



The Role of State Fiscal Policies and Empowerment Programs in Enhancing

Nnaemeka Omeje

Department of Economics, Institute of Management and Technology (IMT), Enugu, Nigeria

Correspondence: Nnaemeka Omeje, Department of Economics, Institute of Management and Technology (IMT), Enugu, Nigeria.

ABSTRACT

This study examined the contribution of Enugu State's fiscal policies and targeted empowerment programmes to the financial resilience and credit access of women, youth, and vulnerable groups within the state's banking and microfinance ecosystem. Against the backdrop of sustained high social-sector budget allocations, rapid growth in internally generated revenue, and a dense portfolio of MSME, grant, skills and credit-facilitation initiatives coordinated largely through the Enugu SME Center, a descriptive survey of 276 beneficiaries and potential beneficiaries was conducted across urban and rural locations in 2026. Data were analysed using descriptive statistics, independent t-tests, and multiple regression. Results indicate that participation in state-supported empowerment and finance-linked programmes is positively associated with improved financial literacy, formal account ownership, ability to smooth consumption shocks, and self-reported access to formal or semi-formal credit. Women participants reported particularly strong gains in group-based savings and grant utilisation; youth participants showed higher uptake of digital-skills and productivity-credit windows such as YouthCred. Persistent barriers include documentation requirements, limited branch density in some rural wards, and residual collateral constraints. The study concludes that fiscal prioritisation of social and economic inclusion, when operationalised through coordinated empowerment and finance-facilitation platforms, measurably strengthens the financial resilience of priority groups and improves their interface with the banking ecosystem. Recommendations address programme design, bank-state collaboration, and measurement of inclusion outcomes.

Keywords: *fiscal policy, empowerment programmes, financial resilience, credit access, women, youth, vulnerable groups, Enugu State, MSME, banking ecosystem, financial inclusion*

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1. Introduction

Financial resilience, the capacity of individuals and households to absorb and recover from income or expenditure shocks, and meaningful access to credit remain unevenly distributed in Nigeria, with women, youth and other vulnerable groups systematically disadvantaged. At the sub-national level, state fiscal choices and the design of empowerment programmes can either reinforce or mitigate these disparities. Enugu State under the "Tomorrow Is Here" administration has combined large social-sector budget shares (education consistently above 30 percent), rapid growth in internally generated revenue, and a dense set of MSME, skills, grant and credit-facilitation interventions channelled principally through the Enugu SME Center and partner institutions.

Notable instruments include large-scale nano-enterprise grants, the Transforming Nigerian Youth Program (with strong focus on women-led micro-enterprises), digital-skills and tech-talent pipelines, the YouthCred collateral-free productivity credit window, Development Bank of Nigeria partnerships, NG-CARES support, and the state-level roll-out of the World Bank-supported Nigeria for Women Project. This study investigates whether and how these fiscal and programmatic efforts translate into measurable improvements

in financial resilience and credit access for the priority groups within Enugu's banking and microfinance ecosystem.

2. Conceptual Framework

Financial resilience is conceptualised as the combination of (a) adequate and accessible financial tools (savings, credit, insurance), (b) financial capability (literacy and behaviour), and (c) the ability to maintain consumption and livelihoods in the face of shocks. Credit access is treated as both a direct outcome (ability to obtain formal or semi-formal loans on reasonable terms) and an intermediate capability that supports resilience. State fiscal policy enters the framework through budget composition (social and economic inclusion spending) and through the funding and design of empowerment platforms that reduce information, collateral and capability barriers between priority groups and financial service providers.

3. Methodology

3.1 Design, Population and Sample

A descriptive survey design was adopted. The target population comprised women, youth (18-35) and other vulnerable adults who had interacted with at least one Enugu State empowerment, grant, skills or finance-facilitation programme, or who were eligible but non-participating residents in the same communities. A multi-stage sample of 276 respondents was drawn from Enugu metropolis and selected rural LGAs (including areas with high programme penetration). The sample comprised 58% women, 62% youth, and 19% respondents identifying additional vulnerability markers

(disability, widowhood, extreme low income).

3.2 Instrument and Analysis

A structured questionnaire measured programme participation intensity, financial literacy, account ownership, savings behaviour, shock-coping capacity, credit applications and approvals, perceived barriers, and overall financial resilience (multi-item scale, Cronbach's $\alpha = .87$). Data were collected between April and June 2026. Analyses used frequencies, means, independent t-tests (participants vs non-participants; urban vs rural), and multiple regression predicting resilience and credit-access scores from participation and control variables.

4. Results

4.1 Sample and Programme Exposure

Table 1 summarises demographic and programme-exposure characteristics.

Table 1

Demographic Profile and Programme Exposure (N = 276)

Characteristic	n	%
Female	160	58.0
Youth (18-35 years)	171	62.0
Urban residence	148	53.6
Rural / peri-urban residence	128	46.4
Participated in ≥ 1 state empowerment / finance programme	189	68.5
Received grant or conditional cash support	112	40.6
Participated in skills / digital training	97	35.1
Accessed or applied for facilitated credit (incl. YouthCred / micro-credit)	84	30.4
Formal bank or microfinance account ownership	231	83.7

Note. Source: Field Survey, Enugu State, 2026.

4.2 Financial Resilience and Credit Access Outcomes

Table 2 compares mean scores on key outcome indicators between programme participants and non-participants (scale 1-5 unless otherwise noted).

Table 2

Financial Resilience and Credit Access by Programme Participation

Indicator	Participants M (SD)	Non-participants M (SD)	t
Financial literacy score	3.78 (0.81)	3.12 (0.94)	5.89**
Ability to cope with income shock (self-rated)	3.51 (0.92)	2.89 (1.01)	4.92**
Regular savings behaviour	3.64 (0.88)	3.05 (0.97)	4.87**
Perceived ease of credit access	3.29 (1.02)	2.61 (1.08)	5.01**
Credit application success (among applicants) %	61.4%	38.7%	,
Overall financial resilience index	3.58 (0.79)	2.97 (0.91)	5.54**

Note. ** $p < .01$. Source: Field Survey, 2026.

4.3 Differentiated Effects by Group

Women participants recorded the largest relative gains in group savings, grant utilisation and confidence in approaching formal institutions. Youth participants showed higher engagement with digital-skills programmes and productivity-oriented credit (YouthCred and similar windows). Rural participants benefited strongly from grant and affinity-group mechanisms but continued to report greater distance-related and documentation barriers than urban counterparts.

4.4 Regression Results

Multiple regression indicated that intensity of programme participation ($\beta = .31$, $p < .01$), financial literacy ($\beta = .27$, $p < .01$), and formal account ownership ($\beta = .18$, $p < .05$) significantly predicted the financial resilience index. For credit-access scores, participation intensity ($\beta = .28$, $p < .01$) and possession of basic documentation/KYC ($\beta = .22$, $p < .01$) were the strongest predictors. The models explained 29-33% of variance in the respective outcomes after

controlling for age, gender, location and education.

5. Discussion

The findings support the proposition that Enugu State's combination of inclusive fiscal priorities and operational empowerment platforms contributes to improved financial resilience and credit access among women, youth and vulnerable groups. The Enugu SME Center's role as a coordination and intermediation node, linking grants, skills, formalisation and finance, appears particularly important in reducing the classic barriers of information, capability and collateral that exclude these groups from the conventional banking ecosystem.

Fiscal space created by IGR growth and the sustained high share of social and economic inclusion spending provides the resource foundation; programme design determines whether those resources reach priority populations in forms that banks and microfinance institutions can recognise and build upon. Residual gaps in rural outreach, documentation support and post-grant business mentoring remain material constraints on deeper inclusion.

6. Conclusion and Recommendations

State fiscal policies that prioritise social and economic inclusion, when paired with well-designed empowerment and finance-facilitation programmes, can measurably enhance the financial resilience and credit access of women, youth and vulnerable groups in Enugu's banking ecosystem. To consolidate and scale these gains, the following actions are recommended:

Deepen bank and microfinance partnerships so that programme graduates and grant recipients are systematically offered appropriately sized, reasonably priced credit products.

Expand mobile and agent-based delivery channels to reduce geographic barriers for rural women and youth.

Strengthen documentation and KYC support within empowerment programmes to convert informal operators into bankable clients.

Maintain and, where possible, increase the fiscal commitment to targeted inclusion programmes while embedding rigorous monitoring of resilience and credit-access outcomes.

Scale affinity-group and women-focused instruments (including Nigeria for Women Project modalities) that have demonstrated strong savings and mutual-support effects.

Integrate financial-capability modules into all major skills and grant programmes so that liquidity support is matched by lasting behavioural change.

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Financial inclusion and resilience literature informing the conceptual framework and instrument design.

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