



Economic Sustainability Plan Nigeria

A private employment subsidy and public sector employment program implemented in response to the COVID-19 and looming climate crises

Summary

In response to the record levels of unemployment brought on by the COVID-19 recession and the looming threat of climate change, the Economic Sustainability Plan (NESP) sought to support payroll of existing jobs and reintegrate laid off workers and informal sector workers into the labor force through public service employment.

Rationale

To combat the COVID-induced unemployment crisis and create a more equitable economy through direct employment and employment incentives like payroll support.

Defining Principles

The program was designed to stimulate the economy; create labor-intensive jobs; invest in infrastructure and renewable energy; enhance self-sufficiency in critical sectors to curb demand for foreign exchange; and extend protections to the most vulnerable citizens (1).

Dates of Operation

2020-2021

Number of Program Participants

774,000 employed in public works, 26,000 employed in road construction and rehabilitation, 1.3 Million Jobs protected with payroll support 2020-2021 (2).

Pay and Benefits

N50,000 for micro, small, and medium enterprises (about 100,000 beneficiaries). N30,000 for artisans and transportation operators (around 300,000 beneficiaries) (3).

Financing

Funded with a mixture of domestic and international sources including the IMF, the World Bank, and African Development Bank (4). N2.3 trillion total allocated (5). “N500 billion from special FGN accounts. N1.1 trillion from the CBN in the form of structured lending. N334 billion from external bilateral/multilateral sources. N302.9 billion from other funding sources,” (6).



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Implementation

The Economic Sustainability Committee is responsible for oversight and ministries will implement their respective projects.

Types of Work

Proposed projects include the cultivation of one hundred thousand hectares of new farmland, labor-intensive public works and road construction that prioritize the use of locally available materials, the construction of three hundred thousand new housing units a year, and the installation of five million home solar systems (7).

Notable Features

Plan aims to lift 100 million Nigerians out of poverty (8). Projects undertaken will use local materials as much as possible. The program has protections for vulnerable populations: people with disabilities and women. The program also seeks to expand farmland in every state (9).

Challenges

Nigeria has a significant debt load taken on over the last 20 years, which could interfere with the financing of direct employment programs like the Economic Sustainability Plan (10).



ECONOMIC
DEMOCRACY
INITIATIVE

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Citations

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