

## THE EFFECTS OF GOVERNMENT POLICIES AND IMPLEMENTATION ON THE SHRINKING MIDDLE CLASS IN NIGERIA

**Oseremen Felix Irene (PhD)**

Lecturer, Mountain Top University, Nigeria

Corresponding email: [oserefel@gmail.com](mailto:oserefel@gmail.com)

### ABSTRACT

The article investigates the effects of government policies and implementation on the shrinking middle class in Nigeria. The study adopts the use of questionnaires to gather primary data from at least 125 respondents from a cross-section of Nigerians drawn from various works of life, especially the public and the private sectors as well as members of the civil society. The study uses the chi-square statistical test ( $\chi^2$ ) to analyse the responses gathered from respondents using the semi-structured questionnaires. The chi-square in the analysis of the primary data tested on  $p=0.05$  shows that, there is a statistically significant relationship between government policies, their poor implementations and the disappearing middle class in Nigeria. The analysis of the t-test on the daily threshold consumption income of \$2 for lower middle class limit shows  $p$  value  $0.000 < 0.05$  indicates statistical significance and as such government policies and their poor implementation are responsible for the shrinking middle class in Nigeria.

**KEYWORDS:** Effect, Government, Policies, Middle Class, Nigeria

### 1. INTRODUCTION

With over 170 million population and area coverage of 923,768.64 km<sup>2</sup> spanning longitude 3<sup>0</sup>E-16<sup>0</sup>E and latitude 4<sup>0</sup>N-14<sup>0</sup>N (Federal Government of Nigeria, 2010, p.2) and good climatic conditions cum arable soil for agriculture, Nigeria is strategically located and highly endowed with human and natural resources (Ngara, Esebonu, Ogoh & Orokpo, 2014, p.48.). The country is endowed with a highly productive open sea with abundant and diverse marine resources within a coastline of 852km bordering the Atlantic Ocean in the Gulf of Guinea and a maritime area of 46,000km (Federal Government of Nigeria, 2010, p.3). A number of mineral resources such as crude oil, coal, iron ore, bitumen, etc. are found in Nigeria in a commercial quantity.

Nigeria indeed has great potentials to make tremendous socio-economic progress, but instead of making outstanding progress in socio-economic development considering its geography, people, and abundance of oil, the leaders have allowed maladministration, embezzlement, and corruption and poor governance including neglect and inconsistencies in policies, to regress the socio-economic advancement of the country. According to Irene (2015, p.56), this is partly responsible for the increasing level of poverty and its associated stressors. Nigeria has been described as a place where seven percent of the world poor live, and ranks third behind India (33 per cent) and China (13 percent) in terms of numbers of poor (World Bank, 2014, p.1). Weak governance and corruption according to the International Monetary Fund 2014, p.32) contributed significantly to poverty in the country. Whilst the effect of this is widespread, the poor and the middle class, especially those at vulnerable positions, appeared to be worst hit with its painful consequences. The inequality gap between the rich and the poor gets widened on a daily basis, whilst fiscal policies and have not promoted income redistribution (International Monetary Fund, 2014, p.32) to reduce the inequality gap.

The Africa Development Bank (2011, p.2) defined middle class as persons with over \$3,900 income per annum in purchasing power parity, or using threshold of consumption per capita of \$2 to \$20 per day. The middle class according to the Africa Development Bank Report (2011, p.2) is divided into three groups, which are 'the floating class (per capita consumption level of \$2 to \$4 per day), the lower middle class (\$4-\$10 per day) and the upper-middle class (\$10-\$20 per day).

The concept of middle class as it were, can be traced to the rise of 19<sup>th</sup> century capitalism in Europe and the United States (Corral et al. 2015, p.1). The capitalist system threw the western society into proletariat class and that of the bourgeoisie. The proletariat class represented the urban manufacturing workers, whilst the bourgeoisie were the capitalists and employers of the proletariat workers. At the time, the attribute 'middle' class was mainly of functional position as it was between the bourgeoisie and the proletariat in the society. It was until the mid- 20<sup>th</sup> century that the middle class was identified as the center of income distribution and the society's cornerstone. In Africa, the size of the middle class according to the report of African Development Bank in 2011 is in the neighborhood of 300 to 500 million people representing a population between Africa's vast poor and its few elites (African Development Bank (2011, p.2).

In Nigeria, the National Bureau of Statistics (2007, p.13) pointed out four criteria for identifying middle class in the country. These include:

- the expenditure pattern- which is expected to be skewed to non-food items;
- occupational distribution- which include professionals, technical, administrative and energy cadre;
- poverty profile and a working definition.

It further divided the middle class in Nigeria into lower-middle class and upper middle-class. Going by its 2004 classification, the lower middle class was described with per capita expenditure equal or greater than 118, 384.06 naira but less than 120, 742.70 naira, whilst the upper-middle class was described with per capita expenditure equal or greater than 120,742.70 naira but less than 225, 692.0 naira (National Bureau of Statistic, 2007: 14). Related to this, is the African Development Bank (2011, p.2) classification. It classified the lower middle class based on the house threshold expenditure or consumption pattern of \$2 to \$4 per day, and the upper middle class on the house threshold expenditure or consumption pattern of \$6 to \$10 per day. This study aims at demonstrating how government policies and their implementations affect the middle class and the Nigerian economy at large.

### *Government policies and programmers*

Public policy as conceived by Adamolekun (1983, p.142) is a course setting, involving decisions of the widest ramifications and longest time perspective in the life of an organization. According to Dye (1995, p.2) it is whatever government chooses to do or not to do. It is a statement of what government want or plan to do, what government is doing or what government is not doing or what would not be done.

The process of policy can be described in a cyclical pattern of formulation, implementation, evaluation and feedback, and re-formulation as the case may be. Ikelegbe (1996, p.67) argued that policy process refers to the methods, conditions, procedures, activities, interaction and stages by which policies are made. In Nigeria, the history of public policy reveals a process which according to Obo, Eteng & Coker (2014, p.89) is generally devoid of the essential attributes of openness, inclusiveness, transparency, participation and consultation. Corroborating this, Jega (2003, p.30) emphasized that the process is not people-driven, transparent, consultative or participatory. He further added that, the process is restrictive, closed, exclusive, insensitive, unresponsive and often irresponsible (Jega, 2003, p.30). Goal setting is a major activity in policy formulation and implementation. Obo, et al (2014, p.87) argued that policy must be linked to purpose or be goal-oriented and never to random behavior or chance of occurrence. They further submitted that, most government policies in Nigeria have never really reflected the masses' demands but the privilege values of the elites.

In recent times, the Nigerian public sphere has been largely dotted with a number of public policies related decisions such as the removal of fuel subsidy, guided deregulation policy of the oil sector, increase in CBN lending rate which often affects borrowing, challenges associated with remittance restriction policy and high interest rate which no doubt affected foreign investors leading to the

closure of many investments in the country. The absence of appropriate policy (Sambo, 2008, p.35) and poor implementation of existing policies is also linked to poor policy performance, weak economy and bad governance. Empirical evidence shows that the growth of the middle class is associated with better governance, economic growth and poverty reduction (African Development Bank, 2011, p.1). The absence of these in the Nigeria's experience, largely contributed to the fast disappearing middle class in the country. Also, wrong policies and poorly implemented policies are linked to what has been described as new forms of poverty in the country. The mix of traditional and new forms of poverty constitutes the new challenge the masses are facing (Zupi, 2007, p.1) in the country.

The importance of right policy and their effective implementation cannot be denied, however actors with excellent managerial and administrative competence, effective in activity scheduling, skills in resource mobilization and rationalization including network analysis, budgeting, supervision, problem-solving, decision-making, cost and benefit analysis (Ajulor, 2013) are critical to bringing this to bear. Above these, such actors must have large heart, be determined and sincere. The Nigerian economy experienced slowdown, shock and went into recession in 2016. The shock experience contributed in plunging more people into the poor class. This happens in view of the fact that exogenous shocks in economy often makes the middle class in the vulnerable position slide to the poor category (African Development Bank, 2011, p.1). Inconsistency in Government policies and poor implementation of policies contributed to the slowed down economy and investors scared off (Financial Times, 2016), and the resultant recession. Recession describes a significant decline in activities across the economy, lasting longer than a few months. It is visible in industrial production, employment, real income and wholesale retail trade.

The Nigerian experience in 2016 and 2017 could be traced partly to delay in budget preparation by the executive, and in passing into law by the legislature as well as delay in the disbursement of funds for projects implementation. The delay led to a slow growth in the economy mixed with stagflation. The unusual combination of slow growth and rising inflation present a difficult policy challenge. Gene Leone, the President of the International Monetary Fund (IMF), also implicated delay as partly responsible, when she pointedly stated that shortages in energy and delay in budget are responsible for the economic woes of the country (International Monetary Fund, 2016). Other reasons argued for the recession include, the attacks on oil installations in the Niger Delta affecting the barrel of oil produced per day, the fall in the oil prices in the international market, and government actions and inactions at the time.

The recession regime was marked with unprecedented rise in inflation, as the prices of commodities, goods and services skyrocketed, while the salaries of civil servants remained unchanged. Besides, a number of state governments owed workers their salaries running into several months. The pains of pensioners also increased following irregular payments, and this resulted in the decline in the living standards of a growing number of pensioners due to under-funding and management problems of pension arrangements in public and private sector institutions (International Monetary Fund Report, 2014, p.32), as poverty increased in the land.

It is necessary to also recall here that government policy on poverty reduction over the years failed to yield positive outcome due to policy inconsistency, poor governance, corruption and weak implementation strategies. For instance, the National Poverty Eradication Program (NAPEP) of the Obasanjo led government failed to achieve its target to substantially reduced poverty in Nigeria. There are more poor people in the country now as a number of middle class in vulnerable positions slide to poverty class. To address the ugly experience, there is need for institutional reform as it is getting clearer and in support of recent researches that economic policy dependent on classic theories of economic development are no longer enough unless accompanied by legal, institutional and regulatory reforms which have been missing in Nigeria's reform agenda (Abata and Adejuwon, 2011, p.201). Nigeria requires strong economic drive, effective poverty alleviation policies and programmes and recovery of funds from looters, waste and losses as well as effective anti-corruption drive (African Development Bank, 2011, p.8). An all-encompassing approach is not self-serving, it is rather selfless and advantageous to the country, and in the assertion of Adamolekun (1983, p.157) country should adopt and implement policies that have the highest advantage to the state and less disadvantages and negative effects on both the citizens and the economy. This, among others factors, is critical to tackling the problem of the shrinking middle class and the entire country in general.

**Research questions**

1. What is the relationship between government policy and the shrinking middle class in Nigeria?
2. What is the relationship between the choice of Government policies, programmes and the disappearing middle class in Nigeria?
3. What is the relationship between poor implementation of government policies and shrinking middle class?

**RESEARCH METHOD AND DATA ANALYSIS**

This study mainly adopts quantitative approach. The primary data used for this study were sourced using questionnaires. About 150 questionnaires were administered to 150 randomly selected respondents. Of the 150 questionnaires administered to respondents, 135 were recovered from the respondents representing the response rate of over 90%. Secondary data sources were from existing literature - text books, journals, magazines, newspaper, government documents and past research work.

Given the nature of the responses, the study used both content analysis and statistical analysis in analyzing the raw data collected from respondents in the field. The data gathered during the data collection process was captured and codified for execution on SPSS based analysis of variance between statistical indicators and the association between a number of selected statistical variables and the shrinking middle class in Nigeria.

The  $\chi^2$  statistic test was used in this study to compare proportions of categorical respondents. This analysis used df of 0.134 degree of freedom (df=134). Degree of freedom describes the number of values that are free to vary in a final calculation of statistic. It is obtained from the formula  $df = n-1$ , where n is number of sample. So with 135 samples for this study, df is 135-1 which equals 134. The  $\chi^2$  helps to investigate whether distributions of categorical variables differ from one another or not. With the chi-square statistic ( $\chi^2$ ) test, this study attempts to gauge the perceptions of respondents of the ways in which the Nigerian government’s policies and their implementation affect the middle class in the country. The other advantage of the chi-square ( $\chi^2$ ) is that it simplifies data presentation in the form of a 2 x 2 contingency tables as shown in the results and discussion session below.

**RESULTS AND DISCUSSIONS**

**Table number 1.0 : Sex of Respondents**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	82	60.3	60.7	60.7
	Female	53	39.0	39.3	100
	Total	135	100	100	
Total			100		

Source: Table 1.0 created by the authors

Table 1.0 shows the distribution of respondents by sex on the instrument of research (the questionnaires). The distributions of sex of respondents show that the male constitutes the majority with 60.7 valid per cent, whilst the female with 39.3 valid percent were fairly represented also.

**2.0 Age of Respondents**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	21-35yrs	43	31.6	31.9	31.9
	36-45yrs	61	44.9	45.2	77.0
	46-55yrs	18	13.2	13.3	90.4
	56-65yrs	13	9.6	9.6	100
	Total	135	100	100	
Total		135	100		

Source: Table 2.0 created by the authors

Table 2 shows the distribution by age of respondents. With 45.2 valid per cent, the age distribution of 36-45 years constitutes the majority of the respondents. This is followed by 21-35 years category with 31.9 valid per cent. These groups represent the active energetic working class.

**Table 3.0 Respondents Academic Qualification**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Diploma	19	14.0	14.1	14.1
	B.Sc	43	31.6	31.9	45.9
	M.Sc	54	39.7	40.0	85.9
	PhD	19	14.0	14.1	100.0
	Total	135	100	100	
Total		135	100.		

Source: Table 3.0 created by the authors

Table 3.0 represents the distribution of respondents by academic qualifications. With 40.0 valid per cent, respondents with M.Sc degrees constitute the majority. This is followed by respondents with B.Sc degree with 31.9 valid percent. By using academic qualifications in describing the respondents, it could be stated that majority of the respondents are well educated and seems to constitute the middle class.

**Table 4.0: Nature of Respondents Job**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Full Time	95	69.9	70.4	70.4
	Part Time	20	14.7	14.8	85.2
	Contract	19	14.0	14.1	99.3
	Total	135	100	100	100
Total		135	100		

Source: Table 4.0 created by the authors

Table 4.0 shows the distribution of respondents by nature of job. From the data on the table, full time workers constitute majority of the respondents with 70.4 valid percent. This is followed by respondents in the category of part time and contract workers with valid percent of 14.8 and 14.1 respectively.

**Table 5.0: Respondents Years of working**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-10yrs	77	56.6	57.0	57.0
	11-20yrs	35	25.7	25.9	83.0
	21-30yrs	21	15.4	15.6	98.5
	31 years & above	2	1.5	1.5	100
	Total	135	100	100	

Source: Table 5.0 created by the authors

Table 5.0 shows the distribution of respondents by years of working experience. With a valid percent of 57.0, respondents in the category of 1-10 years working experience forms the majority of the respondents. This is followed by 11-20 years category with valid percent of 15.6. Going by the age of respondents in table 2.0, it could be stated that the respondents are in the active working class which normally constitutes the middle class in many countries.

**Table 6.0: Respondents Level/Grade position in workplace**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Level 1-5	43	31.6	31.9	31.9
	Level 6-10	62	45.6	45.9	77.8
	Level 11-15	22	16.2	16.3	94.1
	Others	8	5.9	5.9	100
	Total	135	100	100	

Source: Table 6 created by the authors

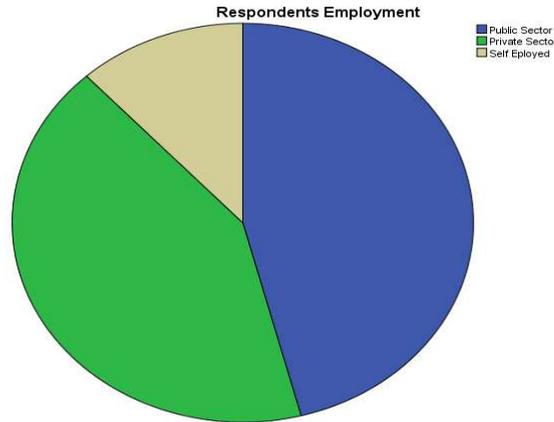
Table 6.0 shows the distribution of respondents by grade level position in workplace. From the table, grade level 6-10 in workplace with valid percent of 45.9 constitutes the majority of the respondents and it is often the bracket of the middle class population. This is followed by the category of grade level 1-5 in workplace with 31.9 valid percent.

**Table 7.0: Respondents Employment**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Public Sector	62	45.6	45.9	45.9
	Private Sector	57	41.9	42.2	88.1
	Self Employed	16	11.8	11.9	100.0
	Total	135	99.3	100.0	
Missing	System	1	.7		
Total		136	100.0		

Table 7.0 created by author

Table 7.0 shows the distribution of respondents by employment. With a valid percent of 45.9, respondents employed in the public sector (basically middle class category) are the majority. This is closely followed by respondents from the private sector (not self-owned) with valid percent of 42.2. The self-employed (self-owned business) valid percent as shown in the table is 11.9.



**Figure 1: Pie chart of respondents' employment**

The pie chart presents a pictorial view of respondents by employment. The key above helps in the interpretation of proportion of each category of the respondents by employment as regards the instrument used for the collection of primary data. Figure 1 shows that respondents from the public sectors were more in number. This was followed by respondents from private sectors. The private sector refer to here are those private organisations that are not owned by the respondents. Those in private sector owned by the respondents are classified here as self-employed, and the category constitutes the least of the respondents.

		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	Equal or Less than \$1.26(Poor class)	33	24.3	24.4	24.4
	\$2--\$4 (Floating middle class)	62	45.6	45.9	70.4
	\$4 --- \$10 (Lower middle class)	26	19.1	19.3	89.6
	\$10 -- \$20 (Upper middle class)	9	6.6	6.7	96.3
	\$20 and above(Rich class)	5	3.7	3.7	100
	<b>Total</b>	<b>135</b>	<b>100</b>	<b>100.</b>	

Source: Table 8 created by the authors

Table 8.0 shows the distribution of respondents by threshold of consumption per day. With valid percent of 45.9 respondents in the category of \$2-\$4 floating middle class constitutes the majority. This is followed by the poor class with valid percent of 24.4 and by lower middle class with valid percent of 19.3. With bulk of floating middle class, it means majority of the respondents are in vulnerable positions, and with the current shock in the economy those who are still in this category may readily slide to the poor class.

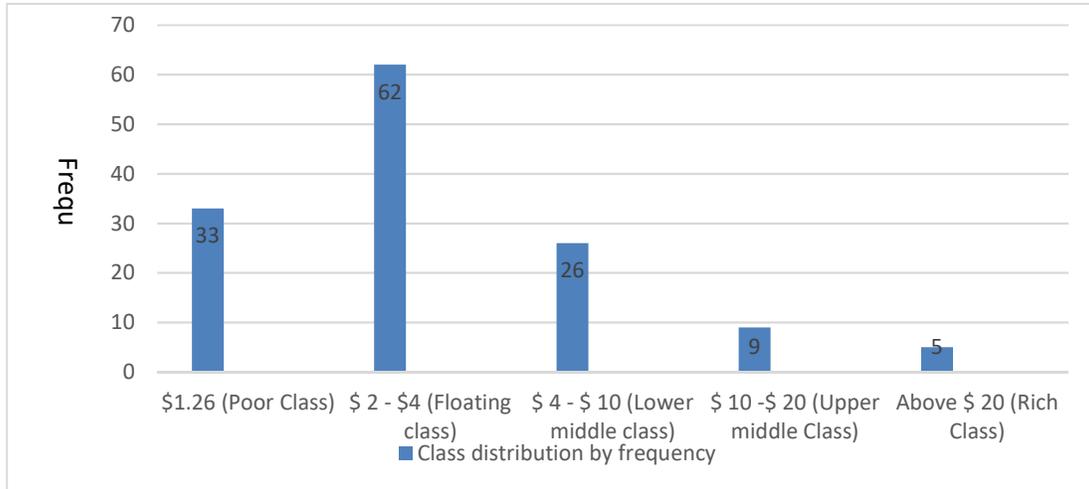


Figure: 4. Bar Chart: Respondents category as per threshold of consumption per day

*Discussion of result and outcome of t-test middle-class in Nigeria*

**Table 9.0: One-Sample t-test for upper level middle-class in Nigeria. Test Value = \$10 - \$20**

	No	Mean	Std. Deviation	T	df	Sig
Respondents category as per respondents' consumption per day	135	2.19	1.004	-69431.545	134	.000

Source: Table 9.0 created by the authors

Ho: There is no difference in respondents' consumption per day and the threshold of consumption per capita of \$10- \$20 per day for upper middle class.

Hi: There is difference in respondents' consumption per day and the threshold of consumption per capita of \$10- \$20 per day for upper middle class.

The degree of freedom is given as n-1. Where n is the number of sample. For the above table degree of freedom is calculated as 135-1=134, where number of sample is 135 respondents to the instrument of research. The t- test is carried out to determine if there is any difference between the respondents' consumption per day and threshold of consumption per capital of \$10-\$20 per day for upper middle class. With the t-value of -69431.545 and p value of 0.000 < 0.05 (where < sign stands for lesser than), null hypothesis is rejected and the alternate hypothesis accepted. Hence, the distribution of respondents' consumption per day is below the threshold of consumption per capita of \$10-\$20 per day for the upper middle class. As such, government policies are not making people to upgrade to the rich class.

**Table 10.0: One-Sample t-test for lower middle-class in Nigeria. Test Value = \$2 - \$4**

	No	Mean	Std. Deviation	T	df	Sig
Respondents category as per respondents' consumption per day	135	2.19	1.004	-34703.082	134	.000

Source: Table 10 created by the authors

Ho: There is no difference in respondents' consumption per day and threshold of consumption per capita of \$2-\$4 per day for floating lower middle class.

Hi: There is difference in in respondents’ consumption per day and threshold of consumption per capita of \$2-\$4 per day for floating middle class.

$$df = n-1 = 135-1=134$$

The t- test is carried out to determine if there is any difference between respondents’ consumption per day and the threshold of consumption per capita of \$2-\$4 per day for floating middle class. With the t-value -34703.082 and p value  $0.000 < 0.05$ , null hypothesis is rejected, and the alternate hypothesis accepted. Hence, there the distribution of respondents’ consumption per day is below the threshold consumption per capita of \$2-\$4 per day for floating lower middle class. Therefore, Government policies contribute to pushing citizens from middle class to poverty class.

**RESULTS AND DISCUSSIONS OF HYPOTHESIS TESTING**

*Hypothesis one*

Ho: There is no significant relationship between the choice of Government policy/programmes and the disappearing middle class in Nigeria

Hi: There is significant relationship between the choice of Government policy/programme and the disappearing middle class in Nigeria

Instrument:

- \*Government policy is responsible for shrinking middle class in Nigeria
- \* Government Programmes in Nigeria is making significant impact on the middle class.

**CONTINGENCY TABLE**

**Table 11.0: Contingency table. cross-tabulation count**

	Government Programmes in Nigeria is making significant impact on the middle class					Total
	strongly disagree	Disagree	Undecide d	Agree	strongly agree	
Government policy is responsible for strongly shrinking middle class in Nigeria	0	0	1	0	0	1
Disagree	3	3	2	5	7	20
Disagree	0	6	3	7	2	18
Undecided	0	5	13	2	1	21
Agree	4	13	7	9	1	34
strongly agree	12	15	8	5	1	41
Total	19	42	34	28	12	135

Table 11:0 created by author

Table 11.0 is a contingency table which shows cross-tabulation of two specific questions shown in table 11.0 contained in the instrument, and count in line with respondents’ responses with strongly agree, agree, undecided, disagree or strongly disagree.

**Table 12.0: Chi-Square Tests**

Value	df	Asymp. Sig. (2-sided)	Monte Carlo Sig. (2-sided) 95% Confidence Interval		Monte Carlo Sig. (1-sided) 95% Confidence Interval	
			Sig. Bound	Upper Bound	Sig. Bound	Upper Bound

Pearson Chi-Square	58.138 <sup>a</sup>	20	.000	.000 <sup>b</sup>	.000	.022		
Likelihood Ratio	54.253	20	.000	.000 <sup>b</sup>	.000	.022		
Fisher's Exact Test	48.357			.000 <sup>b</sup>	.000	.022		
Linear-by-Linear Association	19.332 <sup>c</sup>	1	.000	.000 <sup>b</sup>	.000	.022	.000 <sup>b</sup>	.000
No. of Valid Cases	135							

a. 18 cells (60.0%) have expected count less than 5. The minimum expected count is .09.

b. Based on 135 sampled tables with starting seed 2000000.

c. The standardized statistic is -4.397.

Note: p stands for probability, and x<sup>2</sup> stands for chi-square

The table 12.0 above shows that x<sup>2</sup>cal (58.138) is greater than x<sup>2</sup>tab (4.15) at 5% level of significance and p= 0.000. Hence the null hypothesis is rejected while the alternative hypothesis is accepted. That is, there is significant relationship between the choice of Government policy programmes and the disappearing middle class. The middle class is shrinking as a result of Government policies.

**Hypothesis two**

Ho: There is no significant relationship between poor implementation of government policies and shrinking middle class  
 Hi: There is significant relationship between poor implementation of government policies and shrinking middle class.

**Instrument**

- \* Government policy is responsible for shrinking middle class in Nigeria
- \* Poor implementation of Government policy is one of the key factors responsible for increasing loss of jobs among the middle class in Nigeria

**Table 13.0: Contingency table. cross-tabulation count**

	poor implementation of Government policy is one of the key factors responsible for increasing loss of jobs among the middle class in Nigeria					
	strongly disagree	Disagree	Undecided	Agree	strongly agree	Total
Government policy is responsible for shrinking middle class in Nigeria	0	1	0	0	0	1
strongly disagree	8	6	3	1	2	20
Disagree	4	7	1	6	0	18
Undecided	2	3	6	9	1	21
Agree	1	4	1	21	7	34
strongly agree	4	5	3	14	15	41
Total	19	26	14	51	25	135

Table 13.0: cross-tabulation counts

Table 13.0 is a contingency table which shows cross-tabulation of two specific questions shown in table 13.0 contained in the instrument, and count in line with respondents' responses with strongly agree, agree, undecided, disagree or strongly disagree.

**Table 14.0: Chi-Square Tests**

		Value	df	Asymp. Sig. (2-sided)	Monte Carlo Sig. (2-sided) 95% Confidence Interval		Monte Carlo Sig. (1-sided) 95% Confidence Interval	
					Sig.	Lower Bound	Upper Bound	Sig.
Pearson Chi-Square	60.080 <sup>a</sup>	20	.000	.000 <sup>b</sup>	.000	.022		
Likelihood Ratio	60.673	20	.000	.000 <sup>b</sup>	.000	.022		
Fisher's Exact Test	55.653	3		.000 <sup>b</sup>	.000	.022		
Linear-by-Linear Association	29.026 <sup>c</sup>	1	.000	.000 <sup>b</sup>	.000	.022	.000 <sup>b</sup>	.000
No of Valid Cases	135							

a. 20 cells (66.7%) have expected count less than 5. The minimum expected count is .10.

b. Based on 135 sampled tables with starting seed 79654295.

c. The standardized statistic is 5.388.

The table 14.0 above shows that  $\chi^2_{cal}$  (60.080) is greater than  $\chi^2_{tab}$  (4.15) at 5% level of significance  $p=0.000$ . Hence the null hypothesis is rejected while the alternative hypothesis is accepted. That is, there is significant relationship between poor implementation of government policies and the shrinking middle class.

**Hypothesis three**

Ho: There is no significant relationship between government policy and shrinking middle class

Hi: There is significant relationship between government policy and shrinking middle class

**Instrument**

- \* Government policies in Nigeria are making people slide/fall from middle class to poverty class
- \* Government policies in Nigeria are good enough to lift citizens from poverty level to middle class

**Table 15.0: Contingency table**

		Count	Government policies in Nigeria are good enough to lift citizens from poverty level to middle class					Total
			Strongly disagree	Disagree	Undecided	Agree	Strongly agree	
Government policies in Nigeria are making people slide from middle class into poverty line	strongly disagree	Count	3	1	2	6	12	24
		Expected Count	4.1	7.1	3.6	5.7	3.6	24.0
	Disagree	Count	1	4	3	10	2	20
		Expected Count	3.4	5.9	3.0	4.7	3.0	20.0

**Review of Public Administration and Management (ROPAM)**

Undecided	Count	0	3	5	4	0	12
	Expected Count	2.0	3.6	1.8	2.8	1.8	12.0
Agree	Count	1	22	6	11	1	41
	Expected Count	7.0	12.1	6.1	9.7	6.1	41.0
strongly agree	Count	18	10	4	1	5	38
	Expected Count	6.5	11.3	5.6	9.0	5.6	38.0
Total	Count	23	40	20	32	20	135
	Expected Count	23.0	40.0	20.0	32.0	20.0	135.0

Table 15.0 shows analysed data following respondents' responses to the statements: 'Government policies in Nigeria are good enough to lift citizens from poverty level to middle class' and 'government policies are making people slide from middle class to poverty line' contained in the questionnaires. The columns and rows in the table show the analysis of counts and expected counts of respondents' responses of strongly agree, agree, undecided, disagree and strongly disagree.

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Monte Carlo Sig. (2-sided) 95% Confidence Interval		Monte Carlo Sig. (1-sided) 95% Confidence Interval	
				Lower Bound	Upper Bound	Lower Bound	Upper Bound
Pearson Chi-Square	90.836 <sup>a</sup>	16	.000	.000 <sup>b</sup>	.000	.022	
Likelihood Ratio	88.969	16	.000	.000 <sup>b</sup>	.000	.022	
Fisher's Exact Test	78.979			.000 <sup>b</sup>	.000	.022	
Linear-by-Linear Association	32.021 <sup>c</sup>	1	.000	.000 <sup>b</sup>	.000	.022	.000 <sup>b</sup>
No of Valid Cases	135						

a. 12 cells (48.0%) have expected count less than 5. The minimum expected count is 1.78.

b. Based on 135 sampled tables with starting seed 1310155034.

The table 15.0 above shows that  $\chi^2_{cal}$  (90.836) is greater than  $\chi^2_{tab}$  (34.27) at 5% level of significance  $p=0.000$ . Hence the null hypothesis is rejected while the alternative hypothesis is accepted. That is, there is significant relationship between bad Government policies and the fading middle class.

## DISCUSSIONS OF RESULTS AND OUTCOME OF TEST OF HYPOTHESES

The data captured in the tables above were codified for execution on SPSS based analysis of variance producing results shown in the tables. The outcome of table 2.0 where  $x^2_{cal}$  (58.138) is greater than  $x^2_{tab}$  (4.15) at 5% level of significance at  $p=0.000$  led to the rejection of null hypothesis which states that there is no significant relationship between the choice of Government policy programmes and the shrinking middle class in Nigeria, and the acceptance of the alternate hypothesis which state that there is a significant relationship between the choice of Government policy programmes and the shrinking middle class in Nigeria. In table 2.2b, the  $x^2_{cal}$  (90.836) is greater than  $x^2_{tab}$  (34.27) at 5% level of significant and  $p=0.000$ , hence the rejection of null hypothesis and acceptance of alternate hypothesis which states that, there is significant relationship between bad government policy and the shrinking middle class.

Also, going by the outcome on table 2.1b above which shows that  $x^2_{cal}$  (60.080) is greater than  $x^2_{tab}$  (4.15) at 5% level of significance and  $p= 0.000$ , thus, and the rejection of null hypothesis and the acceptance of the alternate hypothesis which states that there is significant relationship between poor implementation of Government policies and shrinking middle class government policy is responsible for shrinking middle class in Nigeria.

Again the study attempts to find out the direction of the disappearing middle class, i.e. whether in the direction of the rich class or that of the poor class. Hence, the test on the table 9.0: One-Sample t-test for upper middle-class in Nigeria, and table 10.0: One-Sample t-test for lower middle-class in Nigeria. The t-test on table 9.0 shows a t- value-69431.545, and p value  $0.000 < 0.05$  stated significant value. This can be interpreted to mean that the threshold of consumption per capita of \$10 - \$20 per day for upper middle class is higher than the respondents' consumption per day, so the study shows that the study population are not upgrading to the rich class. Whilst the t-test on table 10.0 shows t -34703.082 and p value  $0.000 < 0.05$  stated significant value. It is not significant. This can be interpreted to mean that the threshold of consumption per capita of \$2 - \$4 per day for floating middle class is higher than the respondents' consumption per day. Hence, majority of the studied population, which going academic qualifications description, i.e. 40% M.Sc, 31.9%, 14.1% and PhD degrees and 14.1% Diploma should not be less than middle class, appears to be living below middle class given the current economic reality in Nigeria. This is brought forth by the respondents' consumption per day which is below lower middle class as seen in this study. This supports the argument that government policies cum weak implementation of policies are fast pushing middle class citizens, especially those at the vulnerable (floating class) positions to the poor class, leading to a shrink in the middle class.

## CONCLUSION AND RECOMMENDATIONS

The study shows a relationship between government policies and the shrinking middle class in Nigeria. It also shows a relationship between weak policy implementations and the shrinking middle class in Nigerian. Some of the identified factors responsible for the shrinking middle class and the economic woes of the country include, corruption, the challenge of formulating right policy, weak policy implementing institutions, policy summersault and the burden associated with the current structure of the Nigerian state and weak governance. The leadership question is a big issue, instead of embarking in a drive to denounce and dismiss the obvious as regards the current state of things, what is expected of the Nigerian leadership is to embrace introspection and take right steps in the interests of the nation to forestall the wrath of Nigerians who are getting weary of excuses for the litany of challenges facing the country. The current structure does not reflect true federalism, the idea of restructuring has been mooted in many quarters in the country, and this should be largely supported.

Appropriate government policies, a coalition of economic policies and effective implementation of public policies are critical to addressing the challenges leading to the shrinking middle class and the Nigerian economy in general. Formulation and effective implementation of relevant policies focus at channeling public spending towards investment in human capital development should be encouraged. This is critical to ensuring a lifting of many from poverty class to middle class.

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