying issues with the policy framework to leverage human capital development to reduce poverty sustainably. However, the lessons learned from global benchmarks imply that policy convergence with development goals is paramount when establishing and implementing multisectoral interventions to effect step changes in poverty reduction that are meaningful to people.

This research is part of the anti-poverty and human capital literature, but it broadens the discussion on poverty, particularly in the global context of the challenges in Nigeria. Whereas the literature generally shows the importance of education and health for poverty reduction (Mamoudou, 2021; Ewubare & Mark, 2018), this research emphasises that institutional quality, policy alignment and support for MSMEs are equally important. This research represents the need for more integrated thinking that combines investments in human capital and structural changes in government and economic policies.

Limitations and Future Research

This study's reliance on secondary data imposes certain limitations, particularly in capturing the nuanced, micro-level variations that characterise Nigeria's diverse socioeconomic contexts. Critical factors such as household income dynamics, regional inequalities, and socio-cultural determinants of poverty were beyond the scope of this analysis. Furthermore, the study does not adequately assess the effectiveness of specific investment streams, such as education, healthcare, infrastructure, and social protection, which could have offered more profound insights into which interventions yield the most effective poverty-reduction outcomes.

Future research should adopt primary data collection methods and context-sensitive approaches to evaluate the micro-level effects of targeted poverty-alleviation programmes. Priority should be given to examining the impact of governance reforms, innovative financing mechanisms for micro, small, and medium enterprises (MSMEs), and vocational training initiatives. Employing longitudinal and mixed-methods research designs will also enable a more comprehensive understanding of intervention effectiveness and reveal subtle, context-specific insights across Nigeria's varied socioeconomic landscapes.

In situating Nigeria within the broader global development discourse, this study contributes to evidence showing that achieving Sustainable Development Goal 1 (No Poverty) depends on sustained financial investments, integrated policy frameworks, institutional capacity-building, and inclusive economic growth strategies. However, unless structural constraints that perpetuate poverty are systematically addressed and multi-stakeholder collaborations are strengthened, progress towards poverty eradication will remain fragmented and unsustainable.

DISCUSSION

The Concept of Human Capital Development

Human Capital Development refers to enhancing the quantity and quality of individuals possessing the necessary skills, education, and expertise to drive economic growth and development. It encompasses investments, initiatives, and strategies to nurture a nation's workforce's knowledge, abilities, and health (Ejere, 2011). This term, often synonymous with human capital formation, human resource development, and investment in human capital, underscores the pivotal role of individuals in the production process and their capacity for learning, adaptation, and innovation (Wilson, 2017). Human capital development fosters an environment conducive to continuous learning and skill acquisition, empowering individuals to contribute effectively to organisational or national objectives (Bykova, Khasanova & Polonkoeva, 2024).

It encompasses formal education and the cultivation of technical expertise, as well as health and values necessary for sustained productivity and innovation (Ajayi, Eghafona, & Ibiezugbe, 2020). Human capital encompasses the collective knowledge, skills, and health individuals accumulate over their lifetimes (World Bank, 2020; Idike et al., 2021). It is considered a critical factor of production, recognised for its inherent worth in empowering individuals to realise their capabilities and make significant contributions to society (Abbas, Ekowati, Suhariadi & Anwar, 2024). Human capital is intricately linked to increased income levels, societal cohesion, poverty alleviation, and promoting sustainable economic growth. In summary, human capital development emphasises investing in individuals' skills, knowledge, and health as a fundamental driver of economic growth and societal well-being. It is a cornerstone of national development efforts, particularly in emerging economies, where enhancing human resources holds immense potential for transformative change.

The Concept of Poverty

The concept of poverty has been elucidated by various scholars from different perspectives, each highlighting its multifaceted nature. According to Asaju (2012), poverty is experienced when individuals or families lack the means to fulfil their fundamental needs for housing, clothing, food, and essential social services, hindering their ability to live with dignity and fulfilment. The United Nations characterises poverty as a violation of human dignity, encompassing the absence of opportunities and choices, which results in individuals' inability to contribute positively to society

and experience insecurity, powerlessness, and marginalisation. The World Bank defines poverty as a decline in personal well-being, where individuals or groups are unable to access essential resources for sustenance due to inadequate income, along with associated challenges such as poor health, low literacy rates, and lack of access to clean water and secure environments (Okoh, 1998).

Gweshengwe and Hassan (2020) emphasise the multidimensional nature of poverty, which encompasses financial, economic, social, political, health-related, environmental, and seasonal dimensions, all interconnected and mutually reinforcing. For instance, financial deprivation can exacerbate material deprivation, loss of social capital, and scarcity of resources, perpetuating the cycle of poverty. Health poverty, highlighted by Chen and Pan (2019), is intricately linked with other dimensions of poverty, with poor health serving as a significant contributor to overall poverty levels. In China, for example, poor health is a crucial factor contributing to various aspects of poverty. In contrast, health poverty is intertwined with the United States' financial, economic, and material hardships.

Ultimately, poverty is synonymous with underdevelopment, signifying the inability of individuals, households, or communities to meet essential survival needs. Addressing poverty is crucial for fostering development, with human capital development emerging as a critical strategy.

The Concept of Poverty Reduction

The concept of poverty reduction is intrinsically linked to addressing the pervasive social ill of poverty, which profoundly impacts societies worldwide. Defining poverty reduction necessitates understanding poverty itself, as every approach to reducing poverty inherently acknowledges its existence. Poverty reduction encompasses a spectrum of strategies to mitigate the harsh realities of poverty and alleviate the burdens borne by the impoverished (Emordi, 2024). At its core, poverty reduction entails pursuing solutions to alleviate the grip of poverty on communities. This involves a range of interventions implemented by governments, non-governmental organisations, and philanthropists to diminish or eradicate poverty within a given population. Empowerment is central to poverty reduction strategies, which seek to enhance individuals' capacities to overcome poverty by providing them with the necessary resources to meet their basic needs (Ogbari, Folorunso, Simon-Ilogho, Adebayo, Olanrewaju, Efegebudu, & Omoregbe, 2024).

Internationally, concerted efforts are made to combat global poverty by formulating and implementing policies and programmes. Countries annually assess poverty indicators and devise strategies to mitigate poverty within their borders. Throughout history, diverse approaches have been employed to address poverty, encompassing emergency aid, social safety nets, educational and cultural initiatives, and empowerment programmes (Ochilov & Najibullah, 2021). The challenge of eradicating poverty remains a pressing global concern, underscored by initiatives such as the Sustainable Development Goals (SDGs). Introduced in 2015 as successors to the Millennium Development Goals (MDGs), the SDGs represent a collective effort by international communities and organisations, facilitated through the United Nations, to combat poverty and its associated challenges by promoting sustainable development (Alam, 2023). Scheduled for completion by 2030, the SDGs aim to address multifaceted aspects of poverty and foster inclusive growth and development on a global scale.

Human Capital Growth in Nigeria

Human capital growth in Nigeria has emerged as a crucial strategy in the global effort to combat poverty and promote sustainable development. Originating from the imperative to address the pervasive impact of poverty on economic progress, initiatives such as the Millennium Development Goals (MDGs) and, subsequently, the Sustainable Development Goals (SDGs) underscore the pivotal role of human capital development in reducing poverty. Coined by economist Theodore Schultz in the 1960s, the concept of human capital emphasises investments in education, training, and benefits to enhance individuals' skills and capabilities, akin to other forms of capital, thereby augmenting both the quantity and quality of output (Pepple, Orumbie, & Wilcox, 2022). Human capital encompasses individuals' skills, competencies, and knowledge, contributing to their personal, social, and economic well-being (Bachama, Hassan, & Ibrahim, 2021).

In the contemporary information age, human capital development has become paramount in the developmental agendas of low- and middle-income countries. This shift is driven by the recognition that comparative advantage increasingly stems from technical innovations and knowledge utilisation rather than traditional factors such as natural resources and labour endowment (Adekoya, 2018). Consequently, poverty alleviation strategies prioritise investments in human capital development, encompassing improved access to healthcare, nutrition, and education as essential indicators (Ewubare & Mark, 2018). Schultz (1961) outlined five methods for human capital development, including investment in health-related facilities, on-the-job training, formal education at all levels, adult education programmes, and geographic mobility to capitalise on employment opportunities.

Nigerian administrations have demonstrated cognisance of the pivotal role of human capital development in national progress, initiating numerous programmes and initiatives to bolster educational and healthcare infrastructure nationwide. However, fiscal challenges in the late 1970s and early 1980s precipitated a fiscal crisis, prompting austerity measures and budget cuts, including implementing the Structural Adjustment Programme (SAP) in 1986. These measures, which neglected human resource development, led to adverse economic and social consequences, impeding long-term development prospects (Anyanwu et al., 2015). Thus, while recognising the significance of human capital growth, sustained investments and policy measures are imperative to mitigate poverty and foster holistic development in Nigeria.

Poverty Reduction Policies and Programmes in Nigeria

Poverty reduction stands as a formidable challenge for developing nations, where a significant portion of the population grapples with economic hardship and deprivation. It encompasses financial and humanitarian policies to permanently elevate individuals from poverty (Ukeje, Ogbulu, & Amaefula, 2019). Nigeria, for instance, has witnessed a concerning surge in poverty levels over the years, with statistics indicating a steady increase from 27% in 1980 to over 70% in 1999 (Ogwumike, 2014). Scholars such as Ajayi, Eghafona, and Ibiezugbe (2020) suggest that countries boasting individuals with higher levels of competence in their respective fields stand a better chance at effectively addressing poverty. In response to this pressing issue, Nigeria has implemented various entrepreneurial development initiatives and national development plans aimed at poverty reduction.

These include the First to Fifth National Development Plans from 1962 to 1985 (Adekoya, 2018). Additionally, strategic programmes and policies have been introduced to combat poverty and stimulate socioeconomic progress:

- a. **Vision 20 – 2020:** This initiative offers a comprehensive strategy to address critical global challenges, focusing on eradicating extreme poverty and achieving sustainable development. It encompasses the Millennium Development Goals (MDGs), targeting education, gender equality, healthcare, and environmental sustainability.
- b. **The Transformation Agenda** encompasses policies across public administration, security, anti-corruption measures, economic cooperation, and human capital development, aiming to tackle governance issues and foster sustainable development.
- c. **Poverty Alleviation Programme (PAP):** Launched in the early 2000s, PAP aims to address rising crime rates and youth unemployment by stimulating economic demand, enhancing productivity, and improving national security.
- d. **National Poverty Eradication Programme (NAPEP):** Established to complement the efforts of the National Poverty Eradication Council, NAPEP implements a range of initiatives targeting youth empowerment, rural infrastructure development, and social welfare services. Programmes under NAPEP include the Youth Empowerment Scheme (YES), the Rural Infrastructure Development Scheme (RIDS), and the Social Welfare Service Scheme (SOWESS), all of which aim to enhance socioeconomic well-being and foster community development.

These initiatives underscore Nigeria's commitment to poverty reduction through multifaceted approaches encompassing economic empowerment, infrastructure development, and social welfare enhancement.

CONCLUSION

This study establishes education, health, skill development, and entrepreneurship as preconditions for social-economic change, demonstrating the multifaceted link between human capital development and poverty eradication in Nigeria. The thematic qualitative analysis of the secondary data provided four substantive lessons: the preeminent role of government investments, the transformative role of micro, small and medium enterprises (MSMEs), institutional quality, and the many gaps in implementation of policy or social programmes. Taken together, human capital development and poverty reduction in Nigeria can no longer be addressed through disconnected interventions, but require integrated, evidence-based approaches underpinned by stern governance frameworks.

First, practical government investments in education and health provide essential long-term equity of living standards and a means of addressing cyclic intergenerational poverty, including health services. Nigeria has made several policy commitments to health and education, yet continuous poorly implemented plan processes and budgeting choices have limited progress. Countries such as Rwanda and Vietnam in the Global South provide practical lessons on how evidence-based coordinated social policy can provide considerable momentum towards reaching Sustainable Development Goal (SDG) 1. They therefore can be valuable for Nigeria in the context of its poverty reduction.

Second, the evidence emphasises the importance of MSMEs in supporting job creation, entrepreneurship, and income, notably for underserved populations. Structural weaknesses that limit access to credit, weak policy support, and a lack of national innovation systems stand in the way of using MSMEs to alleviate poverty. As a result, enhancing financial inclusion, improving the business environment, and fostering innovation-led growth are required to maximise the developmental potential of MSMEs.

Third, the evidence shows how institutional quality can fundamentally shape the effectiveness of human capital investments. The advantages of investments in healthcare and education are diminished by weak governance, disjointed accountability frameworks, and inconsistent public policies, especially for underprivileged or rural communities. Improving openness, policy congruence, and institutional strength can all contribute to long-term poverty reduction.

Finally, there are still serious challenges relating to implementation gaps and fragmented policies. For example, the National Social Investment Programme (NSIP) and the Poverty Alleviation Programme (PAP) have encountered duplication, poor accountability, and unstable funding frameworks. To tackle these challenges, Nigeria needs a multi-stakeholder, coordinated framework that links human capital policy and actions with national development goals, while leveraging partnerships with educational institutions and non-governmental organisations (NGOs) to improve accountability and delivery of programmes.

In real terms, the findings also represent applicable guidelines for Nigerian policy makers, educational institutions, and non-governmental organisations:

- a. policymakers must commit to evidence-based planning, strategically prioritising budgets, and reforming institutions to incentivise human capital investment that generates measurable reductions in poverty.
- b. Educational institutions will cultivate relevant graduates by providing skill-based curricula, entrepreneurship education, and research-informed innovation.
- c. For NGOs, advocacy must include targeted charities guided by rotational recommendations, community-driven activities that support movement and published work, and partnerships with government to increase take-up rates and sustainability in previously unserved communities.

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