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Nigeria, Policy and
Governance

Nigeria: The Power of Policy and Government

Today's world is suffering from a current pandemic, but what about the countries that suffer from "pandemic" type conditions everyday? These countries are asked to function without the blink of an eye, but it is nearly impossible for them to be successful due to their conditions. Their issues extend far past a weak economy; they involve disease, weak infrastructures, lack of education, government inefficiency, and much more. Maybe there is a means to save these countries without looking outside of their own abilities by proving the power of government.

Nigeria is situated in the Western African region, bordered by other nations and the shores of the Atlantic Ocean ("Nigerian Embassy"). The physical topography of Nigeria consists of plains and varying levels of mountains ("Nigerian Embassy"). According to the Nigerian Embassy, the land in Nigeria is an abundant source that could help provide more economically proactive strategies in areas of agricultural, commercial, and industrial production ("Nigerian Embassy"). This is apparent when perusing the percentages of land use, which include such statistics as 31.2 percent arable land, 2.96 percent permanent crops, and other land uses totaling at 65.75 percent ("Nigerian Embassy"). Arable land is that which can be ploughed and used to grow crops, which would add to agricultural production with the percentage of permanent crops. However, the agricultural industry, and Nigerians alike, suffer from the climate and the meteorological effects that it presents. Nigeria consists of two basic seasons: the wet season from April to October, and the dry season from November to March ("Nigerian Embassy"). The wet season often brings immense flooding, while the dry season brings painful droughts ("Nigerian Embassy").

Nigeria has a population estimate of 214,028,302 people, with the median age being about 19 years old ("World Factbook: Nigeria"). Despite its obvious populous nature, only 52 percent of Nigerians live in an urban area; therefore, 48 percent of the population resides in rural areas ("World Factbook: Nigeria"). The highest population densities are found in the south and the southwest, which is home to larger cities that attract larger population clusters ("World Factbook: Nigeria"). More concerning is that 70 percent of the population is below the level of poverty, which is further worsened by a high unemployment rate and increasing inflation ("World Factbook: Nigeria"). Such statistics reveal a ever concerning potential economic problem as Nigeria enters the world market as a developing global entity.

One of the most important industries in Nigeria is the farming industry, despite the lack of support that it has been given in recent years. This sector employs many Nigerians with most small family farms having about half a hectare, which is equivalent to about 1.2 acres per family farm ("World Factbook: Nigeria"). There are two basic needs in terms of production in this sector, which include production for national consumption and production for export ("World Factbook: Nigeria"). Some of the most important crops include cassava, nuts, cocoa, palm oil, ginger, and rice ("World Factbook: Nigeria"). However, this industry is not being properly supported by the government, seriously hindering its ability to grow and stunting the economic growth of the country.

The hardest hit Nigerians will most certainly be those that live in rural areas where families of five or more are often the cultural norm ("Household Population and Housing Characteristics," 2.1). For those that live in the city, the normal family size is around four persons per home, which is understandable

considering rural families need more farmhands ("Household Population and Housing Characteristics," 2.1). The average Nigerian worker will earn about 205,000 naira per month, the currency in Nigeria, which is equivalent to 527 U.S. dollars ("Average Salary in Nigeria 2020"). With the median salary per month being 205,000 naira, 50 percent of the Nigerian population is above this and 50 percent is below this average ("Average Salary in Nigeria 2020"). When comparing these values to the median monthly salary in the United States, many concerns are raised. The lowest average monthly salary is 27,700 naira or roughly 71 U.S. dollars, while the highest average monthly salary is 907,000 naira or 2,333 U.S. dollars ("Average Salary in Nigeria 2020"). Many Nigerians are employed through the agricultural industry with about 70 percent of the labor force being employed in this area, with 10 percent employed in the industry sector and another 20 percent employed in the service sector ("World Factbook: Nigeria").

Nigeria, when observing the country, is composed of a diverse array of issues such as disease, anemic economic growth, or even a depleting infrastructure; but no issue is as stifling as the lack of governmental reform. The total lack of government interaction has led to decrepit essential amenities like education, healthcare, and clean water. In fact, educational attainment is almost unlikely for Nigerians that live in rural areas when compared to more urban areas ("Household Population and Housing Characteristics," 2.2). Specifically, 46 percent of females and 31 percent of males have never attended school nationally ("Household Population and Housing Characteristics," 2.3). Furthermore, healthcare is not affordable, which has created a serious health problem in correlation with the lack of availability of clean water "(Household Population and Housing Characteristics," 2.4). Although, many of these problems could be alleviated with government action if policy is more focused on infrastructure.

The government of Nigeria is a federal presidential republic where executive power is held by the president who maintains the powers of the head of state and chief executive (Kirk-Greene et al.). The president is also vested with the power of nominating the vice president and members of the cabinet (Kirk-Greene et al.). The legislative branch is of a bicameral nature titled the National Assembly, by the Nigerians, with the basic chambers of the Senate and the House of Representatives (Kirk-Greene et al.). Beneath the federal government are the two tiers of state and local governments, with the latter receiving more power after 1988 when the federal government decided to fund local government organizations directly (Kirk-Greene et al.).

Government help will be essential to the proposed recommendations as both involve government funding and policy making that will help to ensure needed guidance and support to create success. Although, there is the possibility of requesting help from the United Nations in order to streamline certain processes and gain critical guidance from more developed nations. The United Nations may also be able to aid in the construction of foreign public-private partnerships that will be essential in creating economic growth within Nigeria by developing much needed funds to move away from the toxic oil industry and improve much needed sectors of Nigerian infrastructure.

The first recommended solution is for Nigeria to move away from the volatile oil industry. This will also be in correlation with a movement to further support farmers and the developing technology hub as crucial sectors of business in Nigeria. In terms of technology, Nigeria is fighting with Kenya as the most dynamic technology hub of Africa ("No Easy Fixes for Nigeria's Problems"). In November alone, the financial technology companies of Nigeria attracted nearly 400,000,000 dollars ("No Easy Fixes for Nigeria's Problems"). More projects like this will continue to improve the efficiency of the technology hub and increase production for the country, which will be essential to increase economic growth in the state. An increase in technology will allow for more productive farming techniques and other developing

infrastructure needs. The government would be able to introduce policies that would help promote the technology sector through various government incentives or benefits.

The same government benefits need to be offered to the small family farms, which are at the center of the economy in Nigeria. Such incentives could range from tax refunds to small government loans, which would increase business for the farms. This would not only help in national production for consumption, but also in the production of goods for exporting. Increasing exports from Nigeria would be pivotal to revitalizing the economy for the global market. Research from the Nigerian Export Promotion Council shows that there is a total of 425 million dollars left untapped in their cocoa bean industry to the ten best markets (Unlocking Nigeria's Agricultural Exports). Some of these markets include economically stable countries like Germany, Japan, Italy, France, etc. (Unlocking Nigeria's Agricultural Exports). Another source of untapped potential is the sesame seed export market in Nigeria, which is valued at around 170 million dollars (Unlocking Nigeria's Agricultural Exports). Increased trade with China also has the potential to provide for the economic growth of Nigeria, along with other countries like Turkey and Japan (Unlocking Nigeria's Agricultural Exports). Building economic relations with said countries will increase foreign partnerships that are essential to creating revenue within the nation. Sadly, some believe the Nigerian government is failing to pass needed legislation that would decrease the hassle for small family farms to join in the national exporting process. This legislation could easily be amended to allow for the easier interaction of small family farms in the national economy, but it may be hard to get the proper representation from the more rural areas. Therefore, it is suggested that the government develop committees or boards that are in contact with the various farming areas to increase communication lines.

The second recommended solution is to allocate more money to the area of infrastructure, specifically in terms of electricity, transportation means, and manufacturing inputs. This allocation can occur by adding money to Nigeria's infrastructure endowment, raising it to a minimum of other middle-income countries in the region (Vivien et al.). A report by Vivien et al., in the World Bank Group, deduced that the increased endowment could potentially boost annual economic growth by about four percentage points. Although Nigeria has continued to make great strides in infrastructure, there are certain sectors in which added dollar value will increase proactive economic activities in the production and transportation of goods and services. Transportation is also a key factor as many roads are not suitable for continuous transportation of public goods and services. Yet, there is no doubt that government funds are limited, which again incites the idea to create more partnerships with private entities that will help increase revenue for the government and economic growth for the nation.

These partnerships will be essential to increase infrastructure; however, the litigation from the government and financial state of Nigeria make private developers wary of helping the country ("Revitalizing Nigeria's Infrastructure"). There are also other partnerships, such as public-private partnerships that encompass both the government and private entities working towards one common goal: building Nigeria's infrastructure ("Revitalizing Nigeria's Infrastructure"). Currently, public-private partnerships are nearly nonexistent, despite two or three prominent partnerships that are likely linked to the volatile oil industry (Adebayo and Ayegbusi 178). It is clear that a negligent government has disproportionately affected the sustainability of Nigerian society, which has coupled with a high unemployment rate and lack of basic amenities (Adebayo and Ayegbusi 178).

A case study by Dr. Adebayo and Ayegbusi proved that public-private partnerships could help the Nigerian nation tenfold, if the government were to implement more opportunities and benefits to those that partook in the partnerships (178). In this study, a reverse in the unemployment rate could be created if there was more of a focus on creating such partnerships (Adebayo and Ayegbusi 179). It would affect

many sectors that would create jobs within the economy in healthcare, education, tourism, etc. (Adebayo and Ayegbusi 180-181). Simply put, if ordinary citizens were to get involved with such programs and encourage their government to support said partnerships, they would increase their standard of living greatly. This will be especially beneficial to the agricultural sector, a powerhouse of the Nigerian economy, as it can empower small family farms while also giving them tools of the private industry that can make more efficient farming (Adebayo and Ayegbusi 180). The returns on economic stability and increased investment are no doubt a benefit that will proactively change the current outlook on Nigerian life (Adebayo and Ayegbusi 182).

The Nigerian government is looking to use such partnerships as a vehicle for channeling private sector investments that are necessary to help continue infrastructure development ("Revitalizing Nigeria's Infrastructure"). Although, the level of private investment thus far has not been encouraging and does not provide sufficient opportunities for domestic and foreign investors ("Revitalizing Nigeria's Infrastructure"). This lack of investment could be due to some of the barriers that occur with public-private partnerships, which can be risky and volatile for the private sector (Adebayo and

Ayegbusi 183). For example, the Nigerian government could create an unstable political climate if it tries to implement such policies without proper implementation and planning (Adebayo and Ayegbusi 183). This is where organizations like the United Nations could focus their efforts as a guide in creating an implementation plan that looks to create transparent, efficient partnerships.

The country of Nigeria will also need financial support if it wishes to effectively use these partnerships, which is where foreign aid from possible trade deals will be necessary (Adebayo and Ayegbusi 183). This financial support can also come from Nigerian government if necessary cuts are made to areas that support the oil industry, which never pays out the funds promised, and military spending. While it is important to be able to defend their country, Nigeria's spending nearly two million dollars on a military that defends a population that is barely surviving ("Nigeria Government Budget"). Therefore, a few cuts to the military budget over two to four years would create enough revenue to focus on infrastructure facets ("Nigeria Government Budget"). This would increase revenue that could then give money back to the military budget in future years. A value-added tax increase of 7.5 percent, put forth by the President of Nigeria, may also increase the government budget for partnerships and infrastructure.

Private sector investment in infrastructure requires the growth of domestic investment markets across all sectors ("Revitalizing Nigeria's Infrastructure"). This market growth would occur as Nigeria moves from the volatile oil industry and relies on more sound practices to reverse their anemic economic growth, incentivizing private investors to partake in the revitalization of the Nigerian infrastructure. These domestic investments will be crucial to boosting investor confidence in the revitalization of the Nigerian infrastructure sector, which will act as a catalyst for the participation of more foreign private investors ("Revitalizing Nigeria's Infrastructure"). Confidence in investments for the country's infrastructure can be furthered by building trust through embracing transparency, accountability, and good corporate governance ("Revitalizing Nigeria's Infrastructure"). Further government attention will need to be guided towards strengthening the rules and regulations behind the investment process, as well as strengthening the law and procedures for enforcing contractual rights ("Revitalizing Nigeria's Infrastructure").

However, it will be ever important to include certain policies measures to help aid in the success of the previously mentioned solutions. One of the most important policy measures will be increasing government transparency and ensuring anti-corruption measures are upheld. The current Nigerian President, Muhammadu Buhari, ran on an anti-corruption platform that focused on increasing government transparency ("World Factbook: Nigeria"). In fact, one of his ideas involved the implementation of the

Treasury Single Account, which allows the Nigerian government to better manage its resources ("World Factbook: Nigeria"). It also creates transparency through the payroll and personnel system that eliminates duplicate and "ghost workers" who have taken from government funds ("World Factbook: Nigeria"). Such policies need to continue to be enacted to ensure there is no government bribery, especially as public-private partnerships are developed. Secondly, there needs to be some sort of unification in terms of ethnicity, which is so diverse in Nigeria that it has complicated communication. Some may suggest declaring a national language; however, it begs the question whether more government committees or boards should be established to ensure communication and representation between various ethnic groups.

Nigeria has a future as an economic powerhouse in the world; however, its issues must be solved internally before its population and anemic economic growth spiral out of control. This can be done through governance and policy making, affecting various other issues like infrastructure, healthcare, and education along the way. As the country focuses more on using the power of the government to achieve higher standards, Nigerians will be able to dream about a better life for the future; one where talented workers are retained and clean water can be guaranteed to all. As Nigerians move away from the volatile oil industry, they will have access to more reliable and sustainable means of growth. All of these actions can be completed by a more efficient and proactive use of government resources to save Nigeria as it enters the world economy.

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