

SUSTAINABILITY AND INCLUSIVE ECONOMY RECOVERY IN SOUTHWEST NIGERIA

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Abstract

This research evaluates the influence of sustainability measures on the inclusive economic recovery in the southwestern part of Nigeria. It takes a look at six states and employs a combination of methods to analyse and compare the economic, environmental, and social indicators. The findings reveal that the adoption of green economy practices, renewable energy usage, and organic farming has a major positive impact on inclusive growth and a corresponding decrease in environmental degradation. Moreover, the regions with well-coordinated sustainability strategies enjoy enhanced employment, fair income distribution, and improved environmental quality. The study highlights the indispensable functions of local government, community participation, and cooperation between the public and private sectors, thus providing the region's policymakers with hints for aligning economic recovery with environmental sustainability.

Keywords: Sustainability, inclusive economy, economic recovery, Southwest Nigeria, green development.

1. INTRODUCTION

Nigeria, Africa's largest economy with over 200 million people, struggles to advance sustainable development amid COVID-19 shocks, oil price volatility, and climate change (Kamah et al., 2021;

Ogbomah & Kolokolo, 2024). Southwest Nigeria, home to 20% of the population, drives growth through industry, agriculture, and services (Adesua-Lincoln, 2025). Addressing environmental degradation and resource depletion is crucial for inclusive recovery (Onyeaka et al., 2024). Emerging research highlights circular economy practices, renewable-energy systems, and green-economy models as transformative (Emezirinwune et al., 2024). The paper examines the sustainability initiatives in Southwest Nigeria and how the initiatives facilitate inclusive growth and recommends policy reforms.

2. LITERATURE REVIEW

Theoretical debates on sustainability and growth trace back decades. The Environmental Kuznets Curve (EKC) suggests that environmental degradation rises with income before declining at higher thresholds, a trend confirmed in Nigeria where sustainable energy use promotes productivity and inclusive recovery (Ajmi et al., 2023; Emezirinwune et al., 2023). Governance quality remains central; strong institutions reinforce the growth–sustainability nexus, while weak governance constrains progress (Kamah et al., 2021; Okunlola et al., 2025). New growth theory highlights infrastructure as a catalyst for resilience and environmental objectives (Akomolehin et al., 2024). The green economy paradigm promotes renewable energy, circular practices, and climate-smart agriculture, yet implementation faces barriers of finance, expertise, and awareness (Gabriel et al., 2023; Adesua-Lincoln, 2025). Effective outcomes further rely on PPPs, community participation, and human capital investment (Ukwuaba et al., 2023; Igboanugo et al., 2023). In the end, sustainable recovery in Southwest Nigeria can be obtained by ensuring the alignment of governance reforms and region-specific strategies along with infrastructure investments that can balance growth and resilience.

2. METHODOLOGY

This paper uses a mixed-method design, which is a combination of quantitative and qualitative research to quantify the influence of sustainability-led recovery in South West Nigeria. Structured surveys of 1200 households were carried out across six states, and information was captured on income, employment, adaptation to sustainable technology, and environmental perceptions. Secondary data from the National Bureau of Statistics (2018–2024), academic literature, and state-level reports complemented household data. Key variables include inclusive growth (income distribution, employment, poverty reduction), environmental quality indices, and independent measures such as green economy investment, community participation, PPP effectiveness, and institutional quality. The analytical methods used are panel data models, propensity score matching, GIS-based spatial analysis, and content analysis.

3. ANALYSIS

4.1 Descriptive Analysis

Table 1: Sustainability and Economic Recovery Indicators by State (2024)

State	Green Investment (billion)	Employment Rate (%)	Poverty Rate (%)	Environmental Index	Community Participation (%)
Lagos	45.2	68.4	21.3	72.1	34.7
Ogun	18.6	61.2	28.7	65.8	42.3
Oyo	22.1	58.9	31.4	68.2	38.9
Osun	12.4	54.7	36.2	70.1	51.6
Ondo	15.8	56.3	33.8	69.4	47.2
Ekiti	8.9	52.1	38.9	71.3	55.8

Table 2: Climate-Smart Agriculture Impact Assessment

Indicator	Adopters	Non-Adopters	Difference	Significance
Crop Yield (kg/ha)	2,847	2,156	+691	p < 0.001
Annual Income (₦'000)	487	342	+145	p < 0.001
Food Security Index	7.2	5.8	+1.4	p < 0.01
Soil Quality Score	6.8	5.1	+1.7	p < 0.001
Water Use Efficiency	82%	63%	+19%	p < 0.01

Table 3: Environmental Health Impact Assessment

Health Indicator	High Sustainability	Low Sustainability	Improvement
Air Quality Index	78.2	64.1	+22%
Water Quality Score	8.1	6.7	+21%
Respiratory Disease Rate (per 1000)	34.2	43.8	-22%
Child Malnutrition Rate (%)	18.7	24.3	-23%
Life Expectancy (years)	67.4	64.8	+4%

The descriptive test indicates inequality in sustainability results between the regions in Southwest Nigeria. Lagos leads with the highest green investment (₦45.2b) and employment (68.4%), while Ekiti records the

lowest investment, yet the strongest community participation (55.8%). Poverty remains highest in Ekiti (38.9%) and lowest in Lagos (21.3%). Climate-smart agriculture significantly improves yields (+691 kg/ha), income (+₦145k), and resource efficiency. Practices of high-sustainability cases have been indicated to have better environmental health in terms of air and water quality, less disease and malnutrition, and greater life expectancy, which indicate a clear socio-economic and ecological advantage of sustainable practices.

4. DISCUSSION

The descriptive results are in line with the theoretical information of the literature review, as their interconnection corroborates the interrelation among sustainability, governance, and inclusive growth in the results. Lagos, with the highest green investment and employment, reflects the Environmental Kuznets Curve (Ajmi et al., 2023) by demonstrating how economic expansion can coincide with improved environmental outcomes. Conversely, Ekiti illustrates the role of community participation (Ukwuaba et al., 2023) in sustaining environmental quality despite low investment, underscoring the importance of social capital in sustainability transitions. The positive impacts of climate-smart agriculture—higher yields, improved income, and enhanced resource efficiency—mirror literature highlighting green economy opportunities (Gabriel et al., 2023). Similarly, health gains in high-sustainability states support arguments that sustainability drives human development (Igboanugo et al., 2023). However, disparities across states reflect governance gaps noted in the literature (Kamah et al., 2021), indicating that financial resources alone are insufficient without institutional quality, PPP effectiveness, and coordinated infrastructure strategies (Akomolehin et al., 2024; Adesua-Lincoln, 2025).

5. CONCLUSION AND IMPLICATIONS

This paper has revealed that inclusive economic recovery is achievable through sustainability-led actions in Southwest Nigeria, given the use of integrated regional plans, sound institutions, and community engagement. The investments in green projects, especially in renewable energy and climate-smart agriculture, increase income, the quality of the environment, and health aspects, which is an expression of the Environmental Kuznets Curve and the importance of social capital in sustainability transitions. The results suggest that the urban technologically-oriented investments and rural locally-based farming are necessary to achieve balanced development. Policymakers must pay attention to the institutional change, financial innovation, and participatory governance to solidify the gains. Further than Nigeria, the findings can be used as a case study of what Sub-Saharan Africa can do in terms of sustainability-led development, and thus be viewed as an example of how economic growth can be reconciled with ecological sustainability and social integration.

6. LIMITATIONS AND FURTHER STUDIES

The study is limited by cross-sectional data, regional and measurement issues, which imply a reduced level of causality and generalisability. Economic disruptions during data collection may have influenced outcomes. Subsequent studies should take the form of a longitudinal study and a comparative study, investigate the transmission process, and determine emerging technologies to enhance sustainability-based development routes.

AUTHOR DECLARATIONS

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