

Challenges of Reforms Policy and Economic Growth in Nigeria

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Abstract

The study examined the challenges of reform policy confronting Nigeria's economic growth. Data used for the study were generated with secondary source, such as consultation of books, archives, governmental documentary records on economic performance in Nigeria, used of internet to mention but a few, while the findings were analyzed with content analyses. The findings of the study indicated that, despite various reform policies initiated and introduced by Nigerian government, the economy is still in despair, sluggish, underdeveloped, and highly import dependent. The study also finds out that excessive corruption, politicization of fight against corruption, unprecedented security challenges, socio-economic challenges, weaken nature of Nigeria institutions, character of Nigeria state, and legislative-executive anomaly among others are factors militating against economic growth in Nigeria. Finally, the study finds out that, even the present government of the day has failed in bringing much desire economic growth, in spite of all the huge amount of money, efforts and time claimed to have put in the reform processes. The study proffered the following recommendation: The study urges the entire society to agitate for quality and reformation leadership, enhancement of the judiciaries, institutional strengthening, and poverty must be reduced to the minimum and bearable level, there must be sincerity in fighting corruption among others.

Keywords: *Challenges, Reforms, Government, Economy, Growth*

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Background to the Study

In the Africa context, Nigeria is a mega state, even on a world scale, Nigeria is a major country, larger than France or Britain. It claims over one fifth of the people in Africa and has the world largest black population. Its petroleum and its substantial standing military force guarantee its position in the international relations (Robert and Aborisade, 2007). According to the Economic Intelligent Units (2008), Nigeria is highly endowed with vast deposit of fuels; the country has a proven oil reserve of about 36.2 billion barrels, the tenth largest in the world (Ewuzi, 2016). Proven natural gas reserves are estimated at 182 trillion cubic feet, the seventh largest reserve in the world and the largest in Africa (Ewuzi, 2016).

The Nigerian economy is dominated by crude oil, which accounts for, 70% of government revenue and more than 77% of the country's total exports; Nigeria is the 8th most important oil exporter in the world. Nigeria also has become one of the lead exporters of liquefied natural gas (LNG) (World Bank, 2009). The country extracts tin, ore and coal for the domestic market, while key sector of the Nigerian economy is agriculture, which employs over 60% of the workforce and generated about 26% of Nigeria's GDP as of December 2016. The Southern and Central regions of Nigeria produce yam, rice, and maize while the Northern regions produce sorghum, millet, rice, and livestock farming. Nigerian agriculture is mainly centered on subsistence farming and suffers from a lack of modernization, (Ewuzi, 2016).

There is no doubt that Nigeria as a country is blessed with immense and unquantifiable human and natural resources, but yet Nigeria remained one of the poorest country in the world. This is exemplified by the continued exacerbation of macroeconomic contradictions in the Nigerian economy manifesting in huge debt overhang, low productivity, un-competitiveness of the private sector and infrastructure inadequacy and decay led to varying degrees of reforms starting from the late 1970s (Nwaozor, 2014).

Objectives of the Study

- i. To ascertain the extent at which reform policies enhance economic growth in Nigeria.
- ii. To identify challenges militating against President Muhammadu Buhari's reform policy and economic growth in Nigeria.

Research Questions

This study is therefore out to address the following research questions:

- i. To what extent reform policy has enhanced economic growth in Nigeria?
- ii. What is the challenges militating against President Muhammadu Buhari reform policy and economic growth in Nigeria?

Literature Review

Theoretical and Conceptual Issues

Economic growth, from the early period of economic history, engaged the attention of man and his governments. As far back as 17th and 18th centuries, writers like Adam Smith, David Ricardo, John Stuart Mill, as well as state theorist like Karl Marx, Friedrich List Karl Bucher, W W. Rostow, and neo classical economists such as Arthur Lewis, cited in Waziri, (2010), have

all been preoccupied with the quest for unearthing the forces and processes that cause a change in the material progress of man. This is also applicable to successive governments and states in these modern times. In Nigeria for instance, the broad objective of the national economic policy has been the desire to promote sustainable economic growth for the vast majority of Nigerians through the adoption of various monetary and fiscal policies. Unfortunately, her economic growth performance has been characterized by fits and starts and the prospects of her rapid economic growth appear unachievable as reflected in her inability to realize sustainable full growth potentials and to significantly reduce the rate of poverty in the economy.

Several countries that have achieved rapid economic growth since World War II, have two common features. First, they invested in education of men and women and in physical capital. Second, they achieved high productivity from these investments by providing efficient capital markets, competitive trade-leading roles, and higher level of economic efficiency driven by technological capabilities, stable polity, appropriate economic policy and economic system, World Bank, (2015).

Furthermore, the Nigerian economy is basically an open economy with international transactions constituting an important proportion of her aggregate economic activity. Consequently, the economic prospects and development of the country, like many developing countries, rest critically on her international interdependence. Over the years, despite the considerable degree of her trade openness, her performance in terms of her economic growth has remained sluggish and discouraging (Waziri, 2010).

Economic Reforms

Reform simple mean change for better, it is an improvement or amendment of what is wrong. Is the strategic plan of action to generate a sustained economic growth and longtime development (Asobie, 2013) Institutionally, it depicts change that touches on every component of the institution (Fassy, 2013). Reform policy, according to Asobie (2013) is a fundamental shift in the deep orientation of a person, an organization, or a society, such that the world is seen in new ways and new actions and results become possible that were impossible prior to the reformation processes.

Gunde quoting Lin in Olaniyi (2016), said the economic reform has been dictated by World Bank and IMF may be suitable for market economies but it may not be for developing and transition economies and indeed African countries. Many developing countries actively implemented market-oriented economic reform programmes espoused by the World Bank and IMF. Evidence in these countries has revealed that the reforms have not recorded significant successes. Baden, (2013) and Obadan (2014) observed that the countries witnessed worsening income distribution, increased poverty and conditions of living deteriorated to intolerable levels. It is important to mention that Economic reform is not peculiar to Nigeria alone. Almost all countries world over has undertaken different forms of economic reforms at one time or the other. The contents and strategy of reforms have varied from country to country depending on the circumstance of each country (Olaniyi, 2016).

Policy: The term policy is central to the operation and activities of both private Organizations and public institutions. A policy option made by an individual or private institution is known as private policy while the one made by government or its institutions is called public policy (Ozor, cited in Olaniyi, 2016). However, the term policy as it is used in this work refers to only the ones made by government and which are, as such, regarded as public policies.

According to Barret and Fudge, cited in Olaniyi (2016) stated that whenever we talk of public policy, we refer to a policy which: Emanates from the public sector including both the institution of central, local government and State created agencies such as water and health authorities, commissions and corporation-it may be implemented through and directed at a wide variety of individuals and organizations which may or may not be part of the state apparatus, and which may be to a greater or lesser degree independent of state influence (Olaniyi, 2016).

Methodology

The study has adopted the ex-post-facto research design. Ex-post facto research therefore, enables the study to look at the problem by exploring the views of different sets of scholars, as well as by exploring different literatures related to the study. The study shall engage the use of secondary sources of data. The secondary data was gathered from government gazettes, policy document, bulletin, magazines, journals, newspapers, articles, and relevant textbooks, materials from internet, term papers and archival documents on the subject area. In this regard, the study examines the challenges of reform policy and economic growth situation in Nigeria particularly from fourth republic till date. The study is not surveying research, rather a descriptive and analytical study. Here the researcher is basically concerned with the analysis of communication that is documented. Thus, systematic content analysis requires the inclusion or exclusion of content in accordance with consistently applied criteria of selection.

Challenges Affecting Reform Policy in Nigeria

Politicization of the Nigeria's Fight against Corruption

One of the challenges likely to crumble the reform policy of President Muhammadu Buhari is its seemingly Politicization of the Nigeria's Fight against Corruption and its insincerity toward fighting against corruption. Many commentators have lamented that the government efforts toward fighting corruption is in serious doubt. The reasons for saying this is not far fetch for the simple fact that all effort seem like a selective jungle justice. In order word, they seem to be people amidst President Muhammadu Buhari government with serious corrupt cases but still exempted from EFCC search light. Recently, The Executive Director of Socio-Economic Rights and Accountability Project (SERAP), Adetokunbo Mumuni, however, reacted that EFCC most keep up with his responsibility by probing even those in APC with corrupt case. A situation whereby member(s) of the ruling party is treated as sacred cows, i.e. untouchable, while opposition party members are being prosecuted is inimical to the fight against corruption and the policy. Whoever that is fingered of corruption should be investigated and ultimately prosecuted irrespective of party affiliation (Olaniyi, 2016).

Unprecedented up risen of Insecurity in the Country

The upsurge of insecurity of lives and properties across the country was another major challenge to the success of the reform Agenda. Even though democracy remains the most potent vehicle for the delivery of human rights, rule of law, justice and equity for all and sundry, its new wave in Nigeria has nevertheless introduced monumental changes that seem to challenge the security operatives. The new wave of democracy has become a source of concern as hopes of the majority have not been met, while human rights are largely misconstrued and exercised without restraint. In this regard, Jemibeun observes that “views which were considered anti-government and hitherto suppressed out of fear are now freely expressed and often times, violently too (Shettima and Chukwuma, 2002). This observation is true, given the emergence and deadly activities of the Niger Delta and Boko Haram militants. The state of insecurity seriously degenerated during this mention period to the extent both private and public activities were carried out in constant fear of insecurity, characterized by spate of bomb blast and ethno-religious conflict. The essence of killing, kidnapping, presently in Nigeria has put everyone on a very high state of tension, particularly the northwest axis. Lives and property are destroyed every minute, insecurity was becoming a normal phenomenon while bandit, cattle rustler, herdsmen among others were waxing more power and strength every now and then. Though, of recent, the federal government has issued out a strong order which seemingly is working. Many of these criminals have been killed and their activities has also been reduced to a minimal level, however, pocket of killing and attacks still going on here and there, couple with the fact that even most of the traditional leaders are hiding the sustainability of the crime in some of these states (Olaniyi, 2016).

Socio-Economic Challenges

The current socio-economic challenges in the country may hamper the effective implementation of the reform policy if something fast is not done. Level of poverty rate is on the increase. According to world bank, 2019, Nigeria is gradually becoming the reservoir of people with highest poverty in the world. This is in tandem with the recent revelation that level of poverty in Nigeria has increase geometrically. Unemployment level is overwhelmingly on the rise; the Nigeria ivory towers graduate thousands of youths every year but hardly is one third of these youth got absorb into the labour market. For instance, most of the town in the northwest affected by the invasion of bandits did not only experienced being killed, but also experienced a cripple economic. Most of these villagers sustain their livelihoods through farming and other land money making activities, however, the situation is no more as usual for the simple fact that these people have been thrown out of their locality and their livelihood is totally crush to the floor. The most painful part of it all is the situation the majority of Nigerians were passing through at the moment. Lives in Nigeria is becoming unbearable. Suffering in the eyes of many Nigerians is glaring and open. Having three meals a day now is like a magic to many Nigerians, bad governance, hardship, inflation now remain order of the day, in short, the entire economy seem to be in a state of comatose. Unless urgent measures are put in place to address these challenges, the policy may fail (Olaniyi, 2016).

Corrupt Driven and Weaken Nature of Nigerian Institutions

Institutions are seen as key actors in guiding the political process and are shaped by historical struggles, rules and procedures, rather than being merely the aggregation of individual

motives. Institutions shape political processes and are themselves the product of political processes (Sambo, 2013). This therefore entails provision of structures that would outlast any individual or group. The idea behind institutions is to promote the demand for good and responsible leadership. Sambo (2013) describe institutions as frameworks that would guarantee a nation reformation. Corroborating the earlier position is posited that institutions are necessary to ensure good governance in any society. Institutions weakness can be described as the absence of those attributes or qualities that define institutional strength of a structure or body (Sambo, 2013). Usoro (2013), lent credence to this position when he asserted that where there are no strong institutions, independent of political manipulations and governmental controls, decisions are taken on the whims and caprices of individuals. Needless to state that Nigeria's weak institutions has continually undermined the country's image and dwarfing her growth. Omitola *et al.*, (2021) corroborating this position asserted that our institutions have assumed the characters of our leaders. He further reiterated that until our institutions assume a life of their own and stand up to their constitutional responsibilities, the country will not be able to have strong institutions necessary for democratic consolidation and President Muhammadu Buhari reformation agenda (Sambo, 2013).

Character of the Nigerian State

Corruption itself has become a policy and the character of the Nigerian state. This menace has predominantly combined with other forces to undermine effective implementation of good policies in Nigeria. The bureaucracy that is a major implementer of policies in collaboration with appointed ministers is enmeshed in corruption (Omitola *et al.*, 2021). Both the appointed and elected public officials as well as the general public see corrupt practices as a way of life. This often engenders fear and frustration on any policy initiated by the government, no matter how good it may be. For instance, it is common in Nigeria for people belonging to a particular ethnic background to see fault in apprehending their tribal man irrespective of the crime he committed. Before dark, they will start colouring it as which hunting or a deliberate self-targeting. This is what happened just of recent with the arrest and trial of Walter Onoghen on issue of assets non-declaration. Same happened during the trial of the Senate President, Dr Bukola Saraki among others. This is to tell how corruption has become peculiar with way of lives in Nigeria. A lot of people see nothing wrong in stealing government belongings as they view it as God given opportunity (Omitola *et al.*, 2021).

The legislature Executive Anomaly

Since the inception of the Fourth Republic, progress on all fronts in the country has been hampered by poor relations among these two organs of government. This is because the relationships are characterized by mutual suspicion and distrust, acrimony, intimidation, political rivalry, unnecessary bickering, and sometimes blackmail (Omitola *et al.*, 2021). Hardly any year has recorded up to 50 per cent implementation of the federal government's budgets. The story is not different for many of the states (Omitola *et al.*, 2021).

Conclusion

The research design adopted for the study is ex-post facto while other variable in the research design includes population of the study; method of data collection; sources of data collection;

and method of data analyses. The research identifies many sectors where reform was taking place, such as Anticorruption Bodies, Agriculture Sector, the financial sector, the generating agencies sectors, and the public service sectors among others.

The various reforms focus on people, with emphasis on job creation, and employment generation for our youths, through provision of the enabling environment for the private sector to generate jobs. However, the State should intensify efforts to carry along the real Nigerians – the non-political class, able bodied men and women who are perceived as economic lay men, in-house poverty experts who roam the streets jobless, but are professionals in identifying where poverty pinches and where reforms are germane. Although the current reforms have attendant stress and strains on the populace, it is however a litmus test for democracy in Nigeria because its outcome will determine the future relevance of the State to its citizens on the one hand and to the comity of nations on the other hand consequent upon its capacity to guarantee a better life for citizens.

Recommendations

Though Nigeria is confronted with many critical issues, but the truth is that they emanated from lack of a sincere economic reform policy and visionary leadership role. Therefore, this study urges the entire society to agitate for quality and reformation leadership. A situation where many of its citizens cannot afford two daily square meals in a day is an indication that Nigeria as a country is in a real great mess. The poverty level must be reduced to less than 20 percent by 2020, against the present level of 56 percent by enhanced productive capacity and actual production in the economy. If combined with special interventions targeted at women and youth, it would be a good start. The public sector alone cannot reduce or eliminate poverty, neither can big business.

Emphasis must be on self-empowerment and small and medium enterprises. Microfinance institutions, community banks and low-income banks or lending systems must assist. Poverty is in the mind as well so anti-poverty education must be carried out, alongside the regular educational processes. National economic management must also ensure that the Naira is revalued.

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