

Poverty Sequencing and Multidimensional Poverty Reduction in Nigeria: Lessons from China and Malaysia

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Abstract: *Nigeria's poverty challenge is both extensive and multidimensional. The 2022 Nigeria Multidimensional Poverty Index estimated that 62.9 per cent of the population, approximately 133 million people, were multidimensionally poor. Despite successive poverty alleviation programmes, improvements have been constrained by weak policy continuity, limited productive transformation, spatial inequality, insecurity and the fragmented delivery of social interventions. This article introduces poverty sequencing as a framework for determining what anti-poverty interventions should be implemented first, where they should be concentrated, how they should be combined and when policy should transition from broad, place-based development to household-level targeting. Drawing on comparative historical evidence from China and Malaysia, the article argues that successful poverty reduction has rarely resulted from a single programme. Instead, it has emerged from a sequenced combination of agricultural productivity growth, basic human-capital investment, infrastructure, labour-intensive industrialisation, managed urbanisation, redistribution and increasingly precise social protection. China's experience demonstrates the importance of moving from broad rural transformation to area-based and subsequently household-targeted interventions. Malaysia illustrates how rural development, export-oriented industrialisation, human-capital formation and distributional policies can be incorporated into sustained national development planning. For Nigeria, the article proposes a nested poverty-sequencing framework comprising macroeconomic and consumption stabilisation, spatially targeted capability investments, agricultural and food-system transformation, labour-intensive industrialisation, managed mobility, productive inclusion and resilience against shocks. It concludes that Nigeria should move away from episodic poverty programmes towards a territorially differentiated, institutionally coordinated and empirically monitored sequence of interventions.*

Keywords: poverty sequencing; multidimensional poverty; Nigeria; China; Malaysia; structural transformation; social protection; institutions

JEL classification: I32; O15; O20; O53; O55

1. Introduction

Poverty remains one of Nigeria's most persistent economic, social and institutional challenges. Although the country possesses substantial natural resources, a large domestic market and an entrepreneurial population, economic growth has not consistently generated sufficient productive employment or improvements in household welfare. The result is a significant divergence between Nigeria's aggregate economic potential and the lived experience of much of its population.

The 2018/2019 Nigeria Living Standards Survey classified 40.1 per cent of Nigerians, approximately 82.9 million people, as poor under the national monetary poverty line (National Bureau of Statistics, 2020). The subsequent Nigeria Multidimensional Poverty Index revealed a considerably wider deprivation problem. In 2022, 62.9 per cent of Nigerians, approximately 133 million people, were multidimensionally poor (National Bureau of Statistics, 2022). Poverty was more prevalent in rural areas, at 72 per cent, than in urban areas, at 42 per cent. Sixty-five per cent of multidimensionally poor Nigerians lived in the northern part of the country, while state-level incidence ranged from approximately 27 per cent in Ondo State to 91 per cent in Sokoto State (National Bureau of Statistics, 2022).

More recent monetary estimates also indicate deterioration in household welfare. Using the revised international extreme-poverty line of US\$3.00 per person per day in 2021 purchasing-power-parity terms, the World Bank estimated that Nigeria's poverty rate increased from 34.7 per cent in

2018/2019 to 41.8 per cent in 2022/2023. The corresponding rate was estimated at 57.4 per cent in northern Nigeria and 21.2 per cent in the southern zones (World Bank, 2025a). Although monetary and multidimensional measures are not directly interchangeable, both point to widespread and spatially unequal deprivation.

Nigeria has implemented numerous poverty alleviation and development initiatives, including agricultural programmes, public works, youth-employment schemes, microcredit programmes, subsidy-reinvestment initiatives, conditional cash transfers and social-investment programmes. Nevertheless, the cumulative effect has been insufficient to reverse the scale of poverty. Many initiatives have been introduced as stand-alone projects, changed following political transitions, inadequately funded, weakly coordinated across tiers of government or disconnected from the productive structures required to sustain household incomes (Ugoh and Ukpere, 2009; World Bank, 2022a).

This raises a question that is different from the conventional debate about which poverty-reduction policies Nigeria should adopt. The more important question may be:

In what order should Nigeria address the interconnected constraints that produce and reproduce multidimensional poverty?

This article develops the concept of **poverty sequencing** to answer that question. Poverty sequencing refers to the deliberate ordering, territorial prioritisation, bundling and adaptive scaling of interventions so that foundational

constraints are addressed before, or alongside, interventions whose success depends on those foundations.

The article makes three contributions. First, it reframes multidimensional poverty as a problem of policy interdependence rather than simply a collection of separate deprivations. Second, it uses the experiences of China and Malaysia to demonstrate how the sequencing of rural productivity, infrastructure, human capital, industrialisation, redistribution and targeted assistance influenced poverty outcomes. Third, it proposes a context-sensitive poverty-sequencing framework for Nigeria.

The objective is not to recommend the wholesale replication of either the Chinese or Malaysian model. China's political system, state capacity and demographic history differ substantially from Nigeria's federal democracy. Malaysia's ethnic composition, population size and administrative structures are also distinct. The relevant lessons concern the ordering and complementarity of interventions rather than the transplantation of specific institutional arrangements are context dependent rather than universally replicable (Rodrik, 2008).

2. Multidimensional Poverty and the Logic of Poverty Sequencing

2.1 Poverty as interconnected deprivation

Traditional monetary measures identify poverty by comparing household income or consumption with a prescribed poverty line. Such measures remain essential because income determines the capacity to purchase food, shelter, transportation and other necessities. However, income measures may not capture inadequate education, poor health, insecurity, environmental vulnerability, lack of electricity or exclusion from public services.

Sen's capability approach conceptualises poverty as the deprivation of substantive freedoms and capabilities rather than income deprivation alone (Sen, 1999). The Alkire–Foster method operationalises this insight by identifying the dimensions in which people are deprived and aggregating overlapping deprivations into a multidimensional poverty measure (Alkire and Foster, 2011).

Nigeria's national MPI uses 15 indicators grouped into four dimensions:

- 1) Health;
- 2) Education;
- 3) Living standards; and
- 4) Work and shocks.

The national MPI value of 0.257 combines the incidence of poverty, 62.9 per cent, with its intensity. This implies that multidimensionally poor Nigerians experienced, on average, approximately 40.9 per cent of the weighted deprivations covered by the index. Poverty is therefore not merely widespread; poor households commonly experience several disadvantages simultaneously.

A household may, for example, experience food insecurity, limited access to healthcare, low educational attainment,

inadequate sanitation, unemployment and exposure to security shocks at the same time. These conditions interact. Poor health can reduce labour productivity; low productivity restricts income; low income prevents investment in education and sanitation; inadequate education limits access to higher-productivity employment; insecurity destroys assets and discourages private investment.

Consequently, isolated interventions may have low returns. Providing credit to farmers without secure access to land, roads, storage, electricity and markets may increase indebtedness without sustainably raising income. Vocational training may have limited effect where firms are not creating jobs. Cash transfers can protect consumption but may not generate lasting economic mobility when beneficiaries lack productive assets, healthcare, childcare or access to functioning markets.

2.2 Defining poverty sequencing

This article defines poverty sequencing as:

The deliberate ordering, combination, territorial targeting and adaptive progression of poverty-reduction interventions so that foundational capabilities and binding constraints are addressed before, or concurrently with, interventions that depend upon them.

Poverty sequencing is not an argument for postponing urgent social assistance until economic transformation has been completed. Consumption support, nutrition, healthcare and protection against shocks must begin immediately for households facing severe deprivation. Rather, sequencing distinguishes between interventions that provide immediate protection and those required to generate sustained transitions out of poverty.

A sequencing framework asks five questions:

- What must be done immediately to prevent further deprivation?
- Which constraints must be relaxed before other interventions can work?
- Where should integrated investments be concentrated first?
- When should policy move from broad area-based development to individual household targeting?
- What indicators should trigger movement from one policy stage to another?

Poverty sequencing therefore incorporates both chronological order and functional dependency. Some interventions are implemented sequentially; others overlap but are introduced at different levels of intensity.

2.3 Theoretical propositions

Three propositions follow from this framework.

Proposition 1: When poverty is geographically concentrated, area-based investments in public goods and local productive systems will generally have greater transformational potential than household-level assistance alone.

Roads, security, water systems, schools, health facilities, electricity and market infrastructure produce benefits that cannot be efficiently provided household by household. Where most residents of a locality are poor, individual targeting can impose high administrative costs while failing to correct shared constraints.

Proposition 2: The effectiveness of household-level assets, credit, training and cash assistance is conditional on complementary institutions and markets.

Evidence from integrated “graduation” programmes indicates that coordinated packages combining temporary consumption support, productive assets, training, savings and coaching can generate more sustained welfare improvements than isolated interventions (Banerjee et al., 2015). Poverty-trap research also suggests that some households remain poor because they lack the initial assets or opportunities required to reach higher-productivity occupations (Balboni et al., 2022).

Proposition 3: As mass poverty declines and becomes more dispersed, policy should move progressively from broad-based and area-based development towards precise household targeting, social insurance and protection against relative poverty.

China’s transition from rural reforms and area-based development to household-level targeted poverty alleviation illustrates this progression. Malaysia’s transition from mass rural poverty towards increasingly specific attention to hardcore, regional and relative poverty provides a similar, although institutionally different, example.

3. Method and Comparative Rationale

The article adopts a comparative historical and institutional approach. It synthesises official statistical data, national development reports, World Bank assessments and peer-reviewed research relating to Nigeria, China and Malaysia.

China and Malaysia are selected for three reasons. First, both recorded substantial long-term reductions in poverty. Second, their achievements were associated with structural economic transformation rather than income transfers alone. Third, both adopted policies that evolved over time, permitting analysis of how the emphasis of poverty policy changed as development conditions changed.

The cases nevertheless represent different political and economic systems. China pursued poverty reduction through a highly centralised developmental state, while Malaysia combined electoral politics, central planning, private investment, affirmative action and export-oriented industrialisation. Their commonalities are therefore particularly relevant. When different institutional systems produce poverty reduction through similar functional sequences, these sequences may offer broader lessons.

The comparison does not claim that historical case evidence establishes definitive causality. Poverty outcomes were influenced by international trade, demographic change, commodity prices, domestic political settlements and country-specific initial conditions. Moreover, poverty lines

and survey methodologies have changed over time. The purpose is to identify transferable principles of policy ordering and complementarity.

4. Nigeria’s Multidimensional Poverty Challenge

4.1 The scale and distribution of deprivation

Nigeria’s national MPI demonstrates that deprivation is simultaneously demographic, spatial and intergenerational. Rural poverty is substantially higher than urban poverty, reflecting constraints in agricultural productivity, infrastructure, healthcare, education and access to markets. Approximately 86 million of the 133 million multidimensionally poor people identified in 2022 lived in northern Nigeria (National Bureau of Statistics, 2022).

Children are disproportionately affected. Approximately 67.5 per cent of Nigerian children were multidimensionally poor, while children constituted about 51 per cent of all poor people. Around 29 per cent of school-age children were not attending school, and the great majority of these out-of-school children lived in multidimensionally poor households (National Bureau of Statistics, 2022).

The geographic variation is equally important. A uniform national programme is unlikely to address both the relatively lower incidence observed in parts of the South West and the extreme levels in several North West, North East and South South states. Even within the same state, urban centres, conflict-affected communities, remote rural areas and agricultural corridors may experience different combinations of deprivation.

This suggests that national averages should not determine intervention design. Nigeria requires poverty strategies based on state, local government and community-level deprivation profiles.

4.2 Weak structural transformation

Sustainable poverty reduction normally requires workers to move from low-productivity activities into higher-productivity agriculture, manufacturing and services. Nigeria’s growth has not consistently produced such movement. Labour-market weaknesses, low human capital and exposure to shocks have limited the poverty-reducing effect of economic growth (World Bank, 2022a).

Large numbers of workers remain concentrated in informal, low-productivity employment. Manufacturing productivity and competitiveness are constrained by unreliable electricity, logistics costs, limited access to finance, policy uncertainty and weak domestic supply chains. Nigeria’s agricultural and mineral resources could provide a stronger foundation for food processing, light manufacturing and resource-based industrialisation, but private investment and job creation remain below their potential (World Bank, 2025b).

This differs from the historical pattern in much of East and Southeast Asia, where rising agricultural productivity released labour and demand for non-agricultural activity,

while industrialisation absorbed workers into more productive employment.

4.3 Exposure to shocks

Poverty in Nigeria is dynamic. Households move into poverty because of food-price inflation, illness, unemployment, flooding, conflict, displacement and the loss of productive assets. Recent macroeconomic reforms may improve fiscal and external stability over time, but their short-term price effects have reduced household purchasing power.

Social protection is therefore not peripheral to structural transformation. Without adequate protection, poor households may withdraw children from school, reduce food consumption, sell productive assets or accumulate expensive debt. These coping mechanisms can transform temporary hardship into long-term multidimensional poverty.

4.4 Institutional fragmentation

Nigeria's poverty interventions are divided across federal ministries, agencies, states, local governments and donor-funded projects. Coordination between agricultural policy, education, healthcare, infrastructure, industrial policy and social protection is often limited.

Political transitions also create policy discontinuity. Programmes may be renamed, transferred between institutions or replaced before evaluation and institutional learning occur. Administrative success is frequently measured by money disbursed, inputs distributed or beneficiaries enrolled rather than by durable reductions in poverty incidence and intensity.

The core problem is therefore not merely insufficient policy activity. It is the absence of a coherent sequence linking household protection, public services, productive transformation, employment creation and resilience.

5. China: From Rural Transformation to Household Targeting

China's poverty-reduction experience is historically exceptional. Using the former World Bank international poverty line of US\$1.90 per day, close to 800 million people were lifted above extreme poverty over approximately four decades. Rural poverty fell from about 96 per cent in 1980 to below 1 per cent by 2019 (World Bank and CIKD, 2022).

This achievement did not result from a single targeted poverty programme. Rather, it reflected a long-term combination of structural transformation, rural development and increasingly targeted poverty interventions (Liu et al., 2020; World Bank and CIKD, 2022).

5.1 Initial human-capital and land conditions

China entered the reform era with low per-capita income but relatively broad primary education, basic healthcare coverage and comparatively equal access to rural land. These conditions were imperfect and had been achieved at significant political and human cost. Nevertheless, they meant

that a large part of the rural population possessed basic capabilities and productive access when market-oriented reforms began.

This illustrates an important sequencing principle: economic opportunities produce stronger poverty effects when poor households possess minimum health, education and productive assets.

5.2 Agricultural productivity first

Reforms beginning in 1978 replaced collective production arrangements with the household responsibility system. Farm households received stronger incentives because they could retain or market output produced beyond contractual obligations. Agricultural prices and markets were gradually liberalised, while investment in irrigation, research, extension, mechanisation and rural infrastructure increased.

Agricultural growth was the dominant initial driver of poverty reduction. Montalvo and Ravallion's provincial analysis found that primary-sector growth, particularly agriculture, had a substantially stronger poverty-reducing effect than growth in secondary or tertiary sectors (Montalvo and Ravallion, 2010). The World Bank and CIKD estimate that agriculture contributed approximately four times as much to poverty reduction between 1978 and 2001 as industry or services (World Bank and CIKD, 2022).

Agricultural productivity reduced poverty through several channels. It increased farm incomes, improved food availability, released labour for non-farm employment, generated rural demand and enabled households to diversify their income sources.

5.3 Rural industrialisation and structural transformation

Agricultural reforms were followed by the expansion of township and village enterprises and, subsequently, broader manufacturing and export-oriented industrialisation. Rural workers gained access to non-farm employment before and during large-scale migration to urban and coastal industrial centres.

This sequence mattered. Surplus rural labour was not expected to move directly from low-productivity farming into an economy without employment opportunities. Rural enterprise, industrial clusters, special economic zones, infrastructure and export markets created alternative sources of income.

Rapid investment in electricity, roads, ports, telecommunications and urban infrastructure connected producers to domestic and international markets. Managed urbanisation and rural-to-urban migration expanded access to employment, although the household registration system also generated unequal access to urban public services.

5.4 Area-based poverty alleviation

China's progress was also spatially uneven, with poverty becoming increasingly concentrated in lagging and remote regions as aggregate poverty declined (Ravallion and Chen,

2007). National growth reduced poverty overall, however, deprivation became increasingly concentrated in remote, mountainous and western regions. China responded with area-based poverty-reduction programmes targeting poor counties and villages.

The focus shifted from general economic reform towards roads, irrigation, agricultural development, relocation, education, health and fiscal transfers in lagging areas. This reflected a transition from mass national poverty to geographically concentrated poverty.

5.5 Social protection and targeted poverty alleviation

From 2007, China increasingly combined development-oriented poverty policy with reforms to social security. From 2013, the targeted poverty-alleviation strategy moved from county and village targeting towards the identification of individual poor households.

Household records were used to diagnose causes of poverty and allocate interventions such as livelihood support, education, healthcare, relocation and social assistance. Administrative responsibility was assigned across multiple levels of government, supported by monitoring and performance incentives.

China's sequence can therefore be summarised as:

basic capabilities and land access → agricultural productivity → rural non-farm employment → industrialisation and urbanisation → area-based development → household-targeted poverty alleviation and social protection.

The stages overlapped, but the relative emphasis changed as the structure of poverty changed.

5.6 Limitations of the Chinese experience

China's experience should not be idealised. Rapid growth was accompanied by rising inequality, regional disparities, environmental degradation and unequal treatment of migrant workers. Target-driven administrative systems can also create risks of data manipulation, coercive implementation and insufficient attention to individual rights.

Nigeria should therefore adopt neither China's political structure nor its administrative methods. The transferable lesson is the sequencing of productive transformation and targeted intervention, not authoritarian governance.

6. Malaysia: Integrating Growth, Rural Development and Distribution

Malaysia provides a different poverty-reduction pathway. At the beginning of the 1970s, poverty was concentrated among rural households and was associated with pronounced ethnic and occupational inequalities. The New Economic Policy, introduced in 1971, had two broad objectives:

- 1) Eradicating poverty irrespective of ethnic identity; and
- 2) Restructuring society to reduce the association between ethnicity and economic function.

6.1 Poverty reduction as a national planning objective

Malaysia incorporated poverty reduction into successive national development plans rather than treating it as a temporary welfare programme. The Economic Planning Unit coordinated development targets, sectoral policies and implementation across government.

Measurement was central to this approach. Malaysia developed poverty-line concepts distinguishing absolute, hardcore and relative poverty. Poverty lines were revised to reflect changes in prices and living costs, while the identification of hardcore poverty enabled more precise targeting.

The institutional lesson is significant: poverty reduction was embedded in the national planning, budgeting and performance-management system.

6.2 Rural development and agricultural modernisation

Early interventions included land-development schemes, irrigation, agricultural extension, rural roads, utilities, market access and settlement programmes. Institutions such as the Federal Land Development Authority helped some landless and low-income rural households gain access to land, housing and organised commercial agriculture.

Agricultural interventions were combined with downstream processing, cooperatives, farmers' markets, mixed farming, skills development and rural enterprise. The objective was not merely to increase subsistence production but to raise productivity and connect rural households to commercial value chains.

Public investments in education, healthcare, water and electricity further improved rural living standards and expanded the capabilities required for participation in a changing economy.

6.3 Export-oriented industrialisation

Malaysia subsequently accelerated export-oriented manufacturing and attracted foreign direct investment, particularly into electronics and related industries. Manufacturing employment expanded while the relative contribution of agriculture declined.

Between 1970 and 1990, agriculture's share of GDP fell from approximately 29 per cent to 18.7 per cent, while manufacturing's share increased from about 13.9 per cent to 27 per cent (Economic Planning Unit, 2004). This shift created wage employment for workers moving out of low-productivity rural activities.

Malaysia's experience therefore did not present agricultural development and industrialisation as competing choices. Rural productivity and basic services helped prepare workers and households for participation in manufacturing and urban employment.

6.4 Distribution and affirmative action

The New Economic Policy also used education, public employment, ownership policies, enterprise support and affirmative action to improve the economic position of the Bumiputera population. These measures contributed to the growth of a Bumiputera professional and middle class, although their implementation also generated patronage, rent-seeking and concerns about ethnic preferentialism (Jomo, 2004; Thillainathan and Cheong, 2016).

Malaysia's poverty reduction cannot therefore be attributed solely to redistribution or solely to economic growth. It reflected an interaction between rapid growth, rural development, employment creation, human-capital investment and distributional intervention.

6.5 Poverty outcomes and remaining disparities

The incidence of poverty in Peninsular Malaysia fell from approximately 49.3 per cent in 1970 to 15 per cent in 1990. The national rate was estimated at 17.1 per cent in 1990 (Economic Planning Unit, 2004). In 2024, Malaysia's official absolute-poverty rate was 5.1 per cent, compared with 6.2 per cent in 2022. Urban poverty was approximately 3.7 per cent, while rural poverty remained considerably higher at approximately 9.9 per cent (Department of Statistics Malaysia, 2025).

These figures require caution. The 1970 data covered Peninsular Malaysia, while later figures generally cover Malaysian citizens nationally, and Malaysia's poverty-line methodology has been revised. The numbers are therefore indicators of long-term direction rather than perfectly comparable observations.

Significant disparities also remain. In 2024, Sabah recorded an absolute-poverty incidence of approximately 17.7 per cent. Malaysia's relative-poverty rate was 16.7 per cent, demonstrating that the reduction of absolute deprivation does not eliminate inequality or relative exclusion (Department of Statistics Malaysia, 2025). Research also shows that political and regional differences affected the distribution of poverty reduction between Peninsular and East Malaysia (Asadullah, Joseph and Chin, 2023).

Malaysia's broad sequence may be expressed as:

poverty measurement and national planning → rural development and basic services → agricultural commercialisation → export-oriented industrialisation and employment → redistribution and human-capital mobility → targeted hardcore-poverty and relative-poverty interventions.

7. Comparative Lessons

First, **the composition of growth matters**. Growth concentrated in capital-intensive or enclave sectors may raise national income without creating sufficient employment or reducing poverty.

Second, **agricultural productivity is often the first productive step where poverty is predominantly rural**.

However, agricultural development must lead into processing, manufacturing, logistics and services rather than becoming a permanent low-productivity destination.

Third, **human capital and infrastructure are complementary to productive policy**. Education without jobs produces frustrated graduates; industrial policy without skills limits firm productivity; credit without electricity and markets restricts enterprise growth.

Fourth, **targeting should evolve with the structure of poverty**. When poverty affects most households within an area, public goods and area-based investments may be more efficient than narrow beneficiary selection. As poverty becomes less prevalent and more heterogeneous, household-level targeting becomes increasingly important.

8. A Poverty-Sequencing Framework for Nigeria

Nigeria requires a sequence that recognises its federal structure, regional diversity, insecurity, demographic scale and limited administrative capacity. The proposed framework contains six overlapping stages.

Stage 0: Stabilise household consumption, strengthen identification and restore security

This stage is immediate and continuous. Its purpose is to prevent households from becoming poorer while the foundations for productive transformation are being constructed.

Priority measures should include:

- Predictable, digitally delivered cash support for severely poor households;
- Maternal and child nutrition interventions;
- School feeding in high-poverty communities;
- Fee protection for primary healthcare and basic education;
- Measures to reduce food supply-chain bottlenecks;
- Rapid assistance following floods, displacement and conflict;
- Integration and regular updating of the National Social Register;
- Transparent grievance and appeals mechanisms; and
- Geographically focused improvements in security for farming, transport and market activity.

These priorities are also consistent with recent assessments of Nigeria's social-safety-net architecture, which emphasise the importance of stronger delivery systems, improved coverage and more reliable mechanisms for protecting vulnerable households (World Bank, 2025c)

Cash transfers should not be presented as a substitute for employment or public services. Their immediate purpose is to protect nutrition, schooling, health and productive assets during periods of economic adjustment and shocks.

Macroeconomic stabilisation is also essential. High inflation, especially food inflation, can erase the value of social transfers and wages. However, adjustment policies should be accompanied by compensation that is timely, adequately

funded and targeted before, rather than long after, price shocks reach poor households.

Stage 1: Establish a minimum capability floor in high-poverty locations

Nigeria should identify the local government areas with the highest combination of poverty incidence, intensity and population. The first geographic priority should be communities in which multiple deprivations overlap.

Each selected area should receive a coordinated minimum package comprising:

- Functional primary healthcare;
- Safe water and sanitation;
- Basic electricity, including decentralised renewable systems where appropriate;
- Safe and accessible basic education;
- Nutrition and early-childhood services;
- Feeder roads and transport connectivity;
- Digital and mobile connectivity;
- Civil registration and identity services; and
- Community-level security and dispute-resolution arrangements.

The package should be delivered as one territorial programme rather than unrelated ministry projects. A health facility without water, electricity, staff accommodation or a passable road is not a functional health intervention. A school without trained teachers, nutrition, safety and transport may not improve attendance.

Federal financing should use transparent, multi-year, performance-based grants to states. States and local governments should be evaluated on service functionality and household outcomes, not merely on completed construction.

Stage 2: Transform agriculture and reduce food-system poverty

Because Nigerian multidimensional poverty is predominantly rural, agricultural productivity should be an early productive priority. The objective should be to move smallholders from vulnerable subsistence production into commercially viable and climate-resilient food systems.

The sequence should include:

- Secure and transparent land-use arrangements;
- Access to water, irrigation and climate information;
- Agricultural research and extension;
- Appropriate mechanisation and quality inputs;
- Storage, cold chains and aggregation;
- Feeder roads and market information;
- Working capital and risk-sharing finance;
- Processing and quality certification; and
- Structured links between producers, processors, retailers and exporters.

The prevailing practice of distributing inputs without ensuring storage, market access, extension and price incentives should be replaced by value-chain development.

Women farmers require particular attention because constraints relating to land, finance, mobility and unpaid care can limit their participation. Youth programmes should be

linked to commercially viable segments such as mechanisation services, logistics, processing, repair, digital agriculture and renewable energy rather than confined to primary production.

Agricultural transformation serves both rural and urban poverty reduction. Higher productivity raises farm income and can moderate food prices, which is especially important because poor urban households devote a large share of expenditure to food.

Stage 3: Develop labour-intensive industry and secondary economic centres

Agricultural development alone cannot absorb Nigeria's expanding labour force. The next stage should connect productive rural regions to labour-intensive manufacturing and services.

Priority sectors may include:

- Food and beverage processing;
- Textiles and garments;
- Leather and footwear;
- Furniture and wood products;
- Construction materials;
- Pharmaceuticals and basic consumer goods;
- Recycling and circular-economy activities;
- Logistics, maintenance and repair services; and
- Digitally enabled business services.

Sector selection should be based on Nigeria's factor endowments, domestic demand, export potential and capacity to create employment at scale.

Rather than dispersing incentives across many poorly serviced industrial parks, Nigeria should concentrate reliable electricity, water, transport, skills, customs support and regulatory services in a limited number of viable production corridors. These corridors should connect high-poverty agricultural areas to processing centres, secondary cities, domestic markets and ports.

Public procurement can support domestic production, provided standards, competition and transparency are maintained. Government demand for school uniforms, footwear, medical supplies, furniture and food products can create predictable markets for qualifying local enterprises.

Industrial policy should be tied to measurable obligations concerning employment, training, local sourcing, productivity and exports. Incentives that do not generate these outcomes should expire.

Stage 4: Enable managed mobility and human-capital progression

As productivity and industrial activity expand, workers will move between sectors and locations. Urbanisation should therefore be managed rather than resisted or left entirely unplanned.

Policy should support:

- Affordable urban and peri-urban transport;
- Serviced land and rental housing;
- Portable health and social-protection benefits;

- Labour-market information;
- Industry-linked technical and vocational education;
- Apprenticeships with verified employers;
- Childcare and safe transport for women;
- Recognition of occupational skills; and
- Support for migrants and internally displaced people.

China's experience shows that migration can diversify rural household income, while its household-registration system also demonstrates the risks of denying migrants equal access to urban services. Nigeria should facilitate mobility without creating a permanent underclass of informal urban workers.

Education policy should increasingly shift from enrolment alone towards foundational literacy, numeracy, digital capability and employable technical skills. Skills programmes should begin with credible evidence of labour demand rather than training participants for occupations with limited employment prospects.

Stage 5: Introduce household graduation and productive inclusion

Once foundational public goods and local economic opportunities are available, household-level interventions can become more effective.

For extremely poor households with working-age members, an integrated productive-inclusion package may combine:

- Temporary consumption support;
- Transfer of a productive asset or start-up grant;
- Technical and enterprise training;
- Access to savings and appropriate financial services;
- Health and nutrition support;
- Business or livelihood coaching;
- Childcare where required; and
- Links to markets, cooperatives and employers.

Households should not be removed from assistance simply because their income temporarily rises above a threshold. Graduation should be based on sustained improvements in consumption, assets, nutrition, school participation and resilience.

Not every poor household can or should graduate through enterprise. Older people, persons with severe disabilities, chronically ill individuals and households with limited labour capacity require long-term social assistance and accessible public services.

Stage 6: Address residual, relative and shock-induced poverty

As absolute deprivation declines, poverty policy should evolve towards preventing reversals and addressing relative exclusion.

This stage requires:

- Disability and old-age income protection;
- Contributory arrangements suitable for informal workers;
- Unemployment and livelihood-loss protection;
- Climate and agricultural insurance;
- Scalable emergency cash transfers;
- Continued investment in disadvantaged regions;
- Affordable housing and urban services;

- Progressive taxation and equitable public expenditure; and
- Policies supporting intergenerational mobility.

Malaysia's continuing regional and relative-poverty challenges demonstrate that reducing absolute poverty is not the end of poverty policy. China's post-2020 focus on rural revitalisation similarly reflects the need to prevent households from falling back into poverty.

9. Institutional Architecture for Poverty Sequencing

9.1 A national poverty-delivery compact

Nigeria does not necessarily require another stand-alone poverty agency. It requires an authoritative coordination mechanism connecting planning, budgeting and delivery.

A national poverty-delivery compact should be agreed through the National Economic Council and should specify:

- National outcome targets;
- Federal financing commitments;
- State and local government responsibilities;
- Common data and reporting standards;
- Minimum service requirements;
- Independent verification arrangements; and
- Consequences for persistent non-performance or misuse of funds.

The National Bureau of Statistics should retain responsibility for independent poverty measurement. Programme-delivery institutions should not be permitted to assess their own success without external verification.

9.2 A multidimensional priority matrix

Resources should be allocated using a multidimensional priority matrix rather than political discretion alone. Each local government area should be assessed against:

- The number of poor people;
- Poverty incidence;
- Poverty intensity;
- The indicators contributing most strongly to local poverty;
- The overlap between deprivations;
- Conflict and climate vulnerability;
- Existing infrastructure and service gaps; and
- Implementation constraints.

The distinction between **need** and **implementation readiness** is important. Low-capacity areas should not receive fewer resources simply because they are difficult to serve. Instead, capacity-building, implementation partnerships and enhanced monitoring should form part of the intervention.

9.3 Trigger-based progression

Movement between stages should depend on observable thresholds. For example, an area should not be designated ready for enterprise-credit expansion merely because a programme timetable requires it. Readiness may depend on:

- Road accessibility;
- Electricity availability;
- Security conditions;

- School and health-service functionality;
- Market access;
- Availability of extension or business-support services; and
- Evidence of demand for the proposed products or skills.

Similarly, an area should not graduate from intensive support solely because poverty incidence has fallen. Poverty intensity, vulnerability to shocks and the durability of household gains should also be assessed.

9.4 Financing

Poverty sequencing requires predictable multi-year financing. Short annual funding cycles encourage fragmented projects and discourage investments whose returns emerge over several years.

Funding can be strengthened through:

- Reprioritisation from poorly targeted subsidies;
- Improved domestic-revenue mobilisation;
- Pooled federal and state financing;
- Development-finance partnerships;
- Results-based grants;
- Private investment in commercially viable infrastructure and value chains; and
- Transparent climate and resilience financing.

Borrowing for poverty reduction should prioritise investments that create durable public assets, productivity and human capital. Recurrent social assistance should increasingly be financed from stable domestic revenues rather than temporary external projects.

9.5 Monitoring and evaluation

Nigeria should measure poverty-policy success using outcomes rather than expenditure or beneficiary counts.

Core indicators should include:

- Multidimensional poverty incidence;
- Multidimensional poverty intensity;
- Monetary poverty;
- Food insecurity and child nutrition;
- School attendance and learning;
- Travel time to functional healthcare;
- Access to safe water, sanitation and electricity;
- Agricultural yields and post-harvest losses;
- Employment, earnings and labour productivity;
- Firm survival and job creation;
- Household asset accumulation; and
- Vulnerability to conflict, climate and price shocks.

Evaluation should use administrative data, household surveys, geospatial information and credible experimental or quasi-experimental methods. Findings should be published, including evidence of programme underperformance or failure. Policy continuity should apply to interventions that demonstrate results, not to programmes that persist merely because they possess political sponsorship.

10. Discussion

The central insight from China and Malaysia is not that poverty reduction requires choosing between growth and

redistribution. Both countries combined productive transformation with public investment and increasingly targeted interventions. Their experiences contradict the assumption that social policy can substitute for structural transformation, but they also contradict the belief that growth alone will automatically reach poor households.

China initially achieved large poverty reductions through rural productivity and broad economic transformation. Targeted household interventions became dominant only after growth had substantially reduced mass poverty and the remaining poor were concentrated in difficult locations or faced household-specific disadvantages.

Malaysia embedded poverty reduction within national development planning. Rural infrastructure, education and agricultural development were followed by export manufacturing and employment creation, while redistribution and affirmative action altered access to education, occupations and ownership. The Malaysian experience nevertheless demonstrates the dangers of allowing distributional policy to become associated with political patronage or permanent ethnic entitlement.

For Nigeria, the major sequencing failure has been the separation of poverty programmes from the transformation of production, places and institutions. Social transfers are frequently debated independently of food systems, industrialisation, public services and labour demand. Agricultural interventions are often implemented independently of infrastructure, processing and market access. Training programmes are introduced without sufficient employer demand. Macroeconomic reforms are undertaken before compensatory systems can deliver support at the required speed and scale.

Poverty sequencing addresses these weaknesses by making the dependencies between interventions explicit. It does not prescribe a rigid national timetable. Nigeria's states and localities differ too greatly for a single linear model. Lagos, Sokoto, Bayelsa, Borno and Ondo do not require identical intervention sequences.

The appropriate model is therefore a **nested and territorially differentiated sequence**. Consumption protection and basic capabilities begin everywhere, but the intensity and subsequent productive pathway vary by location. Agricultural corridors may progress towards processing and logistics. Major urban areas may prioritise affordable housing, transport, skills and formal employment. Conflict-affected areas may require security, humanitarian protection and restoration of basic services before substantial private investment can occur.

This approach also changes the political economy of poverty reduction. Instead of announcing a succession of highly visible national programmes, governments would commit to less dramatic but more durable sequences of public investment, service functionality and productive development. The benefits may take longer to materialise, but they are more likely to survive political transitions.

11. Conclusion

Nigeria's multidimensional poverty cannot be addressed sustainably through isolated interventions. Evidence from China and Malaysia indicates that durable poverty reduction depends on complementary and appropriately sequenced investments in household protection, human capabilities, agricultural productivity, infrastructure, structural transformation, employment, and social protection. For Nigeria, immediate consumption protection, security, reliable identification, and macroeconomic stability should operate alongside a minimum capability and infrastructure floor in high-poverty locations. These foundations should support agricultural and food-system transformation, labour-intensive industrialisation, managed mobility, and progressively more targeted productive-inclusion interventions. Long-term assistance and shock-responsive protection remain essential for households with limited capacity to participate in productive employment. The central implication is that Nigeria should move from episodic poverty programmes towards an institutionally coordinated and territorially differentiated system in which intervention priorities and progression are determined by local deprivation patterns, functional dependencies, and measurable outcomes.

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