Journal Editor's Note:

2024 VOLUME 1, ISSUE 2

Prof. Tunde Esan, PhD.

Since the last issue of the journal, readers and researchers interest in the submitted papers has shown increasing interest in research and study of African commerce. In view of this and the dynamic nature of global economic developments, the journal sought publications and papers that will enrich the understanding of our core objective. Based on this, the journal includes Africa's Macroeconomic Performance and Outlook, January 2024. A biannual publication of African Development Bank Group. It provides policy makers, researchers and global investors an up-to-date assessment of the continent macroeconomic performance. Its overview equally encompass emerging policy issues relevant to Africa.

There are few times than now, when academic focus on the issues as it affects Africa's commerce is more pertinent, we welcome submissions that will enhance frontiers of knowledge for the development of Africa.

Submitted papers focused on commerce at the local level and examining the wider effects of the bigger supra national economic blocs like BRICS. This is all aimed at the reinvigoration of the evolving factors that shape international economic relations.

An international journal's effort can only be enhanced with the support of its promoters. The Editorial Board's efforts found an encouraging hand in the management of Nigeria's foremost private citadel of learning led by the Vice Chancellor of the University, Prof. Lawrence Ezemonye FAS. One of the leading scholars on environmental studies in Africa. His submission; Waste Valorization for Sustainable Agriculture and Food Security espouses a foundational factor in growing the economy in Africa. His research findings continues to enrich studies in climatology and sustainable development.

On our Town and Gown Conversation, the Secretary to the Government of the Federal Republic of Nigeria Sen. (Dr) George Akume CON, featured. He bore his mind on issues that are germain to the smooth functioning of Nigeria government and it's developmental goals. Research and study of government policy directions will be enriched by his submissions.

In line with the objective of the journal in seeking and engaging some of the best minds on the fundamentals that affect commercial engagements and daily living, and proffering solution, the journal has the honor of having on board one of the leading political economist and scholars of social science in Africa; Prof. Attahiru Jega. A professor emeritus, his submission on: Prioritizing Citizens Welfare and Security Amidst Challenges, offers tremendous opportunity for policy makers and researchers on Africa development to have an indepth appreciation of issues arising from socio-economic challenges.

REFERENCE:

www.afdb.org/en/document/africas -macroeconomic-performance-and-outlook-performance
Date: January 2024
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WASTE VALORIZATION FOR SUSTAINABLE AGRICULTURE AND FOOD SECURITY

PROF. LAWRENCE EZEMONYE Ph.D, FNES, FSESN, FAS.

Introduction

In recent years, the growing global population and the subsequent impacts of changing climate patterns have brought food security to the forefront of global concerns. To address this pressing issue, innovative and sustainable strategies are necessary to ensure a resilient and productive agricultural future.

Waste valorization emerges as a promising approach that can help mitigate the challenges of waste management while also contributing to the enhancement of global food security. By repurposing waste materials into valuable resources for agricultural applications, waste valorization not only addresses the critical issue of waste disposal but also capitalizes on the latent potential of these materials to improve soil quality and, ultimately, agricultural productivity.

As we stand at the intersection of population growth, climate change, and the need for sustainable agriculture, this paper aims to explore the potential of waste valorization in converting waste materials into essential agricultural inputs. By contributing to the discourse surrounding sustainable farming practices, soil health improvement, and the broader goal of achieving long-term food security, there is motivation to make a significant impact in addressing the pressing issue of food security.

Waste Valorization in Agriculture

Utilizing waste in agriculture is a transformative approach that goes beyond traditional waste disposal methods, providing a strategic way to use resources sustainably. There are a wide range of waste materials, including agricultural residues and various industrial by-products, that can be leveraged to improve agricultural productivity.

The variety and abundance of waste materials for potential reuse offer a distinctive opportunity for innovation. By incorporating advanced technologies, these materials are systematically transformed into organic fertilizers containing crucial nutrients necessary for plant development. This not only deals with the growing problem of waste buildup but also gives these materials a new role as catalysts for improving soil fertility.

Implementing waste valorization in agriculture reduces environmental impacts of conventional waste disposal and transforms these resources into valuable assets for sustainable farming. The organic fertilizers produced, including high levels of nutrients, provide a powerful method to improve soil quality and increase agricultural output. Waste valorization is a key technique in modern agriculture that combines ecological responsibility with agricultural innovation to create a balanced approach to waste management and sustainable food production.

Organic Fertilizers for Enhanced Soil Health

Using organic fertilizers derived from waste in agriculture is leading to a significant change in sustainable soil management, promoting a comprehensive method to improve soil health. Organic fertilizers enhance agricultural soils by introducing essential organic matter, leading to a range of advantages that impact soil ecosystems.

Organic fertilizers made from waste contain important nutrients like nitrogen, phosphate, and potassium, as well as various micronutrients necessary for plant growth. This nutrient-rich mixture not only meets the plants' immediate nutritional requirements but also triggers a significant change in soil composition. Organic matter added to the soil improves its physical qualities, enhancing water retention and boosting aeration, which is crucial for root growth.

Furthermore, organic fertilizers made from waste valorization stimulate microbial activity in the soil. This mutually beneficial connection with helpful microorganisms improves the soil's biological diversity, facilitating nutrient cycling and breakdown of organic materials. The resulting microbial ecology establishes a beneficial loop that improves nutrient availability to plants, strengthening the basis of sustainable agriculture.

Utilizing organic fertilizers derived from waste valorization in agriculture helps reduce environmental impacts of traditional waste disposal and enhances soil health and productivity. This symbiotic interaction between organic fertilizers obtained from waste and soil health demonstrates an innovative approach to sustainable agriculture, where waste products transform into agents of ecological revitalization.

Economic and Environmental Implications

The economic and environmental consequences of deploying waste valorization in agriculture create a convincing story that combines financial responsibility and environmental protection. Exploring the economic aspect, using waste materials as main ingredients for producing organic fertilizer is a model of resource efficiency, resulting in significant cost reductions for farmers. This method transforms garbage into valuable agricultural resources, reducing the cost of traditional fertilizers and turning waste management problems into economic benefits.

The incorporation of waste valorization is in perfect harmony with the circular economy principles, which focus on sustainability through waste reduction and optimal resource utilization. Waste valorization involves reintroducing waste materials back into the production cycle to reduce the depletion of finite resources and minimize the environmental impact of waste accumulation, unlike traditional waste disposal methods that have significant environmental costs.

The environmental consequences go beyond just reducing waste, include a more comprehensive perspective on sustainable agriculture. The method reduces greenhouse gas emissions and lessens the pressure on natural ecosystems by redirecting waste away from landfills and incineration. Waste valorization plays a crucial role in sustainable farming practices by combining economic viability with environmental protection, paving the way for a more resilient and ecologically responsible future.

Case Studies and Success Stories

To improve the discussion on converting waste into value in agriculture, it is important to thoroughly analyze specific cases and successful examples that demonstrate the effective application of this new method. These practical examples demonstrate the possibility and actual benefits of incorporating waste-derived organic fertilizers into various farming systems. The detailed examination of these situations offers useful insights that can influence and direct future waste valorization projects in agriculture.

An important case study is the RECIRCULATE project funded by the UK Government via UK Research and Innovation through the Global Challenges Research Fund. The project was co-designed and co-delivered by Lancaster University, UK, University of Benin, Council for Scientific and Industrial Research, Ghana and Lancaster University, Ghana.

The project leveraged a solution focused research approach. The project delivered innovative solutions to pressing problems with water use and safety. RECIRCULATE focused attention on the different ways in which water sustains communities, from sewage disposal to energy generation and water used in food production.

RECIRCULATE combines excellence in scientific research (environmental science, crop science, engineering, microbiology), social science and management research (entrepreneurial learning and knowledge exchange).

Part of this ambition set by RECIRCULATE is being realized through the GCRF-funded ACTUATE project which is a collaborative effort between partners to develop anaerobic digestion demonstrator systems in Ghana and Nigeria to deliver electricity, sanitation improvements and sustainable fertilizer for crops.

ACTUATE: Accelerating the adoption of circular sanitation demonstration systems for improved health outcomes

Centre for Global Eco-Innovation

UK Research and Innovation

GCRF £800k

Global Challenges Research Fund

http://www.actuate.global

The ACTUATE project tackles the critical issue of waste management in Sub-Saharan Africa, with a particular emphasis on Nigeria, where a significant amount of waste is generated yearly. In Nigeria, approximately 32 million metric tonnes of waste are generated annually, and 60-70% of it is organic matter. Traditional disposal methods, such as landfills and open dumps, contribute to environmental pollution and pose severe health risks. Each year, about 45,000 children die due to sanitation-related issues. ACTUATE aims to address this crisis by promoting sustainable practices, enhancing circular economies, and ensuring access to clean water, food, and energy.

The objectives of the RECIRCULATE/ACTUATE projects were formulated based on the following questions:

- Can digestate from anaerobic digestion be effectively pasteurised to respond to the pathogen challenges of West Africa by employing low thermal intensity processes coupled with the anaerobic digestion?
- What is the value of pasteurized digestate in irrigation and delivery of nutrient and soil conditioning values?
- How can research findings be used to develop and define good practice for its agricultural application taking account of attitudes to the use of "waste" in different communities?

These questions were thoroughly interrogated through dedicated and targeted research activities as illustrated in Figure 1.

Digestate which is a bioenergy residue, offer significant potential to stimulate and support the agricultural sector in Sub-Saharan Africa, with residues offering sustainable and affordable alternatives to conventional inorganic fertilizers and/or soil conditioners. Altering the cultural perception of these wastes, to make them resources with a value, will create new markets for waste management and energy producers, offering new employment opportunities, and potentially contributing to environmental objectives, such as climate change mitigation and soil protection. For this to be successful, *r*esource recovery from waste must be fit for purpose and socially desirable in Sub-Saharan Africa. Implementation of these sustainable solutions is clearly linked to the relevant SDGs (1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 13) and conceptualizes the waste-energy-food nexus, research capacity and entrepreneurship as key drivers of the development progress by including different sectors of society involved through cooperation and co-creation.

The project aims to deliver these solutions through a virtuous circular economy framework as shown in Figure 2 via the ecocycle of biogas shown in Figure 3.

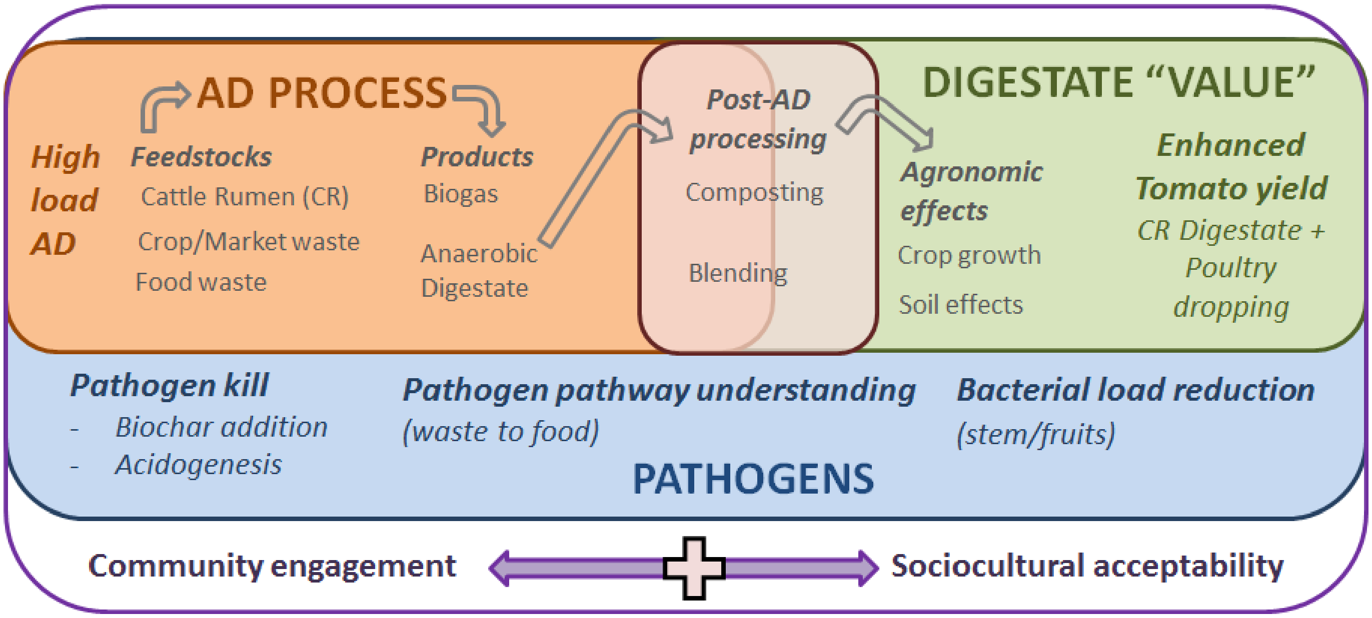

Figure 1: Research framework

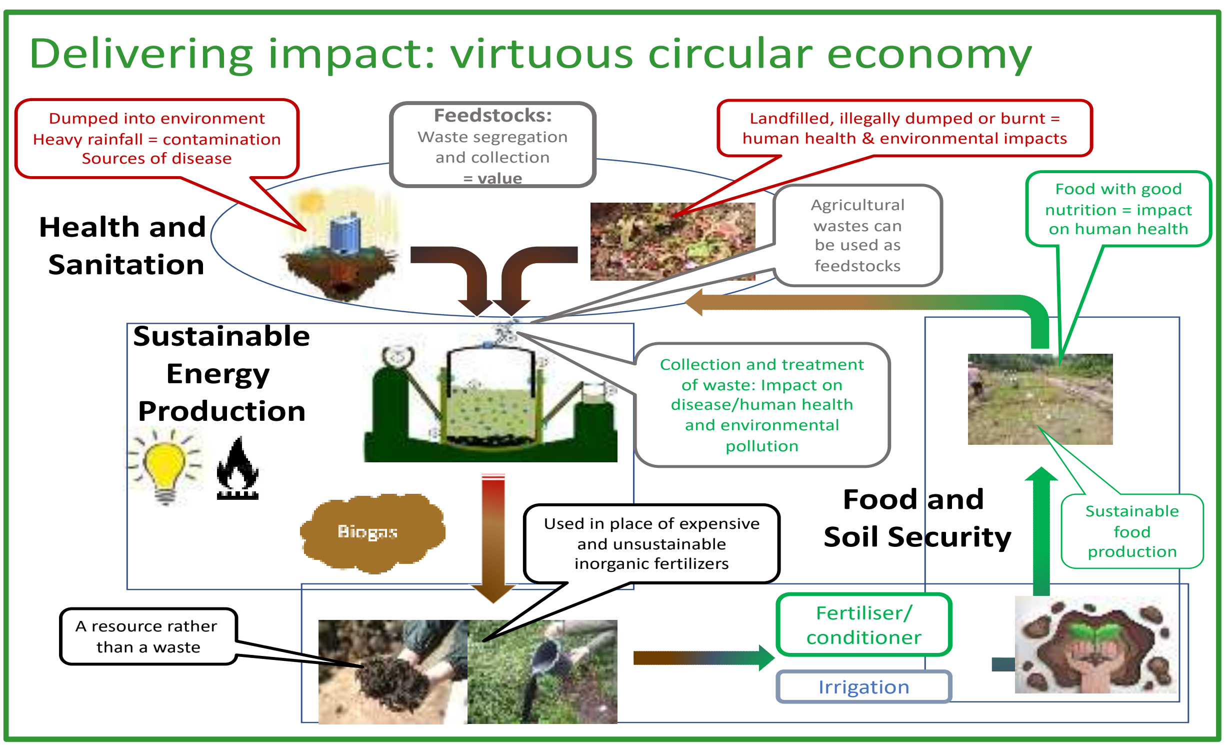

Figure 2: A virtuous circular economy framework for waste valorization to organic fertilizer and energy

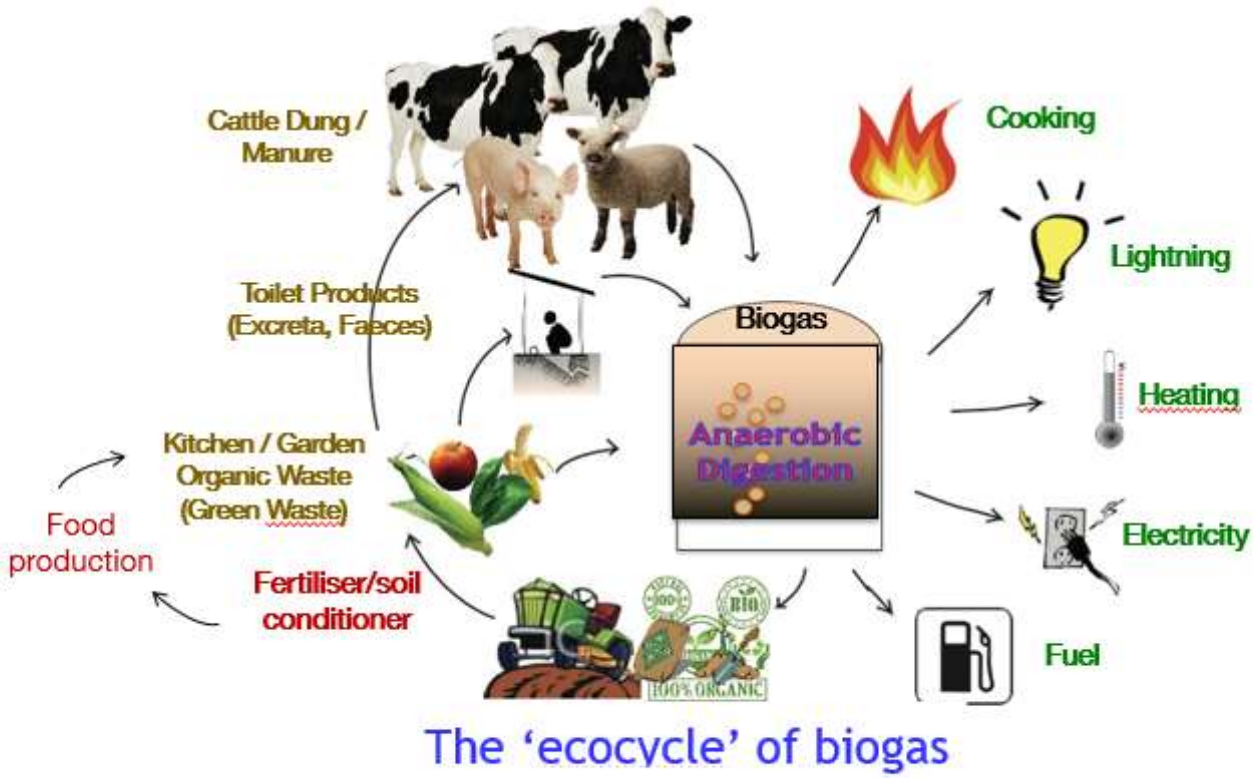

Figure 3: Ecocycle of biogas

The key outcomes from the project are summarized as follows:

AD Optimization:

- Cattle rumen content and food waste has been established to be sustainable feedstocks for biogas production in Nigeria
- 50:50 co-digestion ratio for these feedstocks has been established as optimal
- A batch digester adapted from the conventional 12.5 kg cooking gas cylinder has been produced, tested, and deemed suitable for biogas production (Figure 4 and 5)
- Optimal conditions for improved biogas production have been established [50:50 co-ratio, 25% ISR, pH 6 and 5 g biochar]

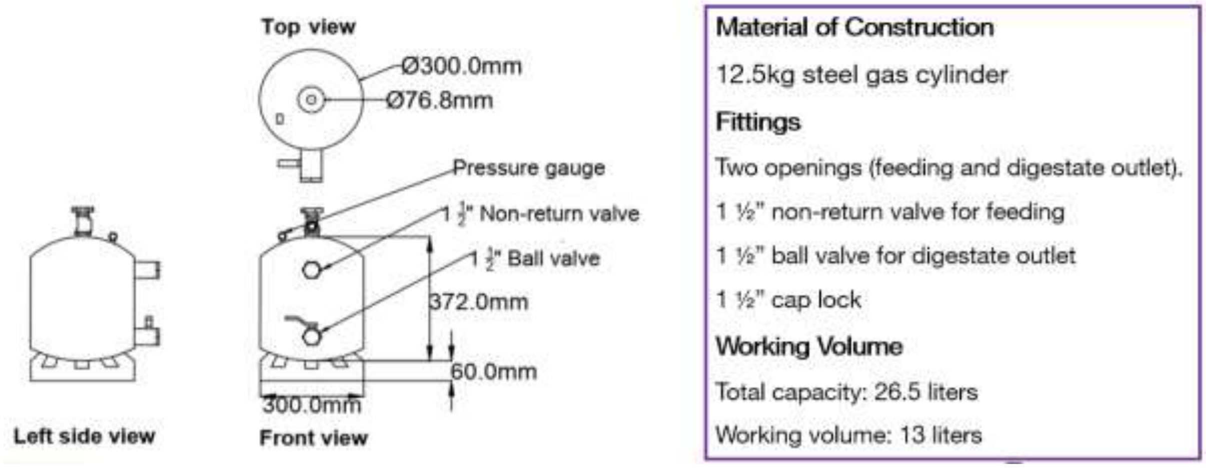

Figure 4: Biogas digester design (schematic)

Figure 5: Biogas digester design (actual use)

Digestate sanitization:

- Successful semi-continuous elimination of pathogens without additional heat or chemicals
- 50:50 cattle rumen content: food waste amended with biochar in batch resulted in almost complete sanitisation in 7 days

Digestate value:

- Composition of digestate shows nitrogen and phosphorus content useful for plant growth
- Any toxic element present were below FAO guidelines
- Post processing could help with nitrogen stabilisation resulting in reduced nitrogen loss after application
- Application of fresh digestate generally resulted in greater biomass production
- Digestate fertilized plants showed comparable yield to “conventional” inorganic fertilizer (Figure 6)
- Digestate-amended soil showed positive impact on soil pH and microbial diversity

Figure 6: Crop production using digestate

Established good practice for biogas production:

- Cattle rumen contents can be optimally digested in batch mode in 50:50 mixtures with kitchen wastes
- Batch canister digesters have been produced and provides an opportunity for a sanitary approach to micro-scale AD in the home
- For semi-continuous process, biogas production can initiated at 1:2 digestate:food waste ratio
    - o Helps the operator understand how to manage a digester
    - o Guides the loading of a canister digester
- “Acid intermediate” can be digested

Established good practice for digestate usage:

- Apply digestate fresh
- Minimises potential for nitrogen loss
- Apply digestate prior to planting
- Contributes to early crop growth similar to conventional fertilizer
- Avoid over irrigation
- Apply digestate with care, well before harvest
- Minimise the risk of crop contamination

The essence of the ACTUATE project is grounded in co-development and co-implementation, prioritizing the active participation of the end-user community throughout its entirety. This comprehensive approach has resulted in various stakeholder engagements with smallholder farmers, abattoir operators, secondary schools, undergraduate students, and waste managers (Figure 7). As part of the initiative, the UNIBEN team provided training to smallholder farmers in Edo State, educating them on the effective use of digestate as a sustainable substitute for inorganic fertilizers and the harnessing of energy from agricultural waste.

For instance, Hosa greenhouse farms, specializing in tomato, pepper, and vegetable cultivation, collaborated with the UNIBEN team to evaluate the potential for generating energy from their waste and applying digestate to crops. There were also engagements with other small holder farmers and horticulturists in Benin City. Following feedback sessions with the farmers, there was a significant level of acceptability for digestate as a viable alternative to conventional fertilizers. This collaborative and community-focused methodology ensures that the ACTUATE project effectively tackles environmental issues while fostering sustainable practices embraced by the end-user community.

Figure 7: Engagement session with small holder farmers in Benin City

Conclusion

Waste valorization is a comprehensive and effective approach that may tackle both waste management and food security issues. There is significant motivation to promote sustainable farming methods by converting seemingly waste materials into essential agricultural inputs, which can improve soil health and help achieve long-term food security objectives. Collaborative efforts from various stakeholders, such as researchers, policymakers, and practitioners, are essential to achieve the objective of maximizing waste valorization in agriculture for a sustainable future.

THE PROFITABILITY AND RESOURCE USE EFFICIENCY OF PLANTAIN PRODUCTION IN OVIA NORTH-EAST LOCAL GOVERNMENT AREA OF EDO STATE, NIGERIA

By

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ABSTRACT

This study was carried out to analyze the profitability and resource use efficiency of plantain production in Ovia North-East Local Government Area of Edo State. The main objective of the study was to evaluate the profitability and resource-use efficiency in plantain production. A multi-stage sampling technique was used to select one hundred and twenty plantain farmers from the study area. Primary data was collected with the aid of a well-structured questionnaire. The data obtained was analyzed using descriptive statistics, production function analysis, farm budgeting techniques and Cobb-Douglas regression analysis. The results of socio-economic characteristics showed that the mean age of farmers was 49 years and 63% of the plantain farmers were male. The result on cost and return showed that the gross margin per hectare was N433,500 and the net farm income per hectare was N370,800 with a benefit-cost ratio of 2.66. The results of the input and output levels used showed an average farm size of 1.98 hectares. The resource use efficiency, using Cobb Douglas production function showed that the variables (plantain suckers, labour, and agrochemicals) were important in explaining the variations that occurred in the output of Plantain at 1% and 5% level of significance. The study recommends among others, the need to establish plantain farmers' association so that farmers can be trained on the production of clean suckers and efficient use of agrochemicals.

Keywords: Plantain Sucker, Efficiency, Fertilizer, Production Function, Labour, Ovia North East.

Word Count: 226

1.0 Introduction

Agricultural production is the primary source of livelihood and a driver of Nigeria's economic growth. Plantain is an important food and cash crop with outstanding and proven medical and industrial relevance. This major food staple and cash crop is important in the rural and urban economy, social and cultural life in sub-Saharan Africa (IITA, 2009). Nigeria is one of the major plantain-producing and consuming countries in Africa and is ranked among the 20 most important plantain-producing countries worldwide (FAO, 2011). Plantain farming needs a lot of water to have a good yield hence it is mainly cultivated in the rainforest and mangrove swamp zones of Nigeria. The demand for plantain has increased tremendously in the last decade as several local processing industries have emerged with its use industrially. With increasing urbanization, plantain has become an important cash crop, and in some cases provides the sole source of income to its farmers.

Plantain plays a vital role in the feeding systems of both human beings and farm animals. It has a high nutritional value and it is a source of dietary carbohydrates, vitamins and minerals. It is very rich in iron vitamins and also plays an important role in the structuring of rural landscapes in the producing areas. Plantain is normally eaten in convenient forms like “Dodo” (fried ripe pulp), chips (fried unripe pulp) and as plantain flour. It can also be baked and fermented to make beer and vinegar. Plantain flour has an advantage over other starchy foods because it contains protein, iron, minerals and vitamins. Medicinally, it is claimed by the locals that plantain can be used to cure some ailments like sore throats, tonsillitis, diarrhea and vomiting. Due to its high nutrients, plantain is used in the production of Soyamusa, which helps in the treatment of kwashiorkor in children (TILASTO, 2021).

1.2 Statement of the Problem

The agricultural problem in Nigeria relates to the inefficiency with which farmers use resources on the farms (TILASTO, 2021). Though plantain crops have diverse uses for millions of Nigerians, the level of production in Nigeria has been inconsistent and low. An underlying factor in the study area is that farmers are not employing technology that can increase efficiency. In Nigeria, plantain has become a key source of revenue. To harness the export potential of plantain, the current level of production must be improved to ensure increased revenue generation. Farmers’ output should therefore be expanded with the use of technology to meet the increasing demand for plantain.

The inefficiency of farmers in the use of various farm resources and that farm inputs are insufficiently allocated and utilized by small farmers, lead to unprofitable production (Idumah, Owombo, Ighodaro, & Mangodo, 2016). If this is the case, an empirical measure of efficiency is necessary to determine the magnitude of gains that could accrue by improving performance in plantain production with a given use of technology and agrochemicals. It then becomes imperative to economically analyze the profitability and resource-use efficiency of plantain production.

1.3 Objective of the Study

This study seeks to find an answer to the research question on how efficiently resources are used by plantain farmers in the study area. The main objective is to evaluate the profitability and resource-use efficiency in plantain production in Ovia North East Local Government Area of Edo State.

1.4 Hypothesis of the Study

The hypothesis put forward for this study in null form is;

Ho: Resources are not profitably and efficiently used by plantain farmers in Ovia North-East Local Government Area of Edo State.

1.5 Study Justification

Few studies have been done on the profitability of plantain farming in the study area. Agricultural productivity, growth and resource-use efficiency are the core elements of sustainable crop production because inefficient use of inputs can endanger food availability and security (Udoh *et al.*, 2006). It is clear that the rural sector consisting of farm families, offers great potential for employment generation for the teeming population.

The results of this study would be of immense benefit to farmers, government and other stakeholders in the agricultural industry. It will help highlight those variables that could be better managed to improve the productivity of Plantain farming. It will also guide policymakers in making policies for the improvement of the welfare of plantain farmers, which will give room for the expansion of Plantain production. It will also provide relevant data for the government to address problems relating to plantain production in Edo State and the country at large.

2.1 Literature Review

Agricultural production in Africa has been dominated by small-scale farmers who are known to produce up to 90 percent of the food consumed in most countries. These small-scale farmers make up at least 73 percent of all rural Africans. Though a high percentage of the population are farmers, food demand cannot be met from this source. The central issue therefore, is how to accelerate the agricultural production growth rate to meet the food needs of the ever-growing population (Shields, Ranniyar & Goode 2002). About 70 million people in the sub-region are estimated to derive more than one-quarter of their food energy requirements from plantain. In Nigeria, plantain has been an important traditional staple food for both the rural and urban populace. It serves as a source of revenue for small farmholders who produce them on compound farms, mixed farms and small-scale sole plantain farms (Nse-Nelson, Oke, & Adindu, 2013).

According to the Oxford Learners Dictionary, profitability is defined as the state or condition of yielding a financial gain or profit. Profitability is measured by income and expenses. Income is money generated from the activities of the business, while expenses are the cost of resources used up or consumed by the activities of the business. In Nigeria, plantain is produced in large quantities in Edo, Delta, Ogun and Ondo State. Other producing States are Rivers State, Cross River State, Imo, Anambra, Lagos, Kwara, Benue, Plateau, Kogi, Abia and Enugu.

2.2 Conceptual/Theoretical Review

A conceptual review of the study on the profitability and resource use efficiency of plantain production in Ovia North-East Local Government Area of Edo State digs into the theoretical foundations of the research. The role of plantain as a staple food, income source for farmers, and its overall contribution to the agricultural sector cannot be overemphasized. This involves input-output relationships, production functions, and the optimal allocation of resources to maximize output. The Cobb-Douglas parameters (α and β), identify the optimal combination of labour and capital inputs for maximizing plantain output. Efficient resource allocation is achieved when the marginal product of each input is proportional to its cost.

Production functions are commonly used in crop production studies. According to Akighir and Shaba (2011), many functional forms could be used to describe production relationships, but in practice, the commonly used forms are linear, quadratic and Cobb-Douglas functional forms.

The linear production function measures linear relationships between inputs and outputs. For two variable inputs, the function can be mathematically expressed as:

$Y = a + b1X1 + b2X2$

Where:

Y = output,

X1 and X2 = variable inputs,

b1 and b2 = the parameters to be estimated and they determine efficiency of the inputs on output, and a= constant.

According to Akighir et al. (2011), the linear function is not a good measure of an optimum production because the coefficients assume constant marginal productivity.

The quadratic production function is used to measure the direct effect of inputs on output (Olayide and Heady, 1982). For two-variable inputs, the quadratic function can be expressed as:

$Y = a + b_1X_1 + b_2X_2 + b_3X_{12} + b_4X_{22} + b_5X_1X_2$

Where:

Y = level of output,

X_1 and X_2 = variable inputs,

b_1 and b_2 = the measure of the direct effect of the level of inputs on output,

b_3 and b_4 = the measure of the rate of change, b_5 = the coefficient of interactive effects, and

a = constant term.

The quadratic production function has the advantage of being differentiated twice thus making it possible for the first and second conditions for optimization to be established (Olayide & Heady, 1982). Akighir et al. (2011) pointed out that the quadratic function can never show both marginal product at low levels of input and decreasing marginal product at higher levels of input in the same equation.

The Cobb-Douglas production function is the most widely used in data analysis than the linear and quadratic functions (Akighir et al., 2011). For two-variable inputs, the Cobb-Douglas function can be expressed as:

$Y = b_0\ X_1b_1.\ X_2\ b_2\ U$

Where;

Y = level of output,

b_0 = constant,

X_1 and X_2 = variable inputs, and

b_1 and b_2 = coefficients of variable inputs,

U = error term

Akighir et al. (2011), observed that the Cobb-Douglas production function cannot show both increasing and diminishing marginal productivity in a single response curve and as a result, it does not give a technical optimum and may lead to the overestimation of the economic optimum.

They also stated that despite these disadvantages, researchers still find the Cobb-Douglas production function useful in the analysis of surveys where many variable inputs are involved and it becomes necessary to measure returns to scale, intensity of use of factors of production and overall efficiency of production. They also stated that the Cobb-Douglas production function is used more than the other two because it satisfies the economic, statistical and econometric criteria of many studies than the others.

3.0 METHODOLOGY

This research was conducted in Ovia North-East Local Government Area of Edo State. Twelve (12) plantain farming communities (Utese, Uhen, Egbeta, Ogbese, Okada, Iguomo, Aghanokpe, Ugbuwe, Ofunwengbe, Oghede, Isiuwa and Ugboke) were purposefully selected. The inhabitants are predominantly farmers producing various crops but mainly plantain. A simple random sampling of selecting ten farmers per community was done. Respondents were interviewed with a well-structured questionnaire and interview schedule. This yielded a total of 120 plantain farmers from the Local Government Area. Data collected were analyzed using descriptive statistics and multiple regression analysis. These tools included measures of central tendency such as mean, median, frequency distribution, ratios and percentages and measures of dispersion such as ranking, standard deviation, coefficient of variation and the Ordinary Least Square (OLS).

3.1 Production Function Analysis

Production function according to Olukosi and Erhabor (2004) stipulates the physical and technical relationship between the inputs and output in any production process. The production function analysis was used to achieve the objective. Production function analysis gives the technical relationship between inputs and outputs in any production system (Olayide and Heady, 1982). Three functional forms (linear, semi-log and Cobb-Douglas) were fitted into the data and the one that gave the best fit was selected, based on the following;

i. The value of the coefficient of multiple determination (R^2)
ii. Appropriateness of the signs of the regression coefficients
iii. Significance of the t-value
iv. Significance of the F-value

Generally, the three functional forms are expressed as follows:

(a) Linear form:

$Y = b_0 + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + U$

(b) Semi-log form:

$Y = b_0 + b_1 logX_1 + b_2 logX_2 + b_3 logX_3 + b_4 logX_4 + b_5 logX_5 + U$

(c) Cobb-Douglas form:

$Y = b_0 X_1^{b1}. X_2^{b2}. X_3^{b3}. X_4^{b4}. X_5^{b5} U$

When the Cobb-Douglas form is made linear, it takes the form of:

$LogY = b_0 + b_1 logX_1 + b_2 logX_2 + b_3 logX_3 + b_4 logX_4 + b_5 logX_5 + U$

For all the functional forms:

Y = Output of plantain (bunch)

b_0 = constant,

b_1 to b_5 = estimated regression coefficients.

X_1 = plantain suckers (bundles)

X_2 = farm size (in hectares)

X_3 = labour (hours per day/man)

X_4 = quantity of fertilizer (in kilograms)

X_5 = quantity of agro-chemicals (in litres)

U = Error term

To evaluate the efficiency of resource usage, the Marginal Value Product (MVP) for each resource was derived and compared with its respective factor cost (that is, the marginal factor cost, MFC). The MVP of a resource will be computed as follows:

MVPxi = MPPx_i.Py

Where:

MVPx_i = Marginal Value Product of input X_i

MPPx_i = Marginal Physical Product of input X_i

Py = Unit price of output

The MPP and MVP values were derived using the following: -

Linear: MPP $= \frac{dy}{dx}$ =bi; MVP =b_i.Py

Semi-log: $MPP = \frac{b_i}{\bar{X}}$; MVP $= \frac{bi}{\bar{X}}$.Py

Double-log: $MPP = \frac{b_i}{\bar{X}}$; MVP $= \frac{bi}{\bar{X}}$.Py

Resource Use Efficiency (r) $= \frac{MVP}{MFC}$ or $\frac{MVP}{Pxi}$

Where:

MVP = $\frac{\Delta TVP}{\Delta X}$

$$= \frac{biPy}{Xi}$$

$$MFC = \frac{\Delta FC}{\Delta X}$$

r =Resource use efficiency

b_i= Regression coefficient

$\bar{y}$= Mean output of plantain bundles

$\bar{X}$= Mean value of inputs

$\frac{dy}{dx}$= Derivative of yi with respect to xi

P_{xi} = Unit price of input resource

P_y = Unit price of output (plantain)

MFC = Marginal Factor Cost

Decision Rule:

If: r >1, the resource is underutilized

r< 1, the resource is overutilized

r = 1, the resource is efficiently utilized

3.2 Farm Budgeting Technique

Farm budgeting is very important because it enables the estimation of total performance of a project with respect to total income and total expenditure. In order to estimate the costs and returns of plantain production in the study area, farm budgeting is inevitable.

The net farm income (NFI) is the Total Revenue (TR) minus Total Cost (TC).

Where:

NFI = Net Farm Income

TR = Total Revenue (total sale of plantain)

TC = Total Cost (total variable cost and total fixed cost)

4.0 Data Analysis and Discussion of Results

The data collected is presented in this section.

4.1 Socio-economic Characteristics of the Respondents in the Study Area

This section describes the socio-economic characteristics of the plantain farmers such as age, gender, farming experience, household size, educational level, farm size, mode of farmland acquisition, number of extension visits, amount of credit obtained and cooperative membership.

Table 1

Age Distribution of the Respondents

Age (Years)	Frequency	Percentage
<=30	6	5
31-40	15	12.50
41-50	46	38.33
51-60	40	33.33
Above 60	13	10.83
Total	**120**	**100**

Source: Field Survey, 2023

The age distribution of the plantain farmers from Table 1 shows that 5 percent were less than 30 years of age, 12.50 percent were between 31-40 years of age, 38.33 percent were between 41-50 years, 33.33 percent were between 51-60 years, and 10.83 percent were above 60 years of age. The modal age group was 41– 50 years while the mean age of the farmers was 49 years. This indicates that most of the farmers were young and likely to be more receptive to new technologies for increased agricultural production. Age is associated with experience and knowledge of the farming system and has a significant influence on the decision-making process of farmers. Younger farmers tend to be more flexible in their decisions and can adopt improved agricultural technologies more readily than older people (Nse-Nelson, Oke, & Adindu, 2016).

Table 2

Sex Distribution of the Respondents

Sex	Frequency	Percentage
Male	66	55
Female	54	45

Total	120	100

Source: Field Survey, 2023.

The distribution of the respondents by their sex showed that 55 percent (66) were male and 45 percent (54) were female. This implies that more men were engaged in plantain farming than women in the study area. This may be as a result of the unavailability of family land to the women for farming or as inheritance (Odejimi, 2019).

Table 3:

Marital Status of the Respondents

Marital Status	Frequency	Percentage
Single	6	5
Married	76	63.33
Divorced	18	15
Widowed	20	16.67
Total	**120**	**100**

Source: Field Survey, 2023

Table 3 shows the respondents according to their marital status. About 63% of the respondents were married while the others were either widowed, separated or divorced.

Table 4

Educational level of the Respondents

Level of Education	Frequency	Percentage
No formal education	32	26.67
Primary Education	48	40
Secondary Education	32	26.67
Tertiary Education	8	6.67
Total	120	100

Source: Field Survey, 2023

Table 4 shows the distribution of the educational level of the respondents. The modal level of education is the primary School which has about 40%. About 27% had no formal education at all. Education is a necessary tool for productivity in all vocation of life (Odejimi, 2014).

Table 5
Farming Experience of the Respondents

Farming experience(years)	Frequency	Percentage
0 – 5	2	1.67
6-10	10	8.33
11-15	20	16.67
15-20	42	35
Above 20	46	38.33
Total	**120**	**100**

Source: Field Survey, 2023.

The results of the distribution of respondents based on years of farming experience in Table 5 shows that only 2% percent of the farmers had less than 5 years of farming experience, 8.33 percent had 6-10 years of farming experience, while 38.33 percent had above 20 years of farming experience. The mean year of farming experience was 24 and this plays a significant role in agricultural production. It is assumed that productivity increases with years of experience in farming as farmers master the techniques of production and avoid previous mistakes.

Table 6
Other Sources of Income by the Respondents

Other sources of income	Frequency	Percentage
Yes	84	70
No	36	30

Source: Field Survey, 2023

Table 6 shows that about 70% of the respondents had additional sources of income to complement the income from plantain farming since plantain is a seasonal crop. Some of the respondents stated that they were involved in trading, commercial motorbike business and lumbering.

Table 7

Income distribution from other Sources Annually

Income	Frequency	Percentage
≤ 100,000	18	15
100,001-200,000	46	38.33
200,001-300,000	20	16.67
300,001-400,000	12	10
400,001-500,000	9	7.5
Above 500,000	15	12.50
Total	**120**	**100**

Source: Field Survey, 2023

From the above table 7, over 38 % of the respondents earned an average income of N150,000 annually while about 13% earned above N500,000 from other sources. 15% earn less than 100,000 from other businesses apart from the plantain farm produce.

Table 8

Visits by Extension Service Agents

Visit by extension Agents	Frequency	Percentage
Yes	28	23.33
No	92	76.67
Total	**120**	**100**

Source: Field Survey, 2023

The results of the distribution of respondents show that only 23.33% percent had contact with extension agents while over 76% percent of the farmers had no contact with extension services.

Most of the farmers did not have the opportunity to learn how to produce more yield on their farms. Also, because most of the farmers had little or no education, the importance of fertilizers and other crop-enhancing methods were not used to boost production.

Table 9

Method of Land Acquisition

Method of land acquisition	**Male**	**%**	**Female**	**%**	**Total**	**%**
Inheritance (family)	46	69.69	2	3.7	48	40
Borrowed	4	6.06	30	55.55	34	28.33
Gift	2	3.03	4	7.40	6	5
Purchased	4	6.06	8	14.81	12	10
Leased	10	15.15	10	18.52	20	16.67
Total	**66**	**100**	**54**	**100**	**120**	**100**

Source: Field Survey, 2023

The results of the mode of land acquisition show that 40 percent of the respondents obtained their farmland through inheritance. Of the 48 respondents who acquired land through inheritance, only 2 of them were female. This is because when family land is being shared, the female members are not included as beneficiaries (Odejimi, 2019). 30 females borrowed land for farming as against 4 males while 8 females bought land as against 4 males. The predominant mode of land acquisition in the study area is through inheritance for the males while the female is through hiring.

4.2 Costs and Returns of Plantain Farming in Ovia North East Local Government Area

Table 10

The Cost and Returns of Plantain Farming in the Study Area

	Details	
	Revenue	

	Total Variable Cost (Plantain sucker(bundle), Hired labour, Family labour, Agrochemical Fertilizer) etc. **Total TVC** **N160,500** **Fixed Cost**(Rent on Land, hoes, cutlasses etc N62,700 Total Cost **N223,200** GM (Revenue – Total Variable Cost) = N433,500 NFI = (Revenue – Total Cost) = N370,800 BCR = (TR/TC) = 594,000/223,200 = **2.66**	

Source: Authors' computation 2023

The result in Table 9 shows the costs and returns of Plantain farming in the study area. The total cost of variable inputs used (plantain suckers, labour, fertilizer and agrochemicals) was estimated to be N160,500 per hectare. The total revenue generated was N598,000 per hectare. The Net Farm Income (difference between total revenue and total cost of production) was N370,800 per hectare, and the gross margin (difference between total revenue and total variable cost) was N433,500. This shows that plantain farming is a profitable venture in Ovia North East local government. The Benefit-Cost Ratio (BCR) was 2.66, since the benefit-cost ratio is greater than one, the business is profitable. Implying that for every N1 invested in plantain farming, there was a yield of N2.66 kobo giving a profit of N1.66 kobo.

4.3 Plantain Production Input Analysis

The inputs used for analysis were plantain sucker, farm size, labour, fertilizer and agrochemicals. The average quantity of suckers used by plantain farmers was 1,700 per hectare. The average farm size used for plantain production was 1.2 hectares which shows that the majority of farmers were smallholders. The average labour used was 20 man-days per hectare. The average quantity of inorganic fertilizer (N.P.K 15:15:15) used by plantain farmers was 85kg per hectare. The average quantity of agrochemicals used by the plantain farmers was 2 litres per hectare, which was lower than the recommended 4-5litres/per hectare (Ogundari, Ojo, & Ajibefun, 2006). This could be attributed to the farmers' inadequate knowledge on the right applications, insufficient funds, and inadequate access to extension services.

Table 11
Inputs and Output level in Plantain Farming per Hectare

Inputs and output	Minimum	Maximum	Average	Standard deviation
Inputs				
Farm size (ha)	0.06	4	1.20	1.03
Plantain suckers	120	1,800	1000	12
Labour (man day)	4	60	26	14
Fertilizer(kg)	0	750	82.5	2.87
Agrochemical (liter)	0	28	8.58	6.83
Total Output (tonnes)	5.06	66	7	26.08

Source: Field Survey, 2023.

The average output of plantain was 7 tonnes per hectare. This average output is lower than Nigeria's potential yield of 20 tonnes per hectare (Joel, Jongur, Adebayo, & Michael, 2022).). This could be as a result of the use of low-yielding local varieties of plantain suckers and incidences of diseases and pests.

4.4 Technical Relationship between Inputs and Output of Plantain Farming

The result in Table 11 shows the technical relationship between inputs and output of plantain. The Cobb-Douglas production function was selected as the lead equation or line of best fit. The R^2 value which measures the proportion of variation in the dependent variable (Y) that is explained by the independent variables included in the model was 87 percent. The F-value was 31.22 and this was significant at 1 percent level of significance. This implies that all the variables included in the model were important in explaining the variations that occurred in the output of plantain in the study area. The estimated parameter for plantain suckers (0.611) was positive and significant at 1 percent level of probability. That is, an increase in plantain sucker would increase the output of plantain production in the study area.

The coefficient of labour (0.161) was found to be positive and significant at 5 percent level of significance. This implies that labour is very essential in plantain farming but must be used appropriately to aid an increase in output.

Table 12
Estimated Double-log production function for plantain Farmers in Ovia North East Local Government Area, Edo State Nigeria.

Variable	Coefficient	Standard error	t-ratio
Labour	0.161	0.062	3.12***
Agro-chemical	-0.196	0.039	-2.65***
Fertilizer	0.032	0.046	0.59
Plantain sucker	0.611	0.085	6.44***
Constant	4.507	1.162	5.82***
R^2 =		0.87	
Adjusted R^2		0.83	
F-value =		31.22***	

***p≤0.01 **p≤0.05 *p≤0.10

4.5 Resource Use Efficiency in Plantain Production

The result presented in Table 12 shows the marginal value of productivity and efficiency of resource use in plantain farming in the study area. Labour was over-utilized while plantain sucker, fertilizer and agrochemicals were under-utilized in the production of plantain. The over-utilization of labour could be attributed to the use of labour-intensive technologies as against the use of labour-saving devices such as the tractor. This result agrees with that of Obasi et al. (2013) who, in their work on factors affecting agricultural productivity among arable crop farmers in Imo State of Nigeria found that labour was over-utilized with an efficiency ratio of 0.086. The over-utilization of fertilizer and agro-chemicals could be linked to subsidies on these inputs or lack of knowledgeable on the recommended ratio of application of fertilizer and agro-chemicals. The reason for the under-utilization of plantain sucker could be attributed to scarcity of the plantain sucker resulting in the use of less than the recommended number of suckers per hectare.

Table 13
Resource Use Efficiency in Plantain Farming

Variable input	MPP	MVP	MFC	R	Inferences
Plantain sucker	13412.08	3749.97	315.83	27.47	Underutilized
Labour	922.5	1394.14	1500	0.932	Over utilized
Fertilizer	8539.16	169.44	1215.83	16.18	Underutilized
Agrochemical	9084.48	2044.22	1457.5	11.903	Underutilized

Source: Field Survey, 2023.

4.5.1 Test of Hypothesis

Ho: Resources not efficiently used by plantain farmers Ovia North East LGA

Table 14
Hypothesis Test-Statistics Values

Hypothesis	Test-Statistic Value	Decision
Plantain suckers	6.44^{***}	Accepted
Labour	3.12^{***}	Accepted
Fertilizer	0.59	Not significant
Agrochemical	-2.65^{***}	Accepted

Source: Field Survey, 2023.

The test of the null hypothesis was accepted, that the resources used by plantain farmers were not efficiently utilized. The test for Fertilizer was not significant at 5% level of significance. It can therefore be concluded that on the whole, resources were not efficiently utilized by plantain farmers in the study area.

4.6 Other Findings and Constraints Associated with Plantain Production in the Study Area

There has been little or no change in the cultural practices of farming in the last 50 years. Inefficient extension service systems by the government and the lack of research are some of the reasons why the yield potential of plantain is still low in Nigeria. Farmers still depend solely on rainfall without irrigation, manual labour, use of basic farming implements etc.

The land tenure system which is basically by inheritance or outright purchase does not give space for expansion. In some cases, where land is hired, farmers maximize its use by practicing intercropping with crops like cocoyam and cassava.

Environmental factors such as temperature and relative humidity affect the shelf-life of plantain. With inadequate storage systems and insufficient distribution channels, a large proportion of the produce being wasted.

5.1 Summary and Conclusion

The study was conducted in Ovia North East local government to evaluate the profitability and resource use efficiency of plantain production. A multi-stage sampling technique was used to select 120 respondents for this study. The results of the socio-economic characteristics of the farmers revealed that over 70% of the farmers were between ages 40 to 60 years bracket. 55 percent of the plantain farmers were male while 45 were female. Of the 48 respondents who inherited land, only 2 were women while of the 34 who borrowed land for farming, only 4 were males. This shows the degree of cultural discrimination which is in favour of the male folk (Odejimi, 2019). The result also revealed that the mean farm size was 1.98 hectares.

The role of extension services which is key in boosting production in rural areas had over 77% not benefiting from any expert advice. Nevertheless, about 90% of the respondents had over 10 years of farming experience.

The result of costs and returns revealed that farming is profitable with a BCR of 2.66. The results of the input and output level in plantain production revealed that the double log production function was selected as the line of best fit and its results revealed that the coefficient of plantain sucker was positive (0.591) and significant at 1 percent level of probability. Hired labour was positive (0.151) and significant at a 5 percent level of probability. Agro-chemicals was negative and significant at 1 percent level of probability.

The results of the efficiency of resource use in plantain farming show that labour, fertilizer, and agro-chemical had resource use efficiency ratios less than unity (0.929, 0.187 and -1.403

respectively), which implies that these resources were over-utilized during the production process. Nevertheless, plantain suckers had more resource use efficiency than unity (21) meaning that this resource was under-utilized.

The constraints associated with plantain farming in the study area were identified to be unstable market price, the land tenure system, poor storage facilities, poor access road to markets, inadequate labour-saving devices, lack of capital for expansion, pests/diseases and inadequate access to improved planting materials.

Plantain production was found to be a profitable enterprise in the study area because it recorded a Gross Margin of N433,500 and a Net Farm Income of N370,800 per hectare and a benefit-cost ratio of 2.66 which implies that for every one naira spent in producing plantain, a profit of N1.66 kobo is realized. The results of this study also revealed that resources were not efficiently used by the plantain farmers in the area. Some resources were under-utilized (plantain suckers) while others were over-utilized (labour, fertilizer, and agrochemicals). There is a huge opportunity for increasing the output of the plantain farmers through efficient application and utilisation of resources.

5.2 Recommendations

Stemming from the findings and literature review, the following recommendations are proffered.

(i) Attempts at reducing labour costs should be made by the farmers by introducing labour-saving devices such as tractors which will lead to greater net farm income (NFI) since labour was found to be the variable that accounted for the highest cost of production. The is where government and stakeholders can change the narrative.

(ii) Plantain Producers' Association should be trained in the area of sucker production such that the association generates clean suckers for onward distribution to their members at the beginning of the planting period.

(iii) Governments both at the State and local levels should assist the farmers with agricultural extension services and production technologies needed to promote production efficiency.

(iv) Government, banks and financial agencies should assist farmers through the provision of soft loans, subsidies, and other incentives to boost plantain farming which has export potentials.

(v) Policymakers can use insights from the Cobb-Douglas production function to formulate policies that promote the efficient allocation of resources in agriculture. For instance, policies encouraging the adoption of technology or improving access to capital can positively impact resource use efficiency.

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BRICS IN AFRICA: GAINS AND PROSPECTS

PROF. TUNDE ESAN Ph.D

ABSTRACT

Since 2011, BRICS has engendered a multinational financial and economic group that seek realignments based on mutual economic interests of the original five founding states; Brazil, Russia, India, China and South Africa. Partly conceived as an alternative financial institution to International Monetary Fund and other eurocentric financial institutions, its economic and geostrategic engagements exemplifies the dynamics of the 21st century global economic system.

While the initial objective was shaped by the yearnings for alternative economic block that explores the potentialities of the cooperating emerging economies for mutual benefits, when the fifth meeting of the bloc was held in Durban, South Africa from March 26 to 27, 2013, the idea of an evolving, wider economic frontier was critically examined and worked on; focus on a continent of 1billion people and growing, with possibilities of trading, partnerships and foreign direct investments (FDI) worth $1trillion by 2030. The twin vision of larger, bigger market and addressing financial needs of the continent to produce sustainable growth could not be ignored.

The focus on Africa became increasingly pressing as the decade wore on. China as a key member of BRICS and with the second largest economy in the world, equally seeks new economic frontiers. The paradox of historical mutual economic interests, was and is still at work in the relationship between BRICS and Africa. Future calculations often triumph over the limitations of the moment. For Africa, the opportunities of large commercial and financial platform, away from the single international currency offers robust prospect of integration into a broader international economic value chain.

To a large extent, the study and examination of BRICS economic relations is a process. The recent and projected impacts of the body, underlined the critical need of African countries to tackle developmental challenges and boost their capacities in the midst of evolving global social economic challenges. The study address the impacts of this body on a continent with it's own unique socio-economic challenges.

Keywords: BRICS, geostrategic, realignments, potentialities, cooperation, investments, south-south.

global.

INTRODUCTION

The foundation of the relationship between Africa and key members of BRICS dates back to decades of commercial and diplomatic engagements. Relations between Peoples Republic of China and Africa, were initially slow to develop because of Mao Zedong's (1893-1976) need to consolidate power and the fact that there were few independent African nations in 1949. The relationship has since been marked by several phases, motivated mainly by global issues and in part, by domestic developments. For example Jiang Zemin, (1926-2022) partly concerned by negative fallout from the Tiananmen Square events, reached out to the world and developed a new period of closer China-Global south. Hu Jintao; President 2003-2013, drawing from this significantly increased trade and commerce with Africa (David Shin. April 2019). Since 1950 the Foreign Minister of Peoples Republic of China (PRC) has visited an African country at least once, during their tenure. China's Foreign Minister Qin Gang in one month; January 2023 visited five African countries. At the diplomatic level, China has consistently sought the support of Africa. In 1971, African votes was instrumental to China becoming a member of the UN General Assembly and a member of the Security Council, displacing the representatives of the Nationalist movement in China, which lost power in the civil war. The diplomatic shuttle by China to Africa was partially motivated by the politics at home. The international recognition of the Taiwan nation and Nationalist forces undermines the emerging powerhouse; mainland China, and the prime focus of China was and is to some extent withdrew official recognition of Taiwan as an independent nation. China succeeded to a large extent, such that by 2023, Eswatini is the only African country which officiallly recognize Taiwan. This created a consistent roadway for relationship with Africa that surpasses it's initial geopolitical constraints. Interestingly the economic relations once favoured Africa. For example, from 1980 to 1984, Africa's global merchandise exports averaged US$79 billion annually, comparably in 1983, China exported only US$50 billion annually. The monumental economic growth of China saw it's global merchandise commerce leaped to US$3.7 trillion with exports to Africa totalling US$790 million. (David Shin 2019) By the beginning of the new millennium the growing economic might of China encouraged it to focus on opening up new economic frontiers. This China partly did by investing heavily in infrastructure in Africa. This created opportunities for Chinese citizens to work in Africa and foster economic relations.

The historical relations of key members of BRICS with Africa is not limited to China. Russia's role and relationship with Africa was enhanced during the cold war. It introduced a new factor to African equation. Western governments were convinced that communists were embarked upon a campaign of world mastery in which African countries were prime targets. The cold war accentuates the gravity of interests on the two sides of the divides giving Soviet Union, later Russia the impetus to deepen socio economic relations with Africa. The non aligned movements strongly supported by India only enhanced the historical relationship between the key founders of BRICS and Africa beyond the one stop engagements.

This study and submissions follows the fortunes of the BRICS players in their relationship with Africa. It focuses on the prospects and gains as it concerns Africa.

LITTERATURE REVIEW

Empirically, BRICS has been a subject of critical reports and review by individual and corporate authors, it includes the following:

Afdb report titled; Africa and the BRICS: a Win-Win Partnership, submits that BRICS have expanded their involvement in Africa in recent years. The report submitted that BRICS involvement in Africa is driven by the continent abundant resources and it is a new source of development funding for the continent.

Meredith (2006) is a narrative of Africa's political and economic trajectory since independence. It is a digest on the history of relationship between Africa and some key members of BRICS. For example the Soviet inspired system of centralized planning and nationalisation practiced by many African countries. The book recorded the history of relationship between Angola and Russia, which transited from the Soviet inspired system to a more open market.

Lucas Cavalho (2023). He traced the history of BRICS. He submitted that the group aims for a strong voice in the world economy and the financial system. For the countries of the political West to continue to be relevant in some of the key commercial center in the South and Africa, they have to re-evaluate their model for cooperation. He assessed the geo-economic trends and submitted that the inclusion of African Union into G20 was a symbolic step in that direction, at countering the increasing influence of BRICS in the global south.

Economic Times. reports on how BRICS operate. It reports that they follow internationally accepted principles, as well as international laws and norms. It's principles of solidarity, pragmatism and openness is a factor in encouraging engagements and interactions with Africa.

Mayal (2024) reviewed China's international diplomacy, and submitted that given China's surplus capital and substantial spending power, it's capacity to project influence through outbound movement and exchanges like BRICS and Belt and Road Initiative is enhanced. He submitted that as part of its outbound diplomacy, China sends medical teams to foreign countries to train and interact with experts. China's medical team from certain provinces are sent to friendly African countries.

cointelegraph (2023) explores how the emerging economies of BRICS cooperate in global governance and development. It itemize key aspects of BRICS and it's objectives. (https://cointelegraph. 2023)

Diallo, Tapsoba (2014) The purpose of the paper is threefold. To shed light on the possible synchronisation of SSA's corporate players with strategic partners. Critically examined the extent of strategic engagements and cooperations and the extent of shift towards BRICS. To identify the driving forces behind strategic engagements with BRICS and to draw policy implications from the study. A compendium of facts and figures in measuring the economic implications of BRICS in sub-saharan Africa and global south. (Diallo, Tapsoba. 2014).

BRICS MEMBERS AND AFRICA

China Belt and Road Initiative (BRI) initiated by the Chinese government in 2013 to promote inter-regional connectivity, was not just an historic evolution and reinvigoration of old silk trade routes i.e Indo-Pacific sea routes, it is a worldwide economic agenda that seek to establish futuristic all encompassing economic engagements. While it holds promise for Africa in its stated goals of constructing a unified large market and utilizing international markets, its huge loans for the development of infrastructure has engendered pseudo nationalists outbursts in many African countries to counter new neo-colonial strategy of China. For many countries in Africa, the BRI is appealing because of the opportunities it offers to alleviate their economic disadvantages, although China loans to many African countries has led to cries of debt-trap diplomacy, with a total loan to Africa countries to fund infrastructure of N28.4 in 2016 (Chatham House). However there has been a significant reduction in loans to Africa post-2016.

It is important to note that Chinese relations with Africa predates BRI. This can be seen in its engagements with one or two African countries. Angola's civil war saw it's infrastructure literarily destroyed and rebuilding the country requires pragmatic engagements that witnessed China intervention. China invested heavily in its infrastructure in return for oil. This engagement enabled large number of Chinese workers to live in Angola working on infrastructure projects like roads, hospitals, stadiums.

In North Africa, Egypt relationship with China can be traced back to the 50's. Egypt was the first Arab and African country to establish direct diplomatic relations with China, which it did in 1956. It has since grown to a much bigger relationship with several bilateral agreements between Egypt and China since then.

Political evolution of India particularly the rise of the first Prime Minister Jawarharlal Nehru, inspired his generation who are Africans, in particular the Nationalist movements. The relationship is partly mutual, Jawarharlal Nehru termed Africa as India's 'sister continent' It extended beyond political rhetorics. It extended to commerce and official trade engagements. However, the begining of serious economic relations was in the early 1990's. (Philip Gieg 2023) (Africa and India: Deepening a Millennia-Old Relationship. Forum Africa Center. University of Wurzburg). Over the years the relationship has grown, founded on shared economic interests and longstanding historical ties. Bilateral trade between India and Africa has grown from $5.3 billion in 2001 to $70 billion in 2013. (Bookings. Jan. 2016) By 2010 the value of India total investment in Africa was valued at USD20.1 billion. (Tanu Goyal. 2023) New Delhi commitment to commercial relations with Africa is always restated in words and actions. Indian traders began trading in Africa during the colonial period, in the post colonial period Indian companies opened and operated successful businesses in Africa. India exports to Africa includes textiles, foodstuffs, tea, spices, sugar, footwear, pharmaceutical material, industrial machines among others. India has always been at the forefront of the South South cooperation. India was a principal conveyor of Non-Aligned Summit Havana Cuba 1979. (Paul Banda. 2020). The Diplomatist. diplomatist.com)

Historical engagements and relationship between Africa and India can equally be traced to it's geo strategic interests. African littoral states and Island states of Indian ocean; Madagascar, Comoros, Mauritius and Seychelles, countries that had interrelated histories in commercial and diplomatic relations and have always played an important role for India in terms of security and trade. In particular, the Western Indian Ocean is a primary area of interest for India.

By the new milenia, India Africa economic relations has evolved significantly. Data from the India Ministry of Commerce and Industry reports that bilateral between Africa and India averaged $78 billion between 2022 and 2023. A noteworthy increase from $7 in year 2001, covering pharmaceutical, green energy, manufacturing.

The evolution and trajectory of Africa as a center of attraction by major economies lies in its significant potential for social economic growth, it's rich and enduring resource base and the growing population that projects huge consumer market. The Russian Federation and it's policy makers are not unaware of this. For decades, the Russian Federation coordinates it's relations with Africa through the Ministry of Economic Development. This Ministry draws up roadmap for the implementation of measures necessary to build up roadmaps in areas such as industry, financial and banking area, transport, agriculture and fisheries. (Kalmychek 2023.) The new millennium marked a new begining in Russia-African trade. Between 2001 and 2011 trade with Africa increased almost eightfold. (From 1.6 to 12.1 billion US dollars) From 2011 to 2021 trade increase was almost doubled. From 21.2 to 17.7 billion US dollars. A most significant factor for the increase of trade with Africa is in the context of Russia, transferring export from the countries where Russia is experiencing sanctions. The forced curtailment bourn out of Russia invasion of Ukraine, is making Russia to partly redirect it's economic and investment focus to some other parts of the world, Africa included. The concept of development not at the expense of the continent, but together with Africa has been the watchword of some of the Russian economic emissaries to Africa. This is partly hinged on the memory of Soviet Union relationship with many African countries in the colonial and post colonial era. In addition the ideological bent towards socialism by some African countries and the popularity of egalitarian societies espoused by Soviet Union created a platform for economic cooperation with many African countries, even though some of them in form of financial aids.

There are other signs of growth in Africa-Russia relations. This includes therapy Russia African summit in Moscow and it's increasing importance in fostering economic relations. Russian flags being flown during the Niger coup in July 2023, and the increasing relations with the military juntas in Mali and Burkinafaso. This is an expression of deft diplomatic engagements and opportunistic predation, where the influence of the erstwhile western allies in Africa are waning especially, in the military run administration of the Sahel states. (Droin and Dolbaia, 2023).

The economic relations between Brazil and Africa dates back to the colonial times which postdates the Afro-descendant issues; marked by the legacy of the experience of slavery and it's effects on race narratives in Latin America and Africa (Crispin Beyogle and Tiffany Brown-Lois 2023). With gradual improvement in the economy of many African countries, Brazil has expanded it's presence in the continent. Because of the historical relations, a more intensive growth is witnessed in the Portuguese speaking countries of Africa. Formal bilateral relationship started in 1961 when Brazil opened embassies in Accra and Tunis, and Consulates in Luanda, Maputo, Nairobi, and Salisbury. This was a major shift for Brazil, since its foreign relations with Africa was initially constrained by its ties with Portugal, with it's colonies in Africa. By the first half of the seventies, the rapid growth of Brazilian economy necessitated the need to secure oil supplies from Africa. The phase saw Brazilian companies exploring opportunities in African countries. Brazilian goods were exported to Africa and it saw the establishment of first set of Brazilian companies in Africa. African countries became more attractive due to favourable reports it's pioneers who had business engagements with Africa. During the first presidency of President Lula, Brazilian trade with Africa went from $6 billion in 2003 to $25.6 billion in 2012, with Algeria, Morocco, South Africa, Nigeria, Ghana, Tunisia, Libya and Senegal as the main destination. (Marcus Fritas. 2016)

In its engagements with Africa, Brazil advocates South South cooperation. projects that are based on its own development experience. Areas of focus are biomedical, health research and agricultural research. (Christina Stolte 2012)

South Africa became a member of BRICS in 2010. By far the smallest of the BRICS member, it's strategic position as the gateway to Africa and the largest economy south of the continent gives it unusual advantage in the geo political calculations of the global South. Though it account for one third of the sub saharan African economy, it is strategically positioned as the entry point for the One Billion market strong Africa. In his address on the eve of the 15th BRICS summit in South in 2023, President Cyril Ramaphosa stated that South Africa has always championed the interests of Africa within BRICS. "We want to build a partnership between BRICS and Africa so that our continent can unlock opportunities for increased trade, investment and infrastructure development" (Taren Bolton2023).

The last decade has seen the fundamentals of BRICS objective at play in Africa. South South trade with other BRICS members has doubled, so is the BRICS countries trade and commercial engagements with Africa. China, Brazil, Russia, India and South Africa collectively trade with Africa than they trade with themselves. One of the most important steps taken that emphasised the strategic interest of BRICS in Africa was taken at the sixth summit of the body in Brazil. A key part of it is the BRICS Multilateral Cooperation Agreement on innovation. The agreement's goal is to provide support for projects and initiatives that promote investments in technological innovation, with emphasis on infrastructure.

GAINS AND PROSPECTS

Key areas of cooperation and engagements between BRICS and Africa. (@uneca.org)

1. South South trade and cooperation. Opening the continent market to competitive product exchange.

2. Multilateral infrastructure financing

3. Building and enhancing institutional frameworks.

Strategic cooperation in critical areas of developmental needs, has been the key factor in the BRICS and South South cooperation. How effective is BRICS in engaging with developing countries of Africa in fostering trades and attracting capital investments? In what ways has the existing pre -Brics bilateral and Multilateral relationship between the BRICS and the global south mainly in Africa, been enhanced with BRICS programs?

The concept and evolution of BRICS itself lends credence to the importance of assessing mutually beneficial economic frontiers. When South Africa was invited to join in 2010, the acronym was changed to BRICS. Even though at the time South Africa joined, it's economy was significantly small compared to other members. On March 26-27, 2013, the fifth BRICS summit was held in Durban, South Africa, this drew attention to the group; a symbol of international diversities of the world and the increasing challenge for global cooperation. It strategically place the body as a locus for global south assessment. When BRICS gathered for the 15th Summit in South Africa in 2023, they announced the proposed inclusion of six new members with Africa having two new members: Ethiopia and Egypt.

BRICS have by actions and goals seek common economic interests and reformation of institutional models which hitherto has made many geopolitical blocs like Africa feel excluded. In addition,

BRICS composition and programs seek the reform of key global institutions, so that they may be more representative of global challenges. This includes finance, technology and green energy. It seek the manifestation of the long desire of the South for a fair share in economic development. In line with this objective, BRICS established New Development Bank and Contingent Reserve Arrangement. The bank provides financial assistance for development projects while the Reserve Arrangement supports members facing balance of payment arrangement in the short term. With the identifications with developing countries, it is becoming a rallying group for the global south . While World Trade Organization may have made some significant progress in addressing trade issues in a multilateral world, today's challenges are to a large extent different. The difficulty in enforcing rule based international trading orders, makes the BRICS bodie's i.e Contingent Reserve Arrangement accessibility and openness a better alternative for the developing countries particular African countries.(@Feb. 9, 2024. eurasiareview.com).

In addition, the establishment of New Development Bank is a major step in global financial system. It's strategic position lies in South South cooperation. With the possibility of innovative policies to better serve the needs of developing countries in infrastructure development and maintenance. Africa, harbouring a large number of underdeveloped countries faces enormous financing gaps, to cover infrastructure needs. According to G24, (initially 24, but later inclusive of G 77 members, rich, industrialized, emerging and low income countries of the world, which meets to coordinate the position of developing countries on monetary and development issues. There is a financing gap of USD 1 trillion in infrastructure construction. Financial needs are about \$107.5 billion a year, while the investible intervention funds amounts to about \$62 billion. So the establishment of New Development Bank represents the innovative mechanism to meet this needs. In spite of the concerns about China's economic and financial clout, the institutional arrangement of BRICS; of equal fund and discourse power; the bank has an authorised capital of \$100b and the initial subscribed capital is equally distributed among the founding fathers. It's stock rights are equally divided among members. The novelty in international financing organization will help it to establish mechanism for international development financing that is beneficial to Africa. For example, Zimbabwe is seeking financing for its development projects from NDB. According the Information Director of Zanu-PF Farai Marapira, "this will go a long way in helping Zimbabwe to achieve its development vision particularly Vision 2030".(@sputniknews.2023)

As part of its development program, Africa regional office of New Development Bank was opened in August 2017 in Johannesburg South Africa. The African Regional Center of the bank aims at being a significant contributor to the continent's long term infrastructure development (Bradlow and Magalie 2022) In addition it serves as an interface between NDB and the whole of Africa.

By August 2023, South Africa has received \$5.27 billion from the New Development Bank for the construction of roads, water supply and energy. (Rasina Musallimova, 2023) NDB also provided financing for a joint project between South Africa and Lesotho focussing on water resource management, supply and sanitation, for example Lesotho Highlands Water Project Phase 11 costing ZAR 3.2 billion (Daniel Bradlow and Magalie L. Masamba 2023).

The huge investment in green energy by key BRICS member China is a huge opportunity for Africa to mitigate the effects of climate change. The impacts of climate shocks on livelihoods is exacerbated by low levels of development. For example, it is reported that more than 70 percent of natural disasters in Tanzania are caused by droughts and floods. The same with many African countries like Central African Republic and Sudan. BRICS countries have some of the leading firms in core green economy sectors that are emerging. China in its relationships with Africa is helping the development of green technology. For instance in 2012, China added 23.1 GW of clean green energy generating capacity, while investing \$65.1 billion in clean and renewable energy. China infrastructure investment in Africa is changing the energy mix. In Ethiopia, China's investment has been transformative. Renewables constitute almost 90 percent of the country's installed power capacity. With further investment in energy backed by China, Ethiopia is on the goal to meeting it's generating capacity of 25000 MW by 2030. China's renewable energy investment is good for African countries seeking to grow their economies sustainably. African countries that rely mostly of hydro-power like Zambia, Uganda and Ethiopia have witnessed more dramatic shifts towards renewables. China assistance has enabled structural transition. Chinese investment in renewable energy in Africa grew at an average annual rate of 26 percent from year 2010 to 2020. BRICS agenda went a long way in motivating the geo strategic investments. BRICS and South South cooperation motivations encompass other areas of development. China is Africa's largest trade partner. Sino-Africa trade tops \$200 billion a year. Over 10,000 Chinese owned firms are currently operating throughout the continent. Since year 2005 Chinese business engagements and investment in Africa amounts to more than \$2 trillion. Chinese construction companies engagements in infrastructure development in Africa is equally larger than that of Asia. In 2018, China announced a whopping \$60 billion African aid package. While geo- politics might be at the background, closing Africa infrastructure gap is receiving greater attention through the historical gateway to Africa; South Africa. This includes projects like airports, roads and ports. In Nigeria, infrastructure financing by China is ongoing. In transportation, a critical rail development financed by China is Lagos-Ibadan train line. (Oluwatosin Adeshokan. 2021) Funded mainly by loan from China.

Generally low income countries have been key beneficiaries of FDI from BRICS. FDI flow from BRICS to LIC countries reached about \$2.2b in 2009, of these total, sub-saharan Africa LIC received about \$0.9b. China is the biggest contributor of FDI to LIC among the members of BRICS. Other BRICS members are investing in Africa.

For example, India. A substantial portion of India FDI is however concentrated in Mauritius. While Brazilian FDI is mainly concentrated in Angola and Liberia mainly in the energy and mineral resources sector. China FDI is however more diversified.

BRICS FDI is very important in the development of many African countries. In the case of Mauritius, the stock of Indian FDI at the end 2005 was as high as $1.5 representing 22 percent of GDP.

Russia and China contributed about 70 percent of FDI to Africa , amongst BRICS members between 2005 and 2008.

There are other areas of economic engagements enhanced by BRICS . One fifth of Africa total exports goes to China. Metals, mineral products and fuel represents about three fifth of the regions export to China. China has equally emerged, as the single largest source of imports for Africa, supplying manufactured goods and machinery. Between 2000 and 2020. China rapid growth has spurred exports that has quadrupled, making many African countries to earn more export revenues.

CONCLUSION

With the inclusion of Ethiopia and Egypt and the expansion of BRICS, making it to represent close to half of the world's population; it's economic importance can no longer be downplayed. The accompanying landmarks exemplifies a new direction in institutional financial projects. New Development Bank is going a long way in providing assistance to many African countries. The conditionalities that key global financial institutions, impose continues to make the BRICS financial institutions a partner in the global south. It is not only in the financial institutional models that BRICS offers Africa an alternative opportunity, EU super protectionist rules sometimes constraint commercial partnerships between Africa countries and EU. BRICS offers an alternative. The increasing awareness by EU, of African countries and the global south's push for alternative financing options motivated Werner Hoyer, the former President of European Investment Bank; the largest supranational borrower and lender in the world, to say that Western Institutions are " at risk of losing the confidence of the Global South unless they take more actions and get more visible" An important wake up call on the EU, in view of the increasing focus and interest of BRICS Asian giants in Africa. In line with this, European Investment Bank is supporting Ethiopia Women Entrepreneurship Development Project.

In addition to this, and the awareness of competing global economic blocs by G20, it's new generation of leaders formally invited African Union, to formally join G20 in 2023. The increasing potentialities of a growing continent of 1.3:billion young population which is set to double in year 2050, is a factor.

Africa green fields enhanced by the BRICS is unquestionably a contributing factor, for many African countries, in drawing their economic master plans in the last ten years.

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SAFEGUARDING NIGERIA'S FUTURE: PRIORITIZING CITIZEN'S WELFARE AND SECURITY AMIDST CHALLENGES

PROF. ATTAHIRU M. JEGA

Introduction

Nigeria is a country of enormous potentials. We are often told that it is the largest economy in Africa, with stupendous natural mineral and agricultural resources, in addition to comparatively much more trained and intellectually endowed human capital. We are also often reminded that one out of every 4 Africans is a Nigerian, and one out of every 5 black people in the world is a Nigerian. In spite of all these matters of pride, however, it is axiomatic that Nigeria currently faces tremendous, wide-ranging and verified challenges, which if not urgently and successfully addressed in good time, would put its future as a country, as well as the future of its citizens, in jeopardy. Anywhere in the continents of the world, in which a country of over 200 million is in jeopardy, the consequences would be wide-ranging and calamitous for the entire continent. Safeguarding Nigeria's future, and by extension that of Africa, therefore, requires addressing these challenges and re-prioritizing the Nigerian state's policies and strategies towards addressing the fundamental needs and aspirations of citizens, especially socioeconomic wellbeing and human security.

The profound challenges, which currently bedevil Nigeria can be said to be structural, systemic and also related to value orientation. Structurally, we need to, among other things, address the challenges of how our federation is arranged and how it has evolved; how it has become distorted and centralized and how to deconcentrate power and resources from the federal center to the states and local governments. We also need to address how our national economy is structured and integrated into the global political economy, with greater benefits to former colonial masters than to Nigeria and its citizens. The systemic challenges are related to our system of government, its composition and decomposition, its costs, institutional inefficiency and decay, as well as the bad governance the institutions and elected public officials deliver, through elite capture and self-serving control of, especially, the electoral process. With regards to value-orientation, we need to address and reverse the mindsets of both the elites, especially the so-called political class, and even the masses, especially the electorate, from destructive engagement, to a more constructive involvement, with the electoral process, so as to ensure electoral integrity in bringing about respectable, responsible and responsive representatives of the people into the executive and legislative arms of government; responsible people who would address the needs and aspirations of citizens who elected them through good governance, rather than merely focusing upon their personal aggrandizement.

The combined effects of these challenges have resulted in contested legitimacy of the state, bad governance, stunted economic growth and development, increased inequality and poverty amongst citizens, acute failure of the state to provide for welfare and security of not just the privileged few but all citizens. They have also resulted in popular dissatisfaction with electoral democracy and representative governance given their perceived failure to satisfy popular needs and aspirations.

Hence, there is massive withdrawal of citizens from political participation in the governance processes, especially in elections, unless if there is massive corrupt, monetary, inducements.

Nigerian citizens have for long aspired for representative democracy for socioeconomic development and have struggled for it. Their aspiration and struggles have, however, been constantly frustrated by the ruling and governing classes, to the extent that for many citizens, despondency has set in and the effort now seems almost futile. The ruling and governing classes have refused to confer all the rights and privileges, which citizenship ordinarily confers to Nigerians. Rather, they have manipulated primordial identities to subvert the essence and content of citizenship, and have, for example, significantly elevated so-called "indigene rights" and other primordial identities, which are no more than spurious unjustified privileges, over and above citizenship rights, with dire negative consequences on national cohesion, stability and socio-economic development of Nigeria. The struggle to acquire, protect and defend citizenship rights, as I once observed (Jega, 2019; 2021) is linked to the general struggles for expansion of democratic space, for protection and defense of fundamental rights, for the right to live in peace and securely, and earn a living in any part of Nigeria, and for good, democratic governance, which would ensure justice and equity as well as purposefully address the fundamental needs and aspirations of the majority of the ordinary Nigerians.

The discourse on the citizens' welfare and security in contemporary Nigeria needs to center on how the Nigerian state, currently under the liberal democratic framework, can discharge its responsibilities and obligations to its citizens through coherent, focused, people-oriented redistributive policies, which are targeted towards addressing the needs and aspirations of the generality of the citizens, devoid of exclusion, partiality, and abnegation of equality of opportunities for all citizens.

In order to further elucidate the preliminary observations made in this general introduction, the paper has the following additional sections: Conceptual clarifications; Contextual Analysis, which is further subdivided into Structural challenges, Systemic/governance challenges, and Value-orientation related Challenges; Challenges of Citizens Welfare and Security in Contemporary Nigeria; Recommendations; and Conclusion.

Conceptual Clarifications

The key concepts used in this paper are in this section appropriately defined and clarified. These are: 'Citizen', Citizenship, 'Security', Role of the State in general, and in safeguarding citizens welfare and security

Citizen and Citizenship

The term citizen can be understood in a narrow or in a broad term. In a narrow sense, historically, it means the resident of a city or one who enjoys the privilege of living in a city. In a broad modern sense, a citizen means a person who is a participatory member of a nation-state and who enjoys social, economic and political rights of that nation-state. According to Heywood, a "citizen is a member of a political community, which is defined by a set of rights and obligations" (1994:155). For instance, in Nigeria as enshrined in the 1999 Constitution (as amended), the rights and duties of a citizen are explicitly defined regardless of the distinction of cast, color and creed, education property and residency. And citizenship rights as well as obligations are equally specified. Citizenship entitles a person resident in a nation-state privileges, rights as well as obligations, which a foreigner is not ordinarily entitled to.

According to Waldron, "the concept of a citizen is that of a person who can hold their head high and participate fully and with dignity in the life of their society" (1993:308). In other words, citizens are full members of a nation-state. As I once said elsewhere, a citizen is a legal member and inhabitant of a sovereign nation-state; a person, who belongs to a particular country or nation-state, who is also entitled to rights and privileges of a freeman/woman. Citizens have certain defined rights, entitlements, as well as obligations, duties and responsibilities that are either denied or only partially granted to non-citizens residing in a country. Citizens in modern nation-states have full political rights, i.e. to vote, participate in deliberations and decision-making about common affairs (either directly or through delegated/representative mechanisms) and hold public office. Citizens are also entitled to provision of security of their lives and properties by the state, which legally controls the means of coercion for the legitimate use of force, as well as rights to social/welfare provisioning. Indeed, the legitimacy of a modern nation-state depends on the extent to which it promotes and defends the interests of its citizens, especially with regards to security of lives and property, as well as political, social, economic and welfare rights (Jega, 2019).

On the other hand, according to Duffy, citizenship as a legal status, emerges when a society organizes itself to assure that every person has the best possible chance of holding some set of keys (2016:25). Those keys to citizenship are as follows:

i. Purpose: citizens have a sense of their own purpose which is unique to them as an individual. They are respected because they are seen to have their own unique value and distinctness.
ii. Freedom: citizens make their own decisions, take their own risks and shape their lives in ways that fit their own sense of purpose. They are respected because they are in control of their own life, not subject to the will of another.
iii. Resources: many citizens have the financial means necessary to pursue their purposes without undue dependence on others. They are respected because they can pay their own way and are not unduly dependent on the good will of others.
iv. Home: citizens have their own safe and private place within their community. They are respected because they belong to that community, and they have a real stake and long-term commitment to that community.
v. Help: citizens can rely on the assistance of others and can access help from across the community. They are respected because they offer others the chance to give, to share and contribute.
vi. Life: citizens make their own distinctive and active contribution to their community within which they build a life of meaning. They are respected because they make their

own distinct and irreplaceable contribution to the community through membership, work, family or voluntary activities.

vii. Love: citizens can make friendships, find love, have families and bring up their own children as citizens. They are respected because they are seen to love and to be loved.

From the above keys to citizenship, the citizens who possess these find that they possess the means for both self-respect and the respect of others in their society. However, it worthy of note that, as Duffy said “it cannot be the equality of rights and duties which defines what makes citizens equal. Rather it is their innate equality that demands that citizens have somewhat different rights and somewhat different duties” (2016:24) . In other words, citizenship is a status that is bestowed on those who are full members of a community. All who possess the status are equal legally with respect to the rights and duties with which the status is endowed.

Security

Security on the other hand is seen to be the pursuit of freedom from threat and the ability of state to maintain its independent identity and their functional integrity. According to Aradau “security issue is political in that it is only in the context of the subject of security that it is possible to envisage a critical discourse about security, a discourse which engages with contemporary transformation of political life of all” (2004:399). Similarly, Katsina argued that security “is the first precondition for peace, progress, and development of a state and its people” (2011:24). Hence, security provisioning is therefore the first and most fundamental obligation of the state to its citizens so that the citizens' lives and properties must be free from threats, internal and external.

It may also seem that security and development are like two sides of a coin. That is why Ntamu and Ekpenyong (2014) argued that the security of any nation is very important in that where peace, safety of lives and properties are not guaranteed, there can be no meaningful development. In other words, security stand to mean improvement in the socioeconomic, health, environmental and physical conditions of the people; protecting the dominant values, ideology and way of life of the state and citizens from threats and forestalling any form of socioeconomic, political or religious assault on the state.

In addition, human security in its broadest sense, according to Kofi Annan:

Embraces far more than the absence of violent conflict. It encompasses human rights, good governance, access to education and health care and ensuring that each individual has opportunities and choices to fulfill his or her potential. Every step in this direction is a step towards reducing poverty, achieving economic growth and preventing conflict. Freedom from want, freedom from fear, and freedom of future generations to inherit a healthy environment – these are the interrelated building blocks of human and therefore national security (2000:4)

The five main features of human security are presented below:

Five Features of Human Security

Types of Security	**Examples of main threats**
Economic Security	Persistent poverty; unemployment
Food Security	Hunger; Famine
Health Security	Deadly infectious diseases; Malnutrition; lack of access to basic health care
Environmental Security	Environmental degradation; resources depletion; natural disasters; pollution
Personal Security	Physical violence; crime; terrorism; Domestic violence; child labor
Community Security	Inter-ethnic, religious and other identity-based tensions
Political Security	Political repression; human rights abuses; exclusion

(Adapted from UN Trust Fund 2009: 6 in Jega, 2021b)

State and the Role of the State in General

Without doubt, the state has become a consistent presence that affect our daily lives almost constantly. This is consistent with Miliband's assertion (1969) cited in Onyenoziri that "it is possible not to be interested in what the state does; but it is not possible to be unaffected by it" (2005:13). Scholars have identified the three main roles of the state as protection and defense of the territorial integrity of a country from external and internal threats; adjudication and peaceful resolution of disputes; and socioeconomic provisioning to enhance the welfare and satisfy the need for human dignity and security.

Ideally, all citizens prefer to live in a state of peace rather than war, and that when the survival of the state is under threat, it is in the interest of all that this threat is addressed. In other words, the state plays an important and significant role in the creation and maintenance of security. It remains one of the central mechanisms for the establishment of security for individuals, societies, and the state itself (Hoogensen, 2007:10).

Basically, the state is endowed with authority to govern and to use force where necessary to regulate society, to protect citizens, and to provide collective goods (Azar, 1990:10). In other words, according to Omeiza, state may also be referred to "as a political organization comprising the individuals and institutions authorized to formulate public policies and conduct the affairs of a country" (Omeiza, 2012:181).

On the other hand, one of the fundamental purposes of the state is for the protection of lives and properties and ensuring the wellbeing of the citizens. To Aristotle, each level of human association has its own function, and that of the state is the realization of the good life [of her citizens] (Lessnoff, 1986:8).

The role of the state with regards citizens' welfare is to actively support and provide enabling environment for equal citizenship for all. Furthermore, it is the role of the state to provide and deliver the public goods to the citizens living within designated parameters such as security, good governance, law and order, and functional infrastructure requirements (Potter, 2004:2). In other words, the legitimacy and authority of the state over the people can be sustained only to the extent that it can guarantee the security of life and property of the citizenry, and broadly, all aspects of human security.

The inability of the state to ensure the security of lives and properties of citizens breeds insecurity, chaos and conflicts associated with bad governance. In addition, Leeds argued that "since the purpose of the state is to cater for the welfare of its people, certain essential duties need to be undertaken by the government" (1976:258). Undoubtedly, one of the norms of the state is to maintain peace and stability in the arena of its jurisdiction. This means that one of the roles of the state is to ensure each individual within society can live securely as a citizen with full potential to live a decent life.

Contextual Analysis of Structural, Systemic and Value-Oriented Challenges in Nigeria

As stated in the 'Introduction', Nigeria is bedeviled by profound and wide-ranging challenges a combination of the effects and consequences of which pose significant danger to the its survival and future sustainability. The three major challenges, which pose existential threats to the future sustainability of the 'Nigeria Project', as earlier identified are both structural, systemic and in terms of value-orientation. Each is discussed in what follows.

Structural Challenges

There are two structural issues which pose challenges, and which relate to the nature of the Nigerian federation and the structure of the Nigerian post-colonial political economy.

Nature and Structure of the Nigerian Federation

After the amalgamation of their colonial territories (i.e. Colony of Lagos; Protectorate of Southern Nigeria; and Protectorate of Northern Nigeria) into one entity named Nigeria in 1914, the British attempted to administer this behemoth as a decentralized unitary state, until 1951 when, the reality of the diversity and complexity of the territory, compelled them to introduce a quasi-federal administrative arrangement under the MacPherson's Constitution. After 3 years, this was replaced by the Lyttleton's Constitution of 1954, which converted Nigeria into a federal system, with 3 regional governments (Eastern, Northern and Western) and a federal government, with coordinate responsibilities. Subsequent constitutional conferences, which led to the Independence (1960) and Republican (1963) Constitutions merely attempted to strengthen the federal arrangement, clearly defining and delineating the powers of each tier of government, with Exclusive List of powers given to the federal government, a Concurrent List, of powers shared by both the federal and regional governments, and residual powers reserved for each of the regions' jurisdiction.

Thus, from 1954 to 1966, Nigeria practised a federal arrangement, which approximated theoretical postulations and practical manifestations of model federal systems in the world. In particular, the Nigerian federal arrangement of the period 1960 – 1966, subsequently came to be dubbed, the era of "true federalism" in Nigeria's history. It was a period during which, each region had substantial, almost total, control of the revenue sources derived within its territory, and therefore substantial resources accrued to it from these to fund regional socioeconomic development programmes and projects, with relative autonomy from the federal government. In this context, a healthy competition ensued amongst regions in the delivery of projects and services, such as education, health, security and infrastructure.

The period of military rule in Nigeria, especially the first phase (1966 – 1979), during which the constitution was suspended and they ruled by military decrees, given the exigencies of the civil war (1967-1970) and the authoritarian disposition and hierarchical nature of the military, the good model of a federal system, which hitherto existed, has been systematically dismantled, and literally centralised. The 4 regions (Mid-western was created in 1964) were split into 12 states in 1967; the revenue sharing and allocation decree was introduced; junior officers (Lt. Colonels and Colonels) were posted to states as governors while generals were heads of states, hence introducing hierarchy of authority rather than coordinate responsibilities between the states and federal governments. Indeed, under subsequent military regimes (1983 – 1985; – 1993; – 1999) the powers and resources of the states were whittled down while those of the federal government were substantially increased. Such things as basic education, primary healthcare, Agriculture and roads, which used to be within the powers of the regions to provide, were encroached upon and virtually taken over by the federal government. Through revisions of the 'revenue allocation formula' more and more resources came to be concentrated in the federal, government, at the expense of state governments. As governance under military authoritarian rule was relatively unaccountable, and not susceptible to being appropriately held to account, the concentrated public resources at the federal level came to be essentially privatized, and deployed to dispense patronage to clients and penalize or exclude the 'others', by virtue of mobilization of primordial identities. While prolonged military rule takes the blame for the original and persistent distortion of Nigeria's federal arrangement, the period of civil rule, especially since 1999, has made matters worse. Electoral 'democratic' politics has been circumscribed by heightened mobilization of ethnoreligious identities, and worse forms of unaccountable, bad, governance, and the worsening of state-citizen relations, as well as federal – state government fiscal and power relations.

Given all these, in contemporary times, the Nigerian federal arrangement in general, has become structurally faulty, dysfunctional and unstable; as well as a terrible deviation from the fundamental principles of federalism and best practices in model federations globally, especially in the past 23 years of civil 'democratic' rule in Nigeria. Consequently, we see increasing perceptions of exclusion and marginalization, heightened irredentism, violent contestations of the legitimacy of the state and its control of the means of coercion, even by bandits, as well as, all manner of ethnoreligious and ethnic conflicts. That is why there have been vociferous and impassioned demands for restructuring, with in most cases recommendations that have been politically induced but not carefully thought out, and which are accompanied by brinkmanship and threats of dismemberment of the country.

There is no doubt therefore, that a carefully thought out and realistic, evidence-based restructuring of the Nigerian federation is necessary, along with other restructuring to address the challenges of economic growth and socioeconomic development.

Structure of the Nigerian Economy

Just like the structure of the Nigerian federation, the structure of the Nigerian economy has a colonial origin, primary designed to meet up with, and satisfy, the economic interests of the colonial powers. Long after colonial rule has ended, the structure has embedded and integrated the Nigerian economy into the global capitalist system, such that it continues to promote primary commodity production, and export primarily to Europe, and import of finished products from all parts of the world, rather than commodity production through industrial production and manufacturing for both the home market and export.

Although there has been a slight move away from primarily agricultural commodity production and export, that only resulted in a virtual total dependence on the production and exportation of crude oil for foreign exchange revenues and earnings, such that any fluctuation in the price of crude oil, or exchange rate of the US dollar, the dominant currency of exchange, invariably affects Nigeria's fortunes and its development processes. As may studies by scholars and analysts have shown, the so-called oil wealth of Nigeria has been squandered, mismanaged, not appropriately invested to nourish other sectors of the economy, and has nurtured and entrenched one of the most corrupt public and private sectors in the world.

Th Nigerian monoculture economy, reliant and dependent on production of crude oil for exports, has for long been in perpetual crises, underperforming far below its touted potentials, and negatively affecting economic growth and development in the country. The industrial/manufacturing sector has virtually collapsed, unemployment rate is quite high, especially among the youth, exchange rate of the naira is weak, inflation is very high, poverty incidence relatively high and income inequality is almost exponentially widening. Statistics and data from reputable international organizations and institutions attest to all these disturbing challenges associated with the structure of the Nigerian economy and its persistent crises. Therefore, any serious effort/reform measures to safeguard the future of the country must necessarily involve an appropriate restructuring and repositioning of the economy to serve Nigeria's genuine, people-oriented, socioeconomic and development aspirations.

Systemic and Governance Challenges

Nigeria's political and governance systems and institutions both under colonial rule and in the post-colonial period, evolved, were nurtured, and entrenched under the liberal democratic or electoral /representative democracy framework. The parliamentary system was introduced by the

British nurtured between 1946 until 1966. In practice, its operation was fractious, divisive, conflictual and unstable. Under military guided transition to civil rule (1977/79), it was jettisoned and replaced by American style presidential system, with constitutional separation of powers and a powerful executive president. In practice, the Nigerian presidential system has become a sort of a hybrid, with excessive presidential and legislative powers, exercised without restraint, and operationally excessively costly. Indeed, governance at the state and local levels, with "executive governors" and "executive local government chairmen" exercising power recklessly and without restraint, has undermined institutions and accountable governance processes, and entrenched reckless, corrupt authoritarian rule. Power and resources are concentrated in the hands of the executive, while the legislative branches and other institutions are marginalized and made subservient to the "chief executives".

The electoral system, through which, ideally, popularly elected persons are put into public executive and legislative offices, by electorate with enlightened public interest, is gradually being 'captured' and commandeered to by reckless politicians, who undermine its integrity to satisfy their craving for 'winning' elections using all means necessary. Notwithstanding increased use of technology, which initially improved the integrity of the electoral process, by making it difficult for the reckless politicians to 'buy off' an electoral official to alter results and declare them 'winners', they now go and buy voters directly to 'vote' for them, and they also now strive hard to get politically affiliated and partisan persons appointed into the electoral commission. The more they succeeded in these antics, the more they govern corruptly and badly, the more the governance processes disappoint and disempower citizens, the more it fails to deliver 'dividends of democracy' to satisfy their needs and aspirations, and the more the citizens in turn, withdraw from the political and electoral processes, unless they are financially/materially induced.

Given all these, in the current Nigerian situation, therefore, electoral integrity, which is a pre-requisite for democratic development and consolidation is being undermined; thus, civil rule does not equate to, or even approximate, democratic rule, and the governance processes are so bad that they do not appropriately satisfy popular needs and aspirations with regards to physical and human security, basic socioeconomic needs, and human dignity. If this trend continues, democratization would become unsustainable and safeguarding the future of the country, even with regards to citizens; security and welfare would certainly be in jeopardy.

Requisite reforms with regards to system and institutions of governance, cost of governance, leadership recruitment and electoral integrity, must be carried out, along with or in combination with the proposed structural reforms, in order to safeguard the future of Nigeria, with regards to human security and development of citizens.

Value-orientation Challenges and the need for Re-orientation

It can be said that, Nation-states evolve and develop with the assistance, or within the framework, of certain positive value-orientations nurtured and engrained in the mindsets of citizens. These values, universally include: honesty, integrity, selflessness, hard work, team work and perseverance. In some nation-states, other positive values to which citizens are oriented through socialization from childhood, include: faith and Godliness, communal spirit, mutual respect for one another and for constituted authority.

Most traditional societies, which together constitute modern Nigeria, have these universal values and their peoples, and subsequently Nigerian citizens, were rooted in and oriented with these values. Indeed, most of the first generation of Nigerian politicians and public officials were celebrated by the ways in which their public conduct and official responsibilities were guided by these positive value-orientations. However, essentially coinciding with military rule and fortunes from production and exportation of crude oil, these positive value orientations were increasingly jettisoned, and became less impactful as guiding principles of public conduct. Their opposites, such as selfishness, greed, exploitation, divisiveness, clannishness, and reckless misconduct, came to the fore and assumed prominence as (mis)guiding principles of public conduct in contemporary Nigeria. Increasingly, the stupendously rich through greed, selfishness, fetish, and corrupt means have captured the public and official domains, and have become the role models for the disoriented youth. Among the "successful" politicians are many such "role models".

The now dominant mindset and negative value-orientation is a major factor in the undermining of Nigerian electoral integrity and subversion of its democratic development. To improve the integrity of our elections, to get good people elected into public offices to drive good governance, these negative mindsets and value-orientations, which are prevalent amongst our politicians, would have to necessarily change. For so long as these do not change, for so long would it remain difficult if not elusive to safeguard Nigeria's future and ensure sustainable security and welfare provisioning for the citizens.

Highlights of Challenges of Citizens Welfare and Security in Contemporary Nigeria

While the 1999 Constitution as Amended has relatively clear provisions on the rights of citizens and the obligations of the state in providing for, protecting and defending these, such as Chapter II on "Fundamental Objectives and Directive Principles of State Policy", in practice, governance is piloted by the ruling and governing classes who have virtually no regard for these provisions. To the extent that, in virtually all states in Nigeria, citizens are treated with impunity, unjustly and inequitably, by favoring essentially privileges of the so-called selected ones, the so-called 'indigenes', over and above the fundamental rights of citizens. Regrettably, the manifestations of unequal relationship between the state and citizens in Nigeria relate to the heightened mobilization of ethno-religious, communal and other identities, with attendant violent conflicts; and the simultaneous downgrading of citizenship rights.

Specifically, Nigerian citizens for example, who are resident in states other than those in which they, or their parents, were born, regardless of for how long they have been there, are meted with unequal and unjust treatments in virtually all public spheres, in contrast to and in favor of, so-called "indigenes". From access to public services such as schools, to land allocation, contracts and services, employment, and political participation/representation, citizenship rights are openly and unjustly trampled upon. This gives rise to tension, uneven development and mistrust between the state and the citizens; and indeed, amongst citizens.

The common impression in the Nigerian context is that most Nigerians are treated as second-class citizens in their own country due to unequal access to basic welfare services that ought to be provided for by the state. No wonder that aspirations for national unity and integration are becoming a mirage, and increasingly, Nigerians see and define themselves in the context of "us" versus "them", with all manner of emerging irredentist movements (Jega, 2021). The current implication for the country without doubt is that the material security and education as well as access to information necessary to exercise citizenship are not guaranteed to everyone by the mere existence of democratic institutions. We face a new monster: democracies without an effective citizenship for large sections of the political community (Przeworski 1995:35). Indeed, as Gill has argued:

> In societies characterised by extreme inequality, it is very difficult to assure the presence of the indispensable institutions [such as state]. Even when free and fair elections could exist, the uneven distribution of resources would restrict the capacity of the subordinate population for seeking and processing information and organizing. It would also limit their capacity to articulate their interests within civil society and to exercise their rights and duties of citizenship (2000:67).

We cannot continue like this. We need, and must have, a united, stable, democratic country predicated on full citizenship rights and where citizen's welfare holds better promise for all of us, including our children and grandchildren. Thus, the struggle to acquire, protect and defend citizens' welfare provisioning guaranteed by the state, is linked to the general struggles for expansion of democratic space, for protection and defense of fundamental rights, for the right to live in peace and securely, and earn a living in any part of Nigeria, and for good, democratic governance, which would ensure justice and equity as well as purposefully address the fundamental needs and aspirations of the majority of the ordinary Nigerians.

But in reality, the current scenario of the country is best captured by Duffy when he stated that:

> The current crisis in the [citizen] welfare reflects state immaturity as an institution and the dangers that occur when institutions, that should be fundamentally constitutional in nature, become a mere play-thing of party politics. This risk becomes even more severe when political elites become detached from the interests of the wider community (2016:11).

It is worth repeating that a major responsibility of the state is providing security for its citizens, in terms of securing lives and properties of citizens, in addition to protecting and defending the territorial integrity of the country. Citizens expect that the state would ensure that they are free of danger and threats to lives and livelihood (Jega, 2021b). In contemporary Nigeria, one of the major challenges, occasioned by a combination of poor leadership and bad governance, is heightened insecurity rather than the desired human security in Nigeria. Physical security in terms of safety of lives and property has deteriorated. This has been complicated and compounded by the evident failure of what I once called risk management capacity of the state in the face of human and natural disasters.

Table 1 illustrates the situation with regards to Nigerian states' role in governance and development with global ranking indices.

Table 1: 2020 Nigeria's ranking on major Global Indicators

S/no.	Global Index	Ranking among number of countries measured	Score (measured over 100; or over 10 or 1)
1.	Corruption Perception Index (CPI)	146/179	26
2.	Censorship Index	115/180	35.63
3.	Democracy	109/167	4.2
4.	Ease of Doing Business	131/190	56.9
5.	Fragile State Index	14/178	97.3
6.	Gender Gap Index	128/153	0.635
7.	Human Freedom Index	Partly Free	48
8.	Ibrahim Index of African Governance	33/54	47.9
9.	Human Development Index	158/189	0.534
10.	Organized Crime Index (African)	1/54	7.65
11.	Perception of Electoral Integrity		53
12.	Multidimensional Poverty Index (MPI)		0.254
13.	Quality of Life (PQLI)	82/82	54.91
14.	Religious Freedom Index	127/160	35.50
15.	Personal Safety Assessment Score(African)	34/54	

Source: RDSC Tetfund Thematic Group on GSD&IS (2020, p. 11) adopted by Jega (2021a)

Table 2 shows Nigeria's 2023 ranking and scores, which in comparison to Table illustrates where progress, if any has been made, and where there is a degeneration in some of the major global indices

Table 2: 2023 Nigeria's Ranking and Scores in Global Indices.

S/N.	Global Index	Ranking among number of countries measured	Score (measured over 100; or over 10 or 1)
1.	Corruption Perception Index (CPI)	150/180	26
2.	Censorship Index	123/180	49.56
3.	Political Indicator Index	107/180	51.96
4.	Economic Indicator Index	110/180	44.12
5.	Legislative Indicator Index	126/180	50.54
6.	Social Indicator Index	88/180	63.80
7.	Security Indicator Index	147/180	37.38
8.	Ease of Doing Business Index	135/190	
9.	Democracy Index	109/180	4.23
10.	Fragile State Index (Alert)	15/179	98.0
11.	Gender Gap Index	130/146	0.637
12.	Human Freedom Index	Partly Free	43
13.	Ibrahim Index of African Governance	30/54	
14.	Organized Crime Index (African)	6/206	7.28
15.	Perception of Electoral Integrity		
16.	Multidimensional Poverty Index (MPI)	133 million	63
17.	Quality of Life Index	88/206	0.38
18.	Religious Freedom Index	6/206	
19.	Insecurity / Global Peace Index	144 in the world and 37 in Africa	
20.	Global Hunger Index (GHI)	109/125	28.3
21.	Human Development Index		0.535
22.	Security & Rule of Law Index in Africa	50/54	

23.	Economic Opportunity Index in Africa	20/54	
24.	Human Development Index in Africa	19/54	
25.	Participation Right and Inclusion Index	48/54	
26.	Health and Survival Index	99/146	0.967
27.	Political Empowerment Index	142/146	0.041
28.	Economic Opportunity and Participation Index	54/146	0.715
29.	Global Ranking for Educational Attainment Index	137/146	0.826

Sources (see reference list)

This table with 2023 data shows how the Nigerian situation has further deteriorated As I once argued that many of the prevailing national security challenges in Nigeria are on account of poor management of complex diversity and poor governance, complicated by heightened mobilization of ethno-religious identities, especially in political and electoral contestations, weak institutional framework for policing and general security provisioning, as well as pervasive corruption in the judiciary have all combined to heighten these security challenges (Jega, 2023). For example, it has been asserted that in 2023, nearly 12 percent of the world population in extreme poverty lived in Nigeria, considering the poverty threshold at 1.90 US dollars a day. Overall, the number of people living in extreme poverty in Africa was estimated to reach 422 million in 2025 (Sasu, 2023), by implication, most of these people would be from Nigeria. Without doubt, time is now to take bull by the horn.

Towards Safeguarding Citizens Welfare and Security

While looking at the import of the role of the state towards safeguarding the citizen's welfare and security, Marshall and Bottomore have argued that:

> The extension of the social services is not primarily a means of equalising incomes. In some cases, it may, in others it may not. The question is relatively unimportant; it belongs to a different department of social policy. What matters is there is a general enrichment of the concrete substance of civilised life, a general reduction of risk and insecurity, an equalisation between the more and the less fortunate at all levels - between the healthy and the sick, the employed and the unemployed, the old and the active, the bachelor and the father of a large family. Equalisation is not so much between classes as between individuals within a population which is now treated for this purpose as though it were one class. Equality of status is more important than equality of income (1993:339).

Therefore, having citizen's welfare and security is possible if the Nigerian state is ready to ensure, among others, minimum standards for a good life to all its citizens through providing affordable education for all and to create an enabling environment to ensure its citizens have equal opportunities for a good life. However, there is a continuous need for equal opportunities for a good life of all citizens, and also the need to create an environment in which an individual is free to develop his/her personal socioeconomic potentials, as this will enable individual citizens to look after their own personal welfare even when the state seems to be overwhelmed.

Furthermore, the role of the Nigerian state, in the context of liberal democratic theoretical postulations, is to create 'good quality of life for all citizens' through protected human rights, the application and respect of the rule of law as well other thoughtful policies that are geared towards improving the wellbeing of the citizens. Doing all these will go a long way towards safeguarding the security and the welfare of the citizens in the country.

In addition, citizen's welfare can also be safeguarded through decentralization of security approaches and other policy initiatives. More importantly, citizens welfare can be sustained through building what can be called general mutual trust between the state and the citizens.

Recommendations

In the context of the preceding discussion and analysis, in order to safeguard Nigeria's future and citizens welfare amidst security challenges, one can offer a number of practical recommendations, relating to the articulated structural, systemic and governance, as well as value-orientation issues highlighted in the presentation.

With regards to the structure of the Nigerian Federation, it is highly recommended as follows:

- That before 2027, some form of restructuring of the Nigerian federation should be embarked upon through evidence-based constitutional reforms, the objectives of which should be to deconcentrate powers and resources from the federal tier and to spread them to those of the state and local governments. In doing this, best practices could be learnt from model federations, such as India, Canada and the USA in the areas of revenue generation and sharing and adapted to our local context and circumstances
- No additional states and LGAs should be created. The additional resources current states would get from the de-concentration of power and resources as recommended above would make all the 37 states and FCT financially viable and facilitative of grassroots development
- The cost of governance at both the federal, state and local tiers of governance need to be drastically cut, and measures introduced to entrench transparency and accountability and effective anti-corruption oversight

With regards to the structure of the Nigerian economy, the following recommendations are offered:

- Serious reform measures need to be introduced to diversify Nigeria's earnings from dependence of export of crude oil, to expand investment in agricultural production and Agro-allied processing both for the home market and for export; and revive, expand and reposition our industries and manufacturing enterprises, for production, both for the home-market and for export
- Conceive of and pursue economic growth and people-oriented development strategies, independent of the influence of IMF and the World Bank, relying on implementable development plans, which are realistically implementable within a delineated time-frame
- Reform the country's fiscal and monetary policies to strengthen our productive enterprises, human capital and currency
- Conceive of and implement employment generation as well as entrepreneurship development strategies to help constructively address the challenges of the youth bulge in Nigeria
- Nigeria should become more actively involved in south-south cooperation and development initiatives, in particular, in the BRICS+

With regards to addressing systemic and governance challenges, it is recommended as follows:

- Amend the Electoral Act 2022, so as to remarkably improve upon the legal framework for future elections with integrity. In particular pay attention to reforming the role of political parties in the leadership recruitment and candidate selection processes at all levels and tiers of governance.
- Pursue reforms to improve and protect the integrity of the judiciary, as well as find a way of insulating them from the corruptive politics of electoral dispute resolution through litigation
- Improve the process of appointment into INEC with a view to protecting it from capture by crooked politicians and partisan pressures and influences
- Strengthen and expand the scope of the work of anti-corruption agencies and institutions to mitigate the damaging impact of corruption in the Nigerian political economy
- Institute and initiate reform measures that would ensure not only substantial reduction in the cost of governance at all levels, but also effective and transparent preparation, monitoring and implementation of budgets, as well as policies and projects

With regards to states' role in safeguarding the security and welfare needs of the citizens, it is recommended as follows:

- The Constitution should be amended to explicitly recognize the equal rights of all citizens, irrespective of their ethnic status or affiliation, and regardless of whether they are perceived as 'indigenes' or 'settlers'. Citizenship rights should, and must, triumph over any other particularistic, primordial rights.
- The citizens in general, need to understand their rights, duties and obligations as citizens, they need to enhance their active participation in all aspects of societal development, and they need to contribute effectively to peace-building and good governance for sustainable socioeconomic development in Nigeria.
- There is the need for greater citizens' awareness, nurtured through civic and political education not only by the government, but through involvement of civil society and community-based organisations.
- There is the need for transparency and accountability of government and respect for the rule of law. These are conditions for the creation and perpetuation of social trust, cooperation and active participation of citizens in the development of their country.
- There is the need for continual, far-reaching reforms on the citizens' welfare provisioning at all levels of government, so as to advance, protect, a Having noted the role of the state to pay attention to citizens' welfare in a democratizing country like Nigeria, it is recommended that defend, their human security and dignity
- There is the need for a comprehensive review and reform of the security architecture in Nigeria, with targeted priority on policing reforms and repositioning, in terms of recruitment, training, motivating and equipping them for internal maintenance of law and order; a focus on training and retraining of the armed forces for their core role of protection and defense of the territorial integrity of the country and assisting the police in internal security only when the police are overwhelmed, and armed forces are formally called upon to provide support; and general training and retraining of all the security forces and agencies, with regards to intelligence sharing and joint security operations, with carefully defined roles for each security sector/agency.
- Ultimately, the approach to security provisioning in Nigeria needs to be predicated on a broader and more holistic definition of security, which is human security in all of its significant components, rather than just physical protection of lives and property, which seems to be the prevailing but narrow definition of security provisioning by the Nigerian state.

Conclusion

Theoretically, the 'State' exists, among other things, in order to cater for the security, welfare and basic needs of the citizens. In fact, no nation-state can exist for very long without institutional arrangements to promote the security and well-being of its members. Any state that fails to do this in the modern context would be considered as a "failed state." Due to the resources ordinary available to the state under normal circumstances, it should have the capacity and competence to address human security challenges in the broader and more comprehensive definition of the term. In this context, the Nigerian state needs to discharge this obligation to its citizens. However, the citizens also need to recognize that they have obligations of citizenship to their country, and therefore have significant roles to play in shaping the present and safeguarding Nigeria's future. All hands need to be on deck to ensure this, and citizens also need to understand the necessity of active, positive, participation and engagement in all spheres and sectors of the Nigerian political economy. Ultimately, the best way to safeguard Nigeria's future and secure the welfare of citizens, devoid of massive security challenges, is to have elections with integrity, through an electoral process that is not captured by reckless politicians, that would bring good quality choices of the people, as their elected public officials/representatives who have appropriate positive value-orientations, into the governance processes and institutions, and who would selflessly harness societal resources and deliver quality services within the framework of good democratic governance. Only in through this way can the state have the requisite legitimacy, stability, competence and capacity, as well as resourcefulness to effectively address the fundamental needs of the people with regards to human security and human dignity, and thereby satisfy their needs and aspirations.

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Short term

Use monetary policy to limit the transmission of exchange rate pressures

Address debt burdens through governance reforms to strengthen debt management capacity

Medium to long term

Adopt a multiprong policy approach to stimulate Africa's structural transformation and strengthen its resilience to shocks

Reform the current global financial aid architecture to make it fit for African countries' financing needs

References

MICRO-ECONOMIC PERFORMANCE AND PROSPECT

GROWTH AND OUTLOOK

The momentum of growth's recovery in Africa slowed, with real gross domestic product (GDP) growth estimated at 3.2 percent in 2023, down from 4.1 percent in 2022
Africa's strong recovery from the recession induced by the Covid-19 pandemic has faded. The recovery suffered several setbacks, includingthe damaging long-term effects of the pandemic,the effects of Russia's invasion of Ukraine on foodand energy prices, and the impacts of climate change and extreme weather shocks. Further, China's sluggish recovery from the pandemic anddownturn in the property market have had a huge knock-on effect on Africa's growth. The continenthas deep trade ties with China—evidenced by Africa's exporting 20 percent of its mineral, metal, and fuel products to China and importing of mostof its manufactured products from that country.

Most of the direct effects of the Covid-19 pan-demic on African countries have waned, and in May 2023, the World Health Organization declared that Covid-19 is no longer a global pandemic. Yet uncertainty continues to loom over the health of theglobal economy amid intensified fears of entrenched geoeconomic fragmentation. At the peak of the pandemic, geoeconomic fragmentation became evident in access to and distribution of Covid-19 vaccines. This was exacerbated by Russia's invasion of Ukraine and could be amplified and length ened by the recent breakout of the Middle East conflict. Fragmentation has been compounded by other domestic and external disruptions, includingpockets of political instability and insecurity across the continent, weak export demand due to tepid global growth, and monetary policy tightening and associated higher borrowing costs. The multiple shocks that have buffeted Africa since 2020 have thus damaged the fabric of the continent's economies and reduced output. In 2020–22, Africa incurred substantial losses in real GDP of about $55.8 billion, equivalent to about 1.8 percentage points of GDP (figure 1.1). The loss in output was highest in North Africa (2.2 percentage points), followed by Southern Africa (1.8 percentage points) and East Africa (1.7 percentage points), reflecting the severity of shocks in these regions.

The large output losses will undoubtedly havelong-term implications for the continent's growth and social development. Early evidence suggeststhat Africa's average real GDP growth declined toan estimated 3.2 percent in 2023, from 4.1 per- cent in 2022 (figure 1.2). The figure represents a 0.9 percentage point reduction relative to the projection in the Bank's African Economic Outlook 2023, and the decline affects all five regions of the continent and many countries, so the shocks have been deep and broad-based. Real GDP growth is estimated to have declined in 27 of the continent's 54 countries in 2023 relative to 2022. Three countries—Sudan, South Sudan, and Equatorial Guinea—are estimated to be in a recession in 2023, with Sudan having entered the recession phase in 2020 and South Sudan in 2021.
Over 2023, economic conditions in Sudan rapidly deteriorated following the breakout ofcivil war

in April 2023 between the Sudanese Armed Forces and the Paramilitary Rapid Sup- port Forces, rival factions of Sudan's militarygovernment. As a result, the expectations of realGDP expansion that had been envisaged before the civil war broke out disappeared entirely. Thecountry is likely to remain trapped in a recessionin 2024. The economic and political situation in South Sudan is also subject to great uncertainty over the sustainability of the peace accord signed between the government and the opposition fol-lowing years of conflict. Equally, the recessionin Equatorial Guinea is now estimated to be at least five-fold steeper than projected in *African Economic Outlook 2023*. This is attributed to theseverity of decline in oil production and the subdued growth in nonoil economies due to under- lying structural weaknesses and persistent payment arrears.

Despite the decline in average growth in 2023,15 African countries—led by Ethiopia, Mauritius, Côte d'lvoire, Democratic Republic of Congo, and Rwanda—saw growth of more than 5 percent (table 1.1). The strong growth in these countries reflects a rebound in infrastructure investment spending, sustained recovery in tourism, solid performance of the mining sector, and the benefits of economic diversification. Most of these 15countries emerged strong after the pandemic and have maintained their growth momentum.

East Africa accounted for the highest number of countries with GDP growth exceeding 5 per-cent in 2023, underscoring its continued strong performance and diversified economies (see table 1.1). Defying the weak performance of Nigeria, thecontinent's largest economy, smaller countries inWest Africa—Benin, Gambia, Guinea, and Togo—have sustained strong growth. Mauritius and Mozambique, two countries hit hard by the Covid-19 pandemic, have emerged strong and sustained the growth momentum that started in 2021. Libya's growth has been very volatile, however, revealing the country's fragile political environmentand the effects of exogenous shocks, including floods in 2023.

Africa's growth in 2024 is projected to accelerate 0.6 percentage point to 3.8 percent. But thatis down 0.5 percentage point from the forecastin *African Economic Outlook 2023*. The value is attributable largely to the previously mentioned factors and to domestic supply bottlenecks, including shortfalls in electricity generation. The projected growth expansion in 2024 will, how-ever, be broad-based, reversing the losses for 2023. Strong growth is expected in 41 countries, with 13 of them seeing a growth rate more than 1 percentage point higher than in 2023. The estimated growth for 2023 and projected growth

TABLE 1.1 GDP growth rates for the top 15 performing economies in Africa, 2020–23

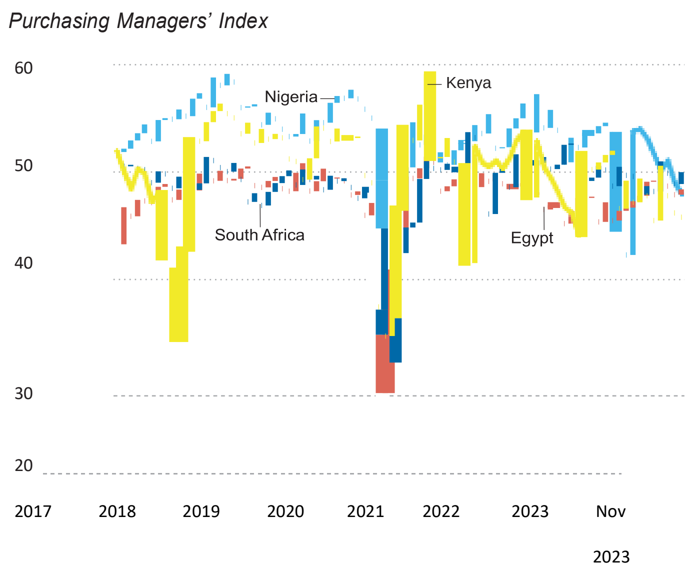
		Covid-19 pandemic shock	Strong recovery from pandemic	Growth consolidation	
Region	**Country**	**2020**	**2021**	**2022**	**2023**
Central Africa	Congo, Dem. Rep.	1.7	6.2	8.9	6.2
East Africa	Djibouti	1.2	4.8	3.7	5.7
	Ethiopia	6.1	6.3	6.4	7.1
	Kenya	–0.3	7.6	4.8	5.4
	Rwanda	–3.4	10.9	8.2	6.2
	Tanzania	4.5	4.8	4.7	5.2
	Uganda	–1.2	5.6	5.8	5.1
North Africa	Libya	–29.5	28.3	–3.7	12.6
Southern Africa	Mauritius	–14.5	3.4	8.9	6.8
	Mozambique	–1.2	2.4	4.4	5.6
West Africa	Benin	3.8	7.2	6.3	6.2
	Côte d'Ivoire	1.7	7.4	6.7	6.5
	Gambia	0.6	4.3	4.1	5.6
	Guinea	4.9	4.4	4.3	5.9
	Togo	1.8	6.0	5.8	6.0

Source: African Development Bank statistics.

for 2024 are still higher than the averages for theworld and other regions, except Asia. According to the International Monetary Fund's (IMF) October2023 World Economic Outlook, global economic growth is projected to average 3 percent in 2023,led by Asia at 4.6 percent (see figure 1.2). Similarly, the IMF projects that economic growth in 2024 will average 2.9 percent globally and 4.2 percent in Asia. The expected slowdown in Asia is attributable to weaker momentum in China, due to sluggish industrial production.

Africa's estimated slowdown in 2023 is also reflected in high-frequency indicators of eco- nomic activity (figure 1.3). For the first 11 months of 2023 relative to the corresponding period in 2022, the Purchasing Managers' Index (PMI) value declined in three of Africa's top seven economieswith data. The average PMI value was 6.9 pointslower for Nigeria, 3.1 points lower for South Africa,and 2 points lower for Kenya, compared with the same period in the previous year. The average PMI values for Egypt, Kenya, and South Africa through November 2023 were even below the benchmark of 50, indicating deeper weakening of industrial activity. For Kenya, the estimated higher growth in real GDP in 2023 is attributable to the strong rebound in agriculture, which had faced a persistent and severe drought, and to moderate growth in the services sector.

FIGURE 1.3 Purchasing Managers' Index values in selectAfrican countries, 2017–November 2023



The continued underwhelming PMI per- formance in Egypt, Kenya, and South Africa reflects the combined effects of domestic and external factors. On the domestic front, continued structural weaknesses remain a major drag on economic activity in most countries. These weaknesses are reinforced by elevated inflationary pressures and strong passthrough effects of exchange rate depreciations, particularly in countries with managed or floating exchange rates. The elevated inflationary pressures in many African countries, and particularly in Egypt, Kenya, and South Africa, led to sharper increases in domestic prices, leading to deteriorating business conditions. Business conditions have also been dampened by macroeconomic challenges in Egypt, a rising debt burden in Kenya, and recur- rent power outages in South Africa. On the external front, the growth momentum in key export markets remains weak, slowing export demand for Africa's products.

Although commodity prices had declined sharply since their record peaks in 2022, they remained higher than at the height of the Covid-19 pandemic in 2020 (figure 1.4). By June 2023,the energy price index had declined 45 percent from the June 2022 peak. But in the third quarter of 2023, the energy price index rose sharply, by 23 percent, due to supply curbs by OPEC+

(Organization of the Petroleum Exporting Countries plus selected non-OPEC member countries). The food price index followed a similar butless steep trend, declining 18 percent during the third quarter. Higher commodity prices continue to drive inflationary pressures, largely becauseof weak domestic currencies, and to slow eco- nomic activity in net commodity-importing countries. Prices could remain higher for longer, with growing uncertainty about ongoing geopolitical tensions, crop failures, and the effects of the El Niño oceanic and atmospheric phenomenon. Angola's announcement to withdraw its OPEC membership could create uncertainty in the oil market. And prolonged and intensified geopolitical tension in the Middle East and in Ukraine could trigger a second wave of supply disruptions, withattendant pressures on commodity prices. However, structural weaknesses could prevent Africa's net commodity-exporting countries from taking full advantage of higher prices, further weakening their medium-term growth prospects.

The slowdown in economic growth during thepast two years was also reflected in weak growthof real GDP per capita (figure 1.5). Although growth of Africa's real GDP per capita since the Covid-19 pandemic has been positive, it continues to lag that in other regions. Growth of real income per capita has declined an estimated

0.8 percentage point—to 0.9 percent in 2023 from

1.7 percent in 2022. The continent's real GDP per capita is projected to grow an average of 1.6 per-cent in 2024–25, mirroring projected faster eco- nomic growth. But even at this higher rate, growth of real GDP per capita will continue to lag that inall other regions and remain a major hindrance to Africa's socioeconomic progress.

SECTORAL AND DEMAND-SIDE DECOMPOSITION OF GROWTH

Household consumption dominates the demand-side drivers of growth, while industry and services dominate the supply side

The estimated contribution of key demand-side drivers of growth in 2023 is lower than previously forecast, reflecting persistent inflationary pressures and tight monetary policy that have weakened households' purchasing power. Government and household consumption spending together contributed an estimated 2.5 percentage points of the 3.2 percent growth in 2023 (figure 1.6). Thisis equivalent to about 77.6 percent of the growthin aggregate domestic demand, much higher than the 48.6 percent the previous year.

Net exports contributed an estimated 1 per- centage point to growth in 2023, equivalent to 29.8 percent of the growth in aggregate domes-tic demand. Growth in net exports could be attributed partly to weak domestic currenciesboosting import costs, reducing imports rather than stimulating strong growth in exports. Despite recovering in some countries, private investmentremains subdued, reflecting the continued high cost of capital and lingering weak investor sentiment. So, private investment contracted an estimated 0.2 percentage point in 2023, after expanding 1 percentage point the previous year.

The estimated contribution of all supply-side growth drivers in 2023 was lower than previously forecast. Although economic activity in the serv- ices sector remained the dominant contributor to GDP growth in 2023, its contribution declined to 1.8 percentage points (55.6 percent) of the 3.2 percent growth, down from 2.9 percentage points (70.9 percent) of the 4.1 percent growth in 2022 (figure 1.7). The decline in services sector activity is attributable to the subdued performance of financial services due to high interest rates, the decline in tourism services due to continued weakness in global economic growth, and structural bottlenecks affecting electricity and water supply. The services sector is projected to maintain its dominant contribution to growth in 2024–25, averaging 2 percentage points due to lingering effects of tight financial conditions. By contrast, the contributions of industry and agriculture increased in 2023 to an estimated 0.9 percentagepoint

(27.4 percent of growth) and 0.6 percentage point (equivalent to 19.2 percent), respectively, up from 0.6 percentage point (15.6 percent) and 0.5 percentage point (11.2 percent) in 2022. The expansion in industrial activity is attributable largely to growth in light manufacturing and the automotive industry.

GROWTH PERFORMANCE AND OUTLOOK ACROSS- REGIONS AND COUNTRIES

Economic performance in Africaexhibits marked cross-regional variations

Africa is expected to account for half of the world's 20 fastest-growing economies in 2024. Despite the strong broad-based recovery gainsin the aftermath of the Covid-19 pandemic and deepening resilience amid current geopoliticaland economic uncertainty, economic performance across the continent continues to vary by region (figure 1.8). These cross-regional variations are largely underpinned by a range of fac-tors, including declining commodity dependence through economic diversification, increasing stra- tegic investment in key growth sectors, and rising both public and private consumption, as well as external factors such as developments in key export markets.

East Africa is set to continue to lead Africa'sgrowth pulse, with growth projected to rise to 5.1 percent in 2024 and 5.7 percent in 2025. The projected growth acceleration of 1.6 percentage point in 2024 reflects the anticipated strong eco-nomic performance of countries in the region, with seven economies projected to grow 5 per-

cent or more in 2024—Rwanda (7.2 percent), Ethiopia (6.7 percent), Djibouti (6.2 percent), Tan-zania (6.1 percent), Uganda (6 percent), Burundi (5.8 percent), and Kenya (5.4 percent) (see table 1.1). High government spending and strategic investment to improve in-country connectivity and deepen intraregional trade, coupled with ongoing efforts to modernize agricultural production systems and boost productivity in the services sector will drive the strong performance in most coun-tries. In Djibouti, growth will be supported by higher public investment to expand and modernize transport infrastructure as the country seeks to leverage its geostrategic position to become an interregional logistics and trade hub. On the down-side, the war-induced destruction of critical infra-structure and extensive curtailment of trade and production activities could drive Sudan's economy further into recession. It contracted 12.3 percentin 2023, and real GDP is projected to contract 1.7 percent in 2024 as regional and global initiatives to end the war have thus far failed, while the conflict continues to impose heavy economic andsocial costs.

Growth is projected to pick up in West Africa,from an estimated 3.2 percent in 2023 to 4 per- cent in 2024 and 4.4 percent in 2025. Except forNigeria and Ghana, all countries in the region are projected to grow at least 4 percent in 2024. Eco-nomic performance in Nigeria—the continent's and West Africa's largest economy—is expected to remain tepid, with growth projected to rise just 0.4 percentage point in 2024, to 2.9 percent,before improving to 3.7 percent in 2025. Nige-ria's slow growth momentum is due to the first- order effects of domestic economic reforms, which seek to address the country's persistent macroeconomic imbalances and structural distortions and lay a foundation for higher and sustained long-term growth. In the immediate term,the ending of the country's fuel subsidy regime and measures to unify the exchange rate have contributed to rapidly increasing living and import costs, which have weighed on domestic demand and production, as well as investment, resulting in economic slowdown.

The longer term benefits of these reforms couldoutweigh the short-term costs of market adjust- ment. For instance, Nigeria could channel more than $5 billion—used to subsidize fuel from 2022 through May 2023—toward critical social infra- structure. In Ghana, growth is projected to rise from an estimated 1.5 percent in 2023 to 2.8 per- cent in 2024, with modest growth reflecting the ongoing fiscal consolidation and high inflation weighing on household budgets.

Aided by hydrocarbon production and exportscoming on stream, strong economic performanceis anticipated for Niger (with growth projectedto rise from an estimated 4.3 percent in 2023 to 11.2 percent in 2024) and Senegal (with growth projected to rise from an estimated 4.1 percentin 2023 to 8.2 percent in 2024). Growth in Côte d'Ivoire is projected to reach 6.8 percent in 2024, supported by increased private sector–led con- struction and strong public investment in stra- tegic infrastructure, public facilities, and indus- trial development. Greater agricultural output,expansion in the services sectors, and reforms tostrengthen private sector participation in energy and mining are expected to drive growth in Benin (6.4 percent), Gambia (6.2 percent), Togo (6 per- cent), Mali (4.8 percent), Sierra Leone (4.6 per- cent), and Burkina Faso (4.1 percent).

For North Africa, growth is projected to remainat 3.9 percent in 2024 and increase 0.2 percent- age point to 4.1 percent in 2025. Despite projected growth for all countries in the region, the expansions are either modest or a moderation from 2023 estimates. Growth in Libya, estimatedat 12.6 percent in 2023, is projected to drop to

7.9 percent in 2024 and 6.2 percent in 2025. This sharp slowdown reflects the devastating effects of the September 2023 floods in the eastern part ofthe country and the political uncertainty constraining economic recovery from the disaster. In Egypt, growth is projected to moderate from an estimated 4 percent in 2023 to 3.7 percent in 2024. High inflation and foreign exchange shortages will continueto constrain economic growth in the medium term. Furthermore, the Middle East war poses a security risk to Egypt that could reduce tourism inflows.

Growth in Central Africa is projected to moderate from an estimated 3.8 percent in 2023 to 3.5 percent in 2024 before improving to 4.1 per- cent in 2025. The Democratic Republic of Congo will remain the region's best performer despite aprojected moderation in growth from an estimated 6.2 percent in 2023 to 4.7 percent in 2024, before rising to 5.3 percent in 2025. The projected growth moderation in 2024 may be attributed to the intensification of armed conflicts in the Eastern region of the country as well as slower growth forecast forChina, a major export destination for the Democratic Republic of Congo's minerals. The country'simproved growth outlook in 2025 reflects recovery in private consumption and a strong performance inthe extractive sector, underpinned by increases inmining investment and exports. In Congo, government consumption coupled with improved oil andnatural gas production is projected to push growth from an estimated 4 percent in 2023 to 4.4 percent in 2024. Growth in the Central African Republic isprojected to improve from an estimated 1 percent in 2023 to 2 percent in 2024, supported largely byglobal demand, elevated prices for timber exports, and improved security. Gabon is gradually emerging from the initial shock of the political impasse,and stabilizing the political environment could renew interest in oil wells slated for commissioning.

This could aid growth, which is projected to reach

2.4 percent in 2024 and 2.9 percent in 2025. Theeconomic recession in Equatorial Guinea is set to persist, with the economy projected to contract

5.1 percent in 2024 and 3 percent in 2025. This reflects the country's limited economic diversification and ongoing challenges with declining oil pro- duction amid a severe shortage of investment in new projects to replace lost oil output. Southern Africa will continue its low growth trend, with real GDP growth projected to increasefrom an estimated 1.6 percent in 2023 to 2.2 per-cent in 2024, with a slight improvement to 2.6 per-cent in 2025. This sluggish performance reflects the continued economic stagnation in South

Africa, the region's largest economy, where growth is an estimated 0.8 percent in 2023 andis projected to increase marginally to 1.1 percentin 2024 and 1.6 percent in 2025. Sustained subdued growth in South Africa, which accounts for 60 percent of the region's total output, is a con-sequence of ailing physical and social infrastructure, a protracted electricity crisis that lowered the productive capacity of firms, and constrained domestic demand. This underwhelming economic situation has aggravated the country's persistently high unemployment, poverty, and inequality and prevented it from reaping democratic dividends in the 30 years since the end of White minority rule. South Africa will hold national elections this year,a litmus test for democratic credentials amid crip-pling infrastructure, deteriorating social conditions, and continuing political divisions. Despite tepid growth in the region, a combination of increased fixed investment, rising government consumption, expanded capital outlays in the extractive and agriculture sectors, and a fully recovered tour- ism sector could propel six countries to growth averaging more than 4 percent in 2024: Mozambique (5 percent), Mauritius (5 percent), eSwatini (4.9 percent), Zambia (4.7 percent), Madagascar (4.5 percent), and Botswana (4.1 percent).

Across country groups, growth in non-resource-intensive economies is projected to improve from an estimated 4.8 percent in 2023 to 5.3 percent in 2024 and 5.5 percent in 2025 (figure 1.9). Growth accelerations will be broad- based, with 8 of the 15 countries in the group setto grow 5 percent or more in 2024, led by Senegal

(8.2 percent), Rwanda (7.2 percent), Côte d'Ivoire (6.8 percent), and Ethiopia (6.7 percent). Eco-nomic performance will benefit from higher public investment in major growth sectors (mainly maufacturing and services) and substantial capital outlays in critical public infrastructure, including electricity, transport, and logistics networks (in Burundi, Côte d'Ivoire, Djibouti, Ethiopia, Kenya, Rwanda, Tanzania, and Uganda). Growth for thecountry group will also be supported by investment aimed at enhancing productivity and valueaddition in agriculture (Benin, Gambia, and Togo).

Average growth in tourism-dependent economies is projected to moderate from an estimated 6 percent in 2023 to 4.7 percent in 2024 and 3.8 percent in 2025. In 2023, Africa recovered 92 percent of its visitor count from before the Covid-19 pandemic,[1] which aided a strong rebound in tourism revenue and associated multiplier effect from the sector. The projected slowdown in growth for the country group reflects stabilization of tour-ism numbers to trend levels, as well as geopolitical tensions and economic challenges such as high inflation and weaker global output, which will slow travel demand in key tourism source markets such as China, Europe, and the United States.

Average growth in oil-exporting countries is projected to be stable over 2023–25, with a slight improvement from an estimated 3.4 percent in 2023 to 3.6 percent in 2024 and 3.9 percent in 2025. Stable growth is projected despite OPEC's lower production targets for 2024 for two of Africa's major oil exporters—Nigeria and Angola, the latter of which announced withdrawal of its membership from the bloc owing to disagreements on production cuts. Expected growth outcomes for the country group will be supported by high crude oil prices and high investment targeted at bringing new projects on stream that could raise hydrocarbon output (particularly in Congo and Gabon). Despite an aggressive global push to curb investment in fossil fuels, growing energy needs to drive Africa's development and transformation could require increased capital flows to Africa's oil-producing countries.

Other resource-intensive economies grew an estimated 1.4 percent in 2023, with slight improvements projected at 2.7 percent in 2024 and 3.3 per-cent in 2025. Stronger growth for the country group will be driven by the spillover effects of economic recovery in China, where demand could pick up for commodities such as copper, iron ore, and bauxite linked to expansion in smart grids and construction (including commercial, industrial, infrastructure, energy and utilities, institutional, and residential). This could benefit mineral exporters in the group (Democratic Republic of Congo, Guinea, Zambia). Growth in Burkina Faso and Mali will benefit from rising gold prices as investors increasingly use the metal as a safe-haven asset amid rising geopolitical tensions and global economic uncertainty. Ongoing efforts to further develop domestic value addition in the diamond industry are expected to benefit Botswana, where growth is projected at

4.1 percent in 2024 and 4.4 percent in 2025. In Liberia, the peaceful elections in 2023 underscored the maturity of its fledgling democracy. This could further catalyze investment in expanding logistics infrastructure to accommodate planned increases in iron ore and rubber. These efforts are expected to contribute to the country's growth acceleration from an estimated 4.7 percent in 2023 to 5.4 percent in 2024 and 6.3 percent in 2025.

The growth outlook faces both upside factors and downside risks

Despite enduring global and domestic headwinds, Africa's medium-term growth outlook is slowly improving. Economic growth is projected to regain moderate strength as long as the global economy remains resilient, disinflation continues, infrastructure projects continue, and progress is sustained on debt restructuring and fiscal consolidation. A flare-up in the Middle East and delayed peaceful resolution of Russia's invasion of Ukraine could trigger a second wave of supply disruptions, with attendant pressure on prices of commodities and manufactured goods. Prices of soft commodities—fertilizer and cereals—have declined from their peak at the height of Russia's invasion of Ukraine. With continued exchange rate depreciation in many African countries, the passthrough of higher global commodity prices to domestic prices could keep inflation elevated and undermine the resilience of Africa's projected economic recovery.

Upside factors

- *Worldwide disinflation, making room for monetary policy easing.* Tight monetary policy, normalizing global supply chains, and falling commodity prices aided deceleration in global headline inflation from 8.7 percent in 2022 to
  6.9 percent in 2023. Inflation is projected to decline further, to 5.8 percent in 2024. With greater price stability, leading central banks are reconsidering their tight monetary policy stance, with a bias toward downward adjust- ment of interest rates. If anticipated interest ratecuts or pauses in tightening materialize and ifthe inflation differential between Africa and the rest of the world narrows, African currencies will recover some losses, reducing imported inflation. If African central banks take a cue from their counterparts in advanced economies, they could start to push down interest rates as risks to high inflation ease. Combined with stabilizing prices, this could restorehousehold purchasing power on the continent,raising prospects for higher and stronger eco-nomic growth.
- *Continued implementation of multiyear infra-*
  structure projects. With lower GDP growth, higher interest rates, and reduced fiscal space, structural reforms should now be a top policy priority for driving Africa's transformation and higher and inclusive economic growth. Invest ment in infrastructure, especially in green projects, could support Africa's recovery from the Covid-19 pandemic and lay the foundation for long-term inclusive development. The Africa Infrastructure Development Index, which provides consolidated and comparative information on the status and progress of infra- structure development in African countries (transport, electricity, information and communication technology, water supply and sanitation), shows that most African countries—led by South Africa (1.48 improvement), Morocco (1.23), and Egypt (1.17)—made considerable progress from 2021 to 2022.[2] Sustaining thesegains could further boost Africa's economic growth in the short to medium term given the multiplier effects of investment in physical infra-structure on trade and jobs.
- *Slow but ongoing progress with debt restructuring and fiscal consolidation.* After more than 3.5 years of increasing debt vulnerabilitiesacross the continent, there is a glimmer of hopeas governments and private creditors take thefirst steps toward finalizing debt restructuring.For example, in Zambia, which defaulted on itsexternal debt in 2020, official bilateral creditors led by China ended protracted negotiationson debt restructuring and in October 2023 signed a memorandum of understanding that binds the agreement reached in June 2023 torestructure $6.3 billion of the country's debt.[3] This progress offers some optimism for Ethiopia and Ghana, two other applicants for the Group of 20 debt moratorium. If successful and extended to all countries in debt distress or at high risk of debt distress, debt relief initiatives could provide

the fiscal headroom to spur growth, reinforcing domestic fiscal consolidation efforts after a series of economic shocks.

- *Recovering demand and policy support in key trading partners, particularly China.* China's economic growth lost momentum in late 2023, raising expectations for Beijing to ramp up its stimulus in the new year. A stronger and more effective policy stimulus in China could reverse the recent slowdown in domestic demand growth. In addition, China's recognition of the need to stabilize its property sector to keep developers' severe financial problems from spilling over further into banking and other key economic sectors has reduced stress on world financial markets.[4] Discussions of debt restructuring for troubled large developers are also positive. Such steps would support recovery and trigger positive spillovers globally, especially in African countries where China remains an important investment and trading partner. In 2023, Africa exported a fifth of its goods to China, and China was the largest source of imports for African countries.

Downside risks

Intensifying global geopolitical tensions that deepen disruptions of global trade and international investment. If geopolitical tensions esca- late, African countries could be hit hard due to losses in export market access and higher costs of imports of food and energy products, especially as freight rates increase. According to IMF estimates, the losses could be com- pounded if capital flows between trade blocs centered around China or the United States and the European Union are cut off.[5] All African regions except North Africa could experience a permanent decline of up to 4 percent of GDP after 10 years due to geopolitical tensions and stand to lose an estimated $10 billion of FDI and official development assistance (ODA) inflows.[6] The reduction in FDI would hamper much-needed technology transfer and employment creation, especially among Africa's young population, with attendant social ramifications. And for countries looking to restructure their debt, deepening geoeconomic fragmentation could worsen coordination among creditors and delay debt restructuring processes.

- *Commodity prices bouncing back as risks accumulate.* Geopolitical tensions in Eastern Europe, the Middle East, and the Red Sea could intensify. Combined with the suspension of the Black Sea Grain Initiative in July 2023,[7] additional OPEC+ production cuts, and the ongoing El Niño phenomenon, these tensions could trigger supply chain disruptions and renew fluctuations in food, fuel, fertilizer, and other commodity prices. Energy shortages resulting from lower investment in fossil fuel that are not matched by corresponding increases in alternative clean energy supplies are worsening the problem. These developments heighten the risk of tilting the world economy off its disinflationary path and could hit Africa's most vulnerable and lower-income countries, where food and energy make up a large share of household consumption.[8] A deepening of these risks could thus dampen prospects for Africa's projected economic recovery.
- *The return of financial system stress.* While financial markets adjusted to tighter monetary

policy, they are now pricing in interest rate cuts as disinflationary forces abide. But new upside inflation surprises, due to rising geo- political tensions and potential hikes in commodity prices, would force a reassessment of the risks and could trigger a sudden rise in interest rate expectations and a drop in asset prices. This may require rates to stay higher for longer, exacerbating the continent's funding and fiscal squeeze and resulting in a slower- than-expected recovery. Further delay in interest rate cuts could turn banks' substantialunrealized losses into realized losses, adding stress to the world financial system. The con-sequences for Africa would be renewed funding stress, currency depreciations, and higherrisk premiums, reinvigorating inflation while compromising growth recovery.

- *Increased regional conflicts and political instability in some countries.* Regional conflict and political instability could impose large economicand social costs. They could also increase countries' fragility and strain public finances,lowering revenue and raising defense spending, thereby shifting resources away from development and social support. As seen recently, political instability triggered by unconstitutional changes of government elicits sanctions from regional and international communities,depressing economic activity due to trade disruption and loss of market confidence. If political paralysis persists, the cost to economies could be large and prolonged. For instance,recent military coups in Burkina Faso, Gabon, Guinea, Mali, and Niger and coup-related sanctions from regional blocs have disrupted eco-nomic activity and imposed heavy social costs.Political instability and concerns over human rights violations have led to the Central African Republic, Gabon, Niger, and Uganda losing benefits from the US African Growth and Opportunity Act.[9] The loss of the benefits has consequences for import prices and the export of more than 1,800 products with duty-free access to the US market. Internal conflicts andviolence could also result from rising pricesfor fuel and other commodities due to weaker domestic currencies and reforms. For instance, the removal of fuel subsidies in Angola, Ethio-pia, Kenya, and Nigeria and the resulting social costs have led to social unrest driven by oppo-sition to government policy.

MACROECONOMIC DEVELOPMENTS, IMPLICATIONS, AND OUTLOOK

Stubbornly high inflation continued to constrain performance of Africaneconomies in 2023

Inflation has been increasing in Africa since the start of the Covid-19 pandemic. Persistent inflationary pressures have been driven by lagged effects of high food and energy prices and by such domestic factors as strong fiscal dominance, agricultural supply shocks, low industrialization, and imported inflation due to weakening local currencies. This has weighed on the continent's economic performance. Average inflation in Africa has remained high, at an estimated 17.8 percentin 2023, compared with a prepandemic period (2015–19) average of 10.1 percent. Estimated inflation in 2023, the highest in more than a decade, represents an increase of 3.7 percentage points from 14.1 percent in 2022, and contributed to eroding macroeconomic gains prior to the pan- demic. By the end of 2022, 19 African countries had double-digit inflation rates. This number remained unchanged in 2023, and althoughit could fall to 14 countries in 2024, inflation in most countries will remain elevated (figure 1.10). In Egypt, Nigeria, and Ethiopia, three of the six largest African economies in GDP terms, inflation increased to above 20 percent in 2023, at

24.1 percent, 24.2 percent, and 29.4 percent, respectively.

Across regions, inflation in 2023 was highest in East Africa, at 30.6 percent, driven by the 245 per- cent in Sudan. The war in Sudan has disrupted the country's economy and led to a shortage of goods and services, stoking sharp increases in prices as people compete for scarce resources. Excluding Sudan, average inflation in East Africa was an estimated 13.8 percent in 2023, below the continent's average of 17.8 percent. Inflation is alsohigh in West Africa (20.3 percent), led by Sierra Leone (49.9 percent) and Ghana (41.7 percent), ahead of Nigeria (24.2 percent), where inflationaccelerated after the fuel subsidy was abolished in May 2023 as part of the Tinubu government's fiscal reform agenda to reign in fiscal excess. Inflation was also high in Central Africa, having nearlydoubled from 6.8 percent in 2022 to an estimated
11.8 percent in 2023. Only in Southern Africa did inflation fall, from 10.7 percent in 2022 to an estimated 8.5 percent in 2023, driven by declines in Angola, Botswana, South Africa, and Zimbabwe. In Angola, inflation fell 9 percentage points to an estimated 12.4 percent in 2023, as the first-order effects of currency depreciation and the phase out of the fuel subsidy, which pushed up inflation in 2022, subsided. South Africa brought down inflation from 6.9 percent in 2022 to an estimated6 percent in 2023, the upper end of the country'sinflation target band of 3–6 percent, as transportation costs fell. Inflation rose fastest in NorthAfrica, doubling from 8.2 percent in 2022 to an estimated 16.6 percent in 2023, driven by rapidly increasing prices in Egypt, where inflation tripledto an estimated 24.1 percent in 2023 from 8.5 per-cent in 2022, and to less extent in Tunisia, whereinflation rose from 8.3 percent in 2022 to an estimated 9.4 percent in 2023.

Inflationary pressures in African countries remain strongly entrenched,lagging improvements in the rest of the world

Africa's high inflation contrasts starkly with the deceleration in the rest of the world, with devel- oped economies benefiting most from successiveand aggressive monetary policy tightening. As a result, global headline inflation declined from its peak of 8.7 percent in 2022 to 6.9 percent in 2023 (figure 1.11). Among the major economies, head- line inflation in the second quarter of 2023 ranged from –0.1 percent in China to 2.7 percent in the United States and 2.8 percent in the eurozone.[10] Declining energy prices and normalizing supply chains also contributed to falling prices worldwide, but in Africa, they were more than offset bydomestic sources of inflationary pressures.

Rising inflation put additional pressure on African countries' fiscal positions as governments scaled up social spending to cushion vulnerable populations from further erosion in their purchasing power. Depreciating exchange rates have alsoworsened the inflation outlook, especially in coun- tries with flexible exchange rates. This complicates the choices facing authorities because imported inflation is difficult to tackle with conventional monetary tools. And further increases in inflation and weakening of national currencies are likelyto reduce governments' capacity to support vulnerable citizens and could push many people intoextreme poverty.

Inflation remains high but is expectedto abate due to aggressive monetary policy tightening and receding commodity prices

To combat rising inflation and persistent inflationary pressures, several African countries have taken a cue from their counterparts in advanced economies and tightened monetary policies. Some central banks rapidly raised key interest rates in 2022, ranging from 400 basis points in Mozambique and Nigeria to 750 basis points in Ghana.[11] Nigeria and Ghana also had some of the highest inflation rates on the continent. Further- more, inflationary pressures in countries without an explicit inflation targeting framework remained high in 2023, compared with those with an institutionalized inflation targeting regime. Those pressures are likely to converge in the short to medium term, as inflation is expected to fall markedly from 2023 to 2025 in some countries with-out inflation targets, reflecting easing of externally induced inflationary factors. For example, inflation could decline 158.8 percentage points in Sudan,

27.2 percentage points in Sierra Leone, 17.4 per- centage points in Zimbabwe, and 14 percentage points in Ethiopia (figure 1.12). However, excludingGhana and Nigeria, two countries with a specific inflation target that have exceptionally high inflationrates, average inflation for the group will remain moderate and below that of countries without an inflation target.

Monetary policy tightening in Africa is expected to gradually dampen inflation due to higher interest rates and thus stronger domestic currencies and further declines in international commodity prices if geopolitical tensions and associated risks subside. Fiscal consolidation will also contribute. Differences in the pace of disinflation across countries reflect different exposures to movements in commodity prices and currencies and different capacities by domestic production to respond to higher prices.

Other central banks in Africa have been morecautious, opting to remain bullish about the temporary nature of the current source of inflationary pressure, perceived as driven by global supply chain disruptions rather than domestic demand- induced price increases. The magnitude and frequency of policy rate adjustments have thus varied widely across countries. Despite the large doses of rate increases in Ghana, Mozambique, and Nigeria, inflation expectations have remained deeply entrenched, and real rates in all countriesremain negative, challenging the potency of traditional monetary policy tools. The failure of higherpolicy rates to reduce inflationary pressures in some countries implies that more innovative instruments should be explored to deal with the supply factors driving the current wave of inflation.Further upward adjustment in interest rates could increase the cost of credit disproportionately andimpose a tax on growth. Indeed, despite high inflation, some countries have not tightened monetary policy due in part to already elevated interest rates, which means that further increases riskstalling their economic recovery.

African currencies continue to slide

With world interest rates and global uncertaintyremaining high, most African currencies continued to weaken against the US dollar in 2022–23 (figure1.13). The Zimbabwe dollar, the Sudanese pound, and the South Sudanese pound were the worst- performing currencies in 2023. Furthermore, all of Africa's leading commodity-exporting countries experienced sustained exchange rate depreciations as commodity prices retreated from their 2022 peaks, except for Liberia and Guinea (both unchanged) and Algeria (+4.5 percent). The Sudanese pound depreciated by almost 78 percent, as the protracted civil conflict in that country curtailed export earnings and depleted foreign currency reserves. The South Sudanese pound lost almosthalf of its value against the US dollar and is expected to depreciate further because of spill- overs from tight US monetary policy and widening balance of payment gap due to the highly-importdependent economic structure of the country. The Burundi franc was the worst-performing currency among non-resource-intensive countries, as low foreign exchange reserves, global uncertainty, and 20 percent inflation pushed the currency down in parallel markets, forcing the central bank to devalue it 39 percent in May 2023. With a

3.8 percent appreciation in both Cabo Verde andComoros, the two island currencies were the top performers, benefiting from a rebound in international tourism.

Higher interest rates may have had limited success in reducing inflationbecause Africa faces predominantlysupply-side shocks

The European Central Bank and the US Federal Reserve tightened monetary policy throughout 2023, pushing inflation further down from its 2022 peak. As a result, real interest rates are now firmly positive, at 2.13 percent in the United States and

1.6 percent in the eurozone. In Africa, by contrast, inflation rose in 2023. Although most African central banks also raised rates, real interest ratesremain negative overall (figure 1.14). The recent slowdown in domestic inflation and falling inflation worldwide, along with expectations of monetary policy easing in advanced economies, may give African central banks room to pause interest rate hikes and possibly reverse some if disinflation sets in. Low and negative real interest rates disincentivize domestic savings, and with national currencies weakening, households could use alternativeassets, including foreign currency, as store of value, further undermining the efficacy of monetary policy transmission to combat inflation.

Fiscal deficits have improved, but theprojected stabilization in the short term is subject to uncertainties

The average budget deficit in Africa gradually declined from a historic high of 6.9 percent of GDP in 2020, due to fiscal stimulus measures taken to mitigate the impact of the Covid-19 pan-demic, to 5.1 percent in 2021 and 4.9 percentin 2022, where it is estimated to have stabilized in 2023 (figure 1.15). The primary deficit also remained stable in 2023, at an estimated 1.8 per- cent. The stabilized fiscal balance is due mainly to fiscal consolidation, with debt restructuring providing additional impetus for fiscal restraint inGhana, Zambia, and Ethiopia, where fiscal deficits narrowed 57 percent, 22 percent, and 21 percent, respectively, in 2023.

Of the 11 oil-exporting countries, 5 (Algeria, Angola, Cameroon, Egypt, and Nigeria) posted fiscal deficits in 2023. The others (Chad, Congo, Equatorial Guinea, Gabon, Libya, and South Sudan) recorded surpluses. Despite these disparities, the group recorded an average budget deficit of 5.3 percent of GDP in 2023, up from 4.7 per- cent in 2022. Although Libya recorded a large budget surplus of 14.1 percent of GDP in 2023, fiscal deficits in large countries such as Algeria (12.4 percent), Egypt (6.1 percent), and Nigeria (5.2 percent) weighed heavily on the group (figure 1.16).
The average fiscal deficit among non-resource- intensive economies continued to improve, from

5.7 percent of GDP in 2022 to 4.9 percent in 2023, supported by lower import bills and slightly improved economic activity that boosted revenue. More than two-thirds of countries in the group improved their fiscal balance in 2023. Lesotho, Malawi, and São Tomé and Príncipe reduced their fiscal deficits by more than 2 percentage pointsof GDP. The average fiscal deficit among other resource-intensive economies also narrowed slightly, from 4.7 percent of GDP in 2022 to 4.3 percent in 2023. Like non-resource-intensive economies, all 16 countries in the group recorded a budget deficit in 2023, but 10 of them recordedan improvement over 2022.
Ghana’s fiscal consolidation paid dividends,with the budget deficit falling 6.4 percentagepoints, from 11.2 percent of GDP in 2022 to

4.8 percent in 2023. This result is due partly to primary balance improvement and macroeconomic stabilization measures. Ghana agreed to a three-year Extended Credit Facility program with support of around $3 billion from the IMF and has embarked on restructuring its public debt.[12] Under the program, the authorities have committedto budget consolidation and structural reforms, including improving tax administration and public financial management.

Across regional and resource-intensity groups,the fiscal deficit is projected to narrow from an estimated 4.9 percent of GDP in 2023 to 4.5 per-cent in 2024 and 4.3 percent in 2025 (figure 1.17). Except for oil-exporting countries, where the budget deficit is projected to widen in 2024, other groups are expected to record gradualimprovement in the short term. Easing energy prices are expected to hit oil revenue, threatening the buoyancy of fiscal positions for oil-exporting countries. And budgetary consolidation programslinked to debt restructuring in several countries could free up some fiscal space, contributing to lower budget deficits.

With the global economy mired in uncertainty, fiscal positions on the continent will remain vulnerable to global shocks. African governments will thus need bolder and more transformative policies to build fiscal buffers to confront potential future crises. This is especially so for net commodity exporters, which have seen prices of theirexport commodities soar after recording declines at the height of the Covid-19 pandemic. For non– commodity exporters, fiscal consolidation, bettertargeting of subsidies to vulnerable groups, and improved fiscal management will be key to building fiscal fitness. For all countries, implementing strategic revenue enhancement measures shouldbe a key priority for scaling up domestic resourcemobilization to expand fiscal space.

Enhancing domestic resource mobilization is one of the most pressing policy challenges facing African countries to achieve the United Nations Sustainable Development Goals, the African Union's Agenda 2063, and the Bank's High 5 priorities. As stipulated in Sustainable Development Goal target 17.1, domestic resource mobilization is essential for allowing countries to own and flexibly chart policies that address their specific development challenges while mitigating the risks of debt overhang.[13] However, government revenues, which have been steadily declining since the 2010s, have not increased by the 15 percentof GDP that developing countries need to adequately finance progress toward the Sustainable Development Goals.[14]

Average general government revenue (excluding grants) declined substantially, from 21.2 per- cent of GDP in 2010 to 18.1 percent in 2019. Taxrevenue, the main source of domestic revenuein most countries, also declined over the same period, by about 2 percentage points, to 14.3 per- cent of GDP, well below the average for Asia- Pacific (21 percent), Latin America (22.9 percent), and Organisation for Economic Co-operation and Development members (33.8 percent). Three years after the Covid-19 pandemic, and despite the partial economic recovery, average government revenue in Africa increased from 17.2 per- cent of GDP in 2020 to only 18.8 percent in 2023,and average tax revenue held steady at 14.7 per- cent in 2020 and in 2023. The gap between African countries and other world regions remains, with the average tax-revenue-to-GDP ratio in 2021–22 at 34 percent in Organisation for Economic Co-operation and Development members, 21.7 percent in Latin America, and 19.8 per- cent in Asia-Pacific.[15]

Domestic resource mobilization is akey element in fiscal consolidation

On average, African countries mobilize only half the internal resources as a share of GDP that advanced economies do. And despite a varietyof strategies to increase public revenue, progress toward enhanced domestic resource mobilizationremains limited. Options for improving domestic resource mobilization in Africa draw from empirical evidence and best practice (box 1.1). African countries that better mobilize public revenue have vibrant bank credit to the private sector, greater openness to trade, and effective institutional architecture, as reflected in political stability and tighter control of corruption.

Inadequate control of corruption appears to beone of the components with the most potentially damaging impact on Africa's domestic resource mobilization. The stylized facts clearly show that countries with better corruption control perform better in mobilizing domestic resources, particularly tax revenue, than those with a poor corruptionrecord (figure 1.18). Countries thus need to eliminateendemic corruption, which encourages illicit financial outflows from Africa and deprives countries of a valuable source of domestic resources. In addition, restricted lending to the private sector is accompanied by a low rate of private investment, whichin turn leads to low tax revenue.

Informality and a larger shadow economy also prevent the mobilization of domestic resources. So, countries mustcreate conditions for greater private participationin the economy by increasing credit for productive activities and reducing the informal economy.

EXTERNAL POSITION AND CURRENT ACCOUNT BALANCE

Driven by a less favorable outlook inglobal commodity markets, Africa’s overall external position is expectedto deteriorate

The continent’s average current account deficit widened slightly, from 1.5 percent of GDP in 2022 to an estimated 2 percent in 2023 (figure 1.19). This slight widening was driven mainly by the disproportionate increase in imports relative to exports. Current account surpluses in net oil-exporting economies shrank, erasing immediate gains on the back of higher global crude oil prices after the Covid-19 pandemic. The averagecurrent account surplus for these economies was halved from 1.9 percent of GDP in 2022 to an estimated 0.9 percent in 2023, reflecting a 17 per- cent decline in oil prices in 2023 and constraineddemand due to the weak global economy. The fall in prices of nonenergy raw materials also hit other resource-intensive economies, which recorded further deterioration in their current account deficit, from 2.9 percent in 2022 to an estimated

3.4 percent in 2023.

Despite continued pressure from depreciat- ing national currencies, non-resource-intensive economies (half of Africa’s countries) contained their current account deficit to within 5 percent of GDP in 2023. Relative to 2022, this representsan improvement of 1.7 percentage points of GDP and reflects the benefits of easing food andenergy prices. For tourism-dependent economies, improvements in tourist arrivals and revenues contributed to a narrowing external deficit, from

13.4 percent in 2022 to an estimated 10.2 percent in 2023. As noted by the World Tourism Organization, the trend toward pre–Covid-19 pandemiclevels continues, with international tourist arrivals from January to September 2023 only 8 percent lower than over the same period in 2019, down from 30 percent over the same period in 2022.

Africa’s external deficit is projected to widenin 2024, to 2.2 percent of GDP, before stabilizing in 2025, at around 2 percent. This reflects expectations that oil prices will remain elevated and stabilize at around $80 per barrel, with net oil-importing economies severely affected.[16] This could, however, benefit oil-exporting countries, where the current account projected to remain in surplus, at 1.3 percent of GDP in 2024 could be erased in 2025, when the surplus is projectedto drop to 0.9 percent of GDP. The average external deficit in other resource-intensive economies is projected to widen to 3.5 percent of GDP in 2024 before improving slightly to 3.3 percent in 2025. This is partly because the decline in pricesof nonenergy raw materials that began in 2023is expected to continue in 2024 before stabilizing in 2025. A similar dynamic is expected for non-resource-intensive economies and tourism- dependent economies. For the former, the external position is projected to widen to 5.5 percent of GDP before improving by around 1 percentage point, to 4.6 percent in 2025. For the latter, the external deficit is projected to widen to 12.1 per- cent of GDP in 2024, with tourism revenue increasing less quickly as arrivals approach pre– Covid-19 pandemic levels, before narrowing to Across regions, North Africa displays a balanced external position (figure 1.20), with the maximum deficit (12.1 percent of GDP in Mauri- tania) more than offset by Libya's 18.5 percent surplus. Southern Africa has the second-lowest external deficit (1.8 percent of GDP), driven by the external surplus in five countries, the largest of which are eSwatini (5.3 percent), Zambia (3.8 percent), and Angola (3.4 percent of GDP). West Africa has the third-lowest external deficit on average (2.6 percent of GDP), despite double- digit deficits in Liberia (22.6 percent), Gambia (14 percent), Niger (12.8 percent), and Sene-gal (11.2 percent). The region's lower external account deficit might be explained by the weightof Nigeria's surplus of 0.5 percent of GDP in2023, up from 0.2 percent in 2022. Central Africahas one of the highest average current account deficits (2.9 percent of GDP) due to wide external deficits in the Central African Republic, Democratic Republic of Congo, and Equatorial Guinea. The rise in import prices and the persistent dete rioration of the terms of trade explain the worsening external deficit of the Democratic Republic of Congo. In Equatorial Guinea, the drop inoil prices contributed to the drastic erosion ofthe country's external account balance, from a surplus of 1.4 percent of GDP in 2022 to a deficitof 4.1 percent of GDP in 2023.

East Africa has the highest external deficit despite the exceptional current account sur- pluses in Djibouti (17.9 percent of GDP) and Eritrea (14.1 percent). The region has the second-highest median deficit (5.1 percent of GDP) and the highest average external deficit (4.2 percent of GDP), with high deficits occurring in several of theregion's countries, including Burundi (18 percent), Somalia (12.4 percent), and Rwanda (11.4 per- cent). In Burundi and Rwanda, higher import bills for food and fuel products, coupled with capital imports for infrastructure projects (the expansionof electricity supply in Burundi and the new airport in Rwanda), as well as the negative consequences of internal shocks on the primary sector (unfavorable weather conditions and animal health crisis in Burundi) fueled the persistence of external deficits. The current account imbalance in Somalia isdue to the continued decline in remittances since the Covid-19 pandemic, as well as the increase in food imports and the suspension of budget sup-port by some development partners before the

May 2022 elections.[17]

The decomposition of Africa's current accountbalance indicates a slight increase in 2023, due to further widening of the trade deficit (3.4 percent ofGDP in 2023 compared with 2.8 percent in 2022) (figure 1.21). The deficit on net income (2.3 percentof GDP) and surplus on current transfers (3.7 per-cent of GDP) remained broadly stable. In contrast, the trade deficit is projected to increase in 2024, to 3.3 percent of GDP, in line with the decline in revenue from raw materials, before falling to

2.9 percent in 2025.

An alternative decomposition of the current account balance shows that the bulk of the varia-tion in the current account balance between 2022and 2023 is explained by variation in net private savings[18] (figure 1.22). At the continental level, the current account deficit widened by about 0.5 percentage point between 2022 and 2023, mostly because net private savings contractedby the same magnitude. At the country level, the 10 economies whose current account balance improved the most from 2022 to 2023 benefited more from the improvement in net private savings, except for the Central African Republic and South Sudan. The improvement in the current account balance for these two countries was attributable to fiscal consolidation. By contrast, low private savings relative to private investment explains a large part of the increase in the current account deficit. Fiscal consolidation efforts also helped minimize deterioration in the current account balance in Ghana, Liberia, Libya, and Malawi. In Alge- ria, Angola, Congo, and Equatorial Guinea, the worsening current account balance was due to acombined effect of declining net private savings and deteriorating fiscal balances. This analysis shows that sustained fiscal consolidation efforts are needed to stabilize and improve the current account balance in the short to medium term.

EXTERNAL FINANCIAL FLOWS

Tighter global financial conditions weigh negatively on financial inflowsafter rising sharply following the Covid-19 pandemic

After rising sharply following the Covid-19 pan- demic, total financial flows to Africa including FDI, ODA, portfolio investment, and remittances declined. Financial flows to African countries fell 16.6 percent in 2022, to $180.5 billion, or 6.1 per- cent of Africa's GDP, compared with $216.5 billion, or 7.9 percent of GDP, in 2021 (figure 1.23). The decline is due mainly to the drastic drop in FDI(43.5 percent) and portfolio investment (17 per-cent), which more than offset the increases in ODA (3.8 percent) and remittances (0.2 percent).

While FDI more than doubled in 2021, to about $80 billion, it fell sharply in 2022, to nearly $45 billion, $1 billion less than before the Covid-19 pan-demic in 2019.[19] The enormous decline in 2022 was driven by large corporate reconfiguration in South Africa, whose share of Africa's total FDI was more than halved, from 49.3 percent in 2021 to 20 percent in 2022, a drop of around $32 billion from 2021. The FDI flows to South Africa in 2021($41 billion) were exceptional, as the highest level in the previous 30 years was $9.2 billion in 2008.The oscillation of FDI flows to Africa reflects groing uncertainty in the global financial environment and the associated high volatility of FDI. Even though Africa's share of global FDI flows in 2022was only 3.5 percent, compared with 5.2 percent in 2021, its share of global FDI flows has increasedsince the 2000s, from an average of 2.8 percent in the first decade of the century to 3.3 percent in 2010–22.

Despite the decline in FDI flows to Africa, the number of new projects announced rose 39 per- cent, to 766, suggesting improving investment conditions on the continent. In addition, Africa accounted for 40 percent of the 15 main green- field investment megaprojects (worth more than $10 billion) announced in 2022.[20] These megaprojects offer enormous opportunities for job creation, capacity building, and technology transfer. The energy sector, both extractives and energy generation, saw the biggest increase. With FDI so important for the continent's economic prosperity, priority must be given to policies that attract more FDI and promote an investment environment conducive to sustainable and inclusive growth. From this perspective, stabilizing the macroeconomic and political framework is essential, as is identifying priority investment areas for green growth.The regulatory framework must be designed to encourage FDI, particularly green investments.

The distribution of FDI in Africa is heterogeneous across regions and countries. In 2022, North Africa accounted for one-third of FDI flows to Africa, followed by East Africa (19.4 per- cent), West Africa (18.8 percent), Southern Africa (14.9 percent), and Central Africa (13.4 per- cent). While the decline in FDI flows in 2022 wasdriven by Southern Africa (–84.1 percent), West Africa (–34.7 percent), and to less extent Central Africa (–7.4 percent), North Africa and East Africa recorded respective increases in FDI flows of

58.1 percent and 3.5 percent in 2022. The sharpincrease in North Africa was due mainly to Egypt,where FDI more than doubled to $11.4 billion, accounting for 75.8 percent of the region's FDI flows, driven by increasing cross-border mergersand acquisitions. The decline in FDI in Southern Africa was due mainly to the drop in FDI flowsto South Africa, whereas the decline in West Africa reflected mainly disinvestment in Nigeria (–$187 million in 2022 compared with inflows of $3.3 billion in 2021) and a drop in FDI of 39 per-cent in Ghana, to $1.5 billion in 2022. ODA remained firm in the face of increasing global uncertainty since 2020 and despite domestic fiscal challenges facing major donorcountries. ODA reached an estimated $67.5 billion in 2022, up 3.8 percent from $65 billion in 2021.[21] Support for reconstruction and humanitarian aid in Ukraine does not appear to have hampered advanced economies' ODA commit-ments to Africa in 2022. After increasing 28 per- cent in 2020, largely because of Covid-19-relatedsupport for health supplies and other containment measures, ODA was broadly stable in 2021 before rebounding by $2.5 billion in 2022.

As the largest component of financial flows toAfrica, remittances withstood inflationary pressures and increased 0.2 percent from 2021, to $96 billion in 2022. About 52 percent of remittances came from advanced economies, withthe rest from developing countries. Intra-Africa remittances worth around $20 billion represent 20 percent of global inflows and 42 percent of the total from developing countries. This shows that intra-Africa migration can deepen regional integration and build resilience in Africa. Gulf countries are also major sources of remittances to Africa, with Iraq, Kuwait, Qatar, Saudi Arabia, and the United Arab Emirates accounting for $23 billion in remittances to Africa, or 24 percent of total remittances to the continent.

There is, however, asymmetry in remittance flows to African regions. The bulk are concentratedin North Africa (48 percent of the total) and West Africa (33 percent), while East Africa accounts for 11 percent, Southern Africa 6 percent, and Central Africa less than 2 percent. Within the regions, Egypt accounts for 68 percent of remittancesto North Africa (mainly from Gulf countries), andNigeria accounts for 61 percent of remittances to

Note: Financial flows are measured relative to each country's gross domestic product (GDP). Their volatility is measured as the standard deviation over 1990–2021. Each dot represents the volatility of the relevant financial flow for a given country. The height of the boxes corresponds to the interquartile range. The horizontal lines (either inside or outside the boxes) refer to the mean values.

Source: African Development Bank statistics.

West Africa (mainly from Cameroon, the United Kingdom, and the United States).
Africa has experienced portfolio disinvestment since the Covid-19 pandemic, and this intensified with global financial conditions tightening and national currencies depreciating against the US dollar. Net portfolio investment outflows rose in 2022, to $28 billion, from $24 billion in 2021. The portfolio divestment is supported by continued sales of assets since the start of the pandemicin 2020, a phenomenon accelerated by the risein interest rates in advanced economies and the depreciation of currencies in African countries. Egypt accounted for the largest share of port- folio outflows in Africa in 2022 ($21.1 billion, or 60 percent of the continent's total), and the trend was not expected to reverse in 2023, when the country's net portfolio investment outflows are projected to be around $4 billion (figure 1.24). South Africa, Mauritius, and Ghana also suffered portfolio losses in 2022 of $4.4 billion, $3.8 billion, and $2.1 billion, respectively. For South Africa, capital outflows are expected to increase in 2023,with projected net outflows of $5.7 billion from portfolio investment. Nigeria is one of the few African countries to have consolidated its net portfolio position in 2022, with portfolio inflows of $3.9 billion. But the situation is expected to reverse in 2023: net portfolio outflows of $3.7 billion are projected, almost equal to the inflows in 2021. In2023, Morocco and to less extent Senegal are therare countries projected to attract more portfolio investment.

Besides being the largest componentof external financial flows to Africa, remittances are also less volatile andless sensitive to global uncertainty than other capital flows

Volatility in capital flows is a major source of macroeconomic and financial instability in emerging and developing economies, particularly inAfrica. Before the Covid-19 pandemic, only port- folio investment exhibited greater volatility, but the pandemic altered the dynamics of external financial flows: FDI and ODA are now more volatile than remittances. Between 1990 and 2021, FDI was, on average, 2.3 times more volatile than remittances, and ODA was 2.1 times more vola- tile (figure 1.25). In contrast, remittances appear less volatile, and because of low volatility, remain important in smoothing household consumption for beneficiary households. Moreover, remittances show the lowest extreme values of volatility, demonstrating the resilience of these inflowsto domestic macroeconomic challenges, such as high inflation, in source countries.

GLOBAL ECONOMIC ANDFINANCIAL CONDITIONS AND AFRICA'S DEBT DYNAMICS AND PUBLIC FINANCE

Public debt is declining but is still above prepandemic levels, and underlying vulnerabilities remain African countries that have instituted fiscal consolidation measures and those that have applied for debt restructuring or are implementing an International Monetary Fund (IMF)–supportedprogram are benefiting, with public finances gradually approaching sustainable levels.[1] In 2020, the median fiscal deficit widened to 6.9 percentof gross domestic product (GDP), reflecting the impact of the Covid-19 pandemic on revenue and the need to protect the most vulnerable groups. Consequently, Africa's median public debt–to-GDP ratio increased to 64 percent in 2020, from

54.5 percent in 2019. Most countries entered the pandemic with limited fiscal space to sustain fiscal support measures, and most fiscal authorities have since implemented consolidation measures. As a result, the debt-to-GDP ratio stabilized at around 63.5 percent in 2021–23 and is projectedto retreat to around 60 percent in 2024—halting an almost decade-long upward trend (figure 2.1). Debt restructuring is providing additional impetus for fiscal restraint in 2023 in some countries; for example, fiscal deficits have narrowed by 57 per-cent in Ghana, 22 percent in Zambia, and 21 per-cent in Ethiopia.

While debt-to-GDP ratios have stabilized continentwide, they are still elevated in many countries and remain higher than before the Covid-19 pan-demic (figure 2.2). However, in 12 countries, public debt levels are expected to decline to below pre-pandemic levels in 2023. The largest decline was in São Tomé & Principe (39.6 percentage points), followed by Angola (28.7 percentage points), Ethiopia (17.9 percentage points), Gambia (10.6 percentage points), and Mozambique (9.4 percentage points). These declines have been due to fiscal consolidation in São Tomé & Principe and to the combination of general fiscal consolidation and higher GDP growth in Ethiopia, Gambia, and Mozambique. In Angola, although the debt level increased significantly from 2022 to 2023 due to a higher fiscal deficit and lower GDPgrowth, it remains below the prepandemic level, reflecting the benefits of substantial energy subsidy reforms that reduced the incentive to take on more debt.

Despite the projected overall decline in debt, considerable challenges remain, and debt vulner-abilities are expected to increase due to a trend shift toward market financing. Between 2000and 2021, 23 African countries issued more than 125 eurobond instruments valued at more than $1.51 trillion. Seven African countries made their debut in the international capital market in the early2000s (figure 2.3). But most eurobond issuancesstarted between 2009 and 2014, when accommodative global financial conditions and the search for positive real yields—underpinned by improved macroeconomic conditions in Africa following the debt relief provided through the Heavily Indebted Poor Countries Initiative—facilitated larger volumes of financing to countries in Africa. Moreover, the 2014–16 collapse in oil prices and the wider primary fiscal deficits in oil-rich countries also led to growing financing needs, pushing some countries to issue their first Eurobonds including Angola in 2012 and Cameroon in 2015.

Reflecting the shift in the composition of debt toward market-based and non–Paris Club sources, the US dollar has been the dominant currency for public and publicly guaranteed external debt in Africa. Most non concessional debt is denominated in US dollars, and the share has continued to increase. From 2014 to 2020, US dollar–denominated debt accounted for 52 percent of Africa's outstanding public and publicly guaran- teed debt. As of 2021, the share had increased to58 percent, while the share denominated in euros was 14 percent and the share denominated in other currencies was 23 percent (figure 2.4). The dominance of the US dollar highlights many African countries' vulnerability to the stronger dollarsince the tightening of global financial conditions

Tighter global financial conditions have increased borrowing costs anddebt burdens

The confluence of higher global interest rates, wider sovereign debt spreads, and exchange rate depreciations has created a funding squeeze for many African countries. Indeed, the wave of interest rate hikes in advanced economies and ongoing exchange rate pressures have disproportionately affected African countries, raised bor- rowing costs, and blocked most African countries from accessing international capital markets. Theaverage sovereign spreads in Africa have soared to three times the emerging market average since the beginning of the tightening cycle inJuly 2022 (figure 2.5). As a result, debt service costs have risen, and as of November 2023, 21 African countries were at high risk of debt dis- tress or already in debt distress. Although sovereign spreads have eased from their peak early in2023, borrowing costs remain elevated. At current yields, no eurobond has been issued since April 2022, and with eurobond repayments coming due in 2024 and 2025, some countries may struggle to roll over debt in the near term. And although global interest rates could eventually fall in line withdeclining inflation, they are not expected to return to precrisis levels any time soon.

At the country level, sovereign spreads mirrorthe continentwide average (figure 2.6). Indeed, except for Zambia, where the spread has trendedupward since the pause in global interest rate hikes in October 2023, all countries have seen a narrowing of their sovereign spread. For instance, in Egypt, the 10-year bond yield spread has nar-rowed 380 basis points since October. Nigeria, which introduced fuel subsidy reforms and fiscal consolidation measures, saw its spread fall by 171 basis points, and South Africa's fell 53 basis points. Despite the decline in sovereign spreads in many countries, yields remain higher than precrisis levels. For nondistressed countries, the aver- age yield on outstanding eurobonds has been more than 12 percent since Russia's invasion of Ukraine in 2022, compared with 7 percent beforethe Covid-19 pandemic. For distressed countries,the yield on outstanding eurobonds has more than doubled from the precrisis level. For instance, for Ghana, the yield on outstanding eurobonds was
21.7 percent in October 2023 compared with 9 percent before the pandemic. Debt service costs have risen, narrowing the scope for government spending and increasing debt vulnerabilities.

External debt service payments as a proportion of government revenue are higher than before the Covid-19 pandemic in many countries (figure 2.7).[2] The median debt service on external debt as a percentage of government revenue for 50 countries with data rose from 6.8 per- cent over 2015–19 to 10.6 percent over 2020–22.Resources channeled to debt service have narrowed fiscal space, further constraining government capacity to invest in growth-promoting sec- tors and human capital development—especially education and health, two areas where average public spending on the continent is below thatfor comparator regions. Between 2010 and 2019,average public spending on education in Africa was 3.6 percent of GDP, below the world average of 4.2 percent. The share of public spending on health in Africa, at 1.8 percent of GDP, was less than a third of the global average of 5.8 percent and well below the target of 4–6 percent of GDPset by the African Union.[3] Except in Chad, Democratic Republic of Congo, Gambia, and Mauri- tania, debt service cost in African countries was higher in 2020–22 than in 2015–19.

Debt service payments have risen substantially in tandem with the growing share of debt owed to private creditors. This is a cause for concern because current debt restructuring negotiations are failing to reach agreement with private creditors. In 2024, African countries are expected to spend around $74 billion on debt service, upfrom $17 billion in 2010. Some $40 billion, or 54 percent of total debt service, is owed to private creditors (figure 2.8). Refinancing risks could further increase, especially for countries with large bullet redemptions, including Angola ($6.4 billionin 2024), Kenya ($5 billion in 2024), Côte d'Ivoire ($2.6 billion in 2024), and Nigeria ($2.5 billion in 2024). In 2025, private creditors will account for more than 50 percent of total debt service payment coming due. The implication of the dominant share of private creditors for future debt service is that debt restructuring mechanisms under the G20 Common Framework for Debt Treatment should strive to bring private creditors onboard. Thus far, only Chad has reached agreement withits main creditors, including the largest private creditors such as Glencore.

High debt service costs are divertingresources from infrastructure investment, constraining future GDP growth

While the buildup of public debt in Africa has been associated with a surge in public investment, there is also evidence that the low efficiency of public investment has weakened the growth benefits of public debt.[4] Africa has a public investment efficiency gap of 39 percent, higher than Europe (17 percent) and Asia (29 percent).[5] Low efficiency implies that the growth benefits of debt-financed public investment are not sufficient to generate tax revenue to liquidate the debt and finance new investments. High debt service, already absorbing a higher proportion of government revenue, could have a negative feedback effect on growth,as evidence from Latin America's "lost decade" suggests. During the Latin American debt crisis ofthe 1980s, many countries in the region could not service their foreign debt and went through painful fiscal adjustment, including cutting spending on infrastructure, health, and education. This resulted in high unemployment, steep declines in income per capita, and stagnant growth or contraction.

Africa's record prior to and immediately after the Heavily Indebted Poor Countries debt relief ini- tiative is similar to that of Latin America. Countries with higher debt service costs had lower GDP percapita growth (figure 2.9). Some countries saw GDP per capita contract. For instance, in Zambia,where the average debt service–to-GDP ratio was 6.6 percent between 1993 and 2022, GDP per capita contracted by 2.1 percent a year. And for Côte d’Ivoire, where the external debt service– to-GDP ratio averaged 7.3 percent, income per capita contracted 2.3 percent.

The high debt burden and weak revenue per-formance limit public investment capacity in Africa. Restoring debt sustainability could expand fiscal space but will require debt reprofiling or outright restructuring for some countries. Recognizing that timely and orderly debt resolution is in the interests of both debtors and creditors, the G20 has moved to facilitate the restructuring of official external debt through its Common Framework forDebt Treatment. However, substantial delays and challenges call for urgent actions to fast-track theCommon Framework to accelerate debt resolution through broader participation of debtor countriesand creditors, especially private creditors. Zambia seized this opportunity as one of the first countries to request a restructuring of its public external debt under the Common Framework in early 2021. But progress has been slow and hinges largelyon reaching an agreement with private creditors.However, Zambia reached an agreement with official creditors in June 2023, paving the way for disbursement of the second tranche of IMF financing. So far, only Chad has reached an agreementwith external creditors, including private creditors, on the treatment of its debt under the Common Framework restructuring for some countries. Recognizing that timely and orderly debt resolution is in the interests of both debtors and creditors, the G20 has moved to facilitate the restructuring of official external debt through its Common Framework forDebt Treatment. However, substantial delays andchallenges call for urgent actions to fast-track theCommon Framework to accelerate debt resolution through broader participation of debtor countriesand creditors, especially private creditors. Zambia seized this opportunity as one of the first countries to request a restructuring of its public external debt under the Common Framework in early 2021. But progress has been slow and hinges largelyon reaching an agreement with private creditors.However, Zambia reached an agreement with official creditors in June 2023, paving the way for disbursement of the second tranche of IMF financing. So far, only Chad has reached an agreementwith external creditors, including private creditors, on the treatment of its debt under the Common Framework.

Common Framework for Debt Treatment. But only Chad has reached an agreement with its main creditors (bilateral creditors and the largest private creditor), in November 2022. For Zambia, the Official Creditor Committee provided financing assurances, which paved the way for the IMF’s approval of an Extended Credit Facility–supported programin August 2022. A memorandum of understanding detailing the exact parameters of the debt treatment with bilateral creditors is currently being finalized, more than two years after Zambia made the request, while negotiations with bondholders are ongoing. Ghana submitted a request for debt treatment under the Common Framework in December 2022. An Official Creditor Committee was formed, and financing assurances were pro-vided in May 2023, allowing the IMF to approvea program in the same month. In January 2024, Ghana reached an agreement with its official creditors under the G20 Common Framework, on a comprehensive Debt Treatment Beyond the DebtService Suspension Initiative. Ethiopia requestedtreatment under the Common Framework in February 2021, and an

Official Creditor Committee was formed in September of that year. But the process was delayed by political and securityissues and has only recently resumed.

Given the systemic delays in concluding the debt restructuring process, the G20 Common Framework needs an overhaul to create a functional debt resolution mechanism for countries in need. With private creditors accounting for morethan 50 percent of the next two years' debt service payments (see figure 2.8), debt restructuringmechanisms should bring private creditors to the negotiating table. Key proposals include forming an expanded creditor committee with private lenders to smooth coordination challenges and establishing a Comparability of Treatment formula to minimize technical disputes. Bolder use of theIMF's Lending into Official Arrears Policies could also reduce the leverage of holdout creditors. Proposals under the Global Sovereign Debt Roundtable, co-chaired by the IMF, the World Bank, and India (G20 Presidency), will be critical to address shortcomings in the debt restructuring processes. Establishing a Multilateral Creditor Club, acting in partnership with debtors, could also improve coordination of future debt restructurings and oversee outstanding global debt challenges.

NOTES

1. or instance, in Ghana, the consolidation effort is supported by ambitious structural reforms in tax policy, revenue administration, and public financialmanagement, as well as steps to address weak- nesses in the energy and cocoa sectors.
2. Due to the lack of data on domestic debt service cost, only debt service on external debt is reported. However, the share of domestic debt in Africa's total public debt has risen, from 35 percent in 2019(before the Covid-19 pandemic) to 42 percent at endof 2021. The increase largely reflects growing financ-ing needs and the difficulty many countries face inaccessing international capital markets, which, cou- pled with limited tax revenue mobilization, necessitated a recourse to domestic borrowing (see African Development Bank 2023). This means that total debt service payment could be higher if domestic debt service were included.
3. The African Union's Education 2030 Frameworkfor Action sets spending on education at 4–6 per- cent of GDP or 15–20 percent of total governmentspending. African Union member states committedto allocating 15 percent of their government budgetsto health to achieve the Sustainable DevelopmentGoals.
4. AEO 2021.
5. The public investment efficiency score is an index with values between 0 and 1 and measures the extent to which government investment (input) is translated into infrastructure (output). For instance, an efficiency score of 0.7 means that out of one dollar spent on investment, 70 cents is translated into infrastructure. The remaining 30 cents is wasteddue to corruption, poor selection of projects, and the like and reflect the efficiency gap.

AFRICA'S STRUCTURALTRANSFORMATION, SOCIOECONOMIC PERFORMANCE, AND GLOBAL SHOCKS

Structural transformation has contributed to economic growth inAfrican countries

Structural transformation defined broadly as the shift of workers from lower to higher productivity activities and sectors and within-sector productivity growth for a given level of employment—has had a significant role in driving Africa's growth.[1] Between 1990 and 2019, Africa's real GDP increased by about 4 percent a year, andits real GDP per capita by 1.4 percent a year, against world's respective averages of 3 percent and 1.6 percent. For most countries on the continent, this growth was accompanied by some degree of structural transformation (figure 3.1). Thelinks among structural transformation, economic growth, and other socioeconomic indicators is captured here mainly through the decompositionof labor productivity growth, which can be broken into growth of within-sector productivity for a given level of employment, growth in employment in each sector for a given level of productivity, and interaction of growth between productivity and employment.[2] Over 1990–2021, Africa's within- sector productivity growth averaged 0.66 percent a year, accounting for 52.2 percent of Africa's 1.26 percent average labor productivity growth, while labor reallocation from lower to higher pro-ductivity sectors increased by 0.60 percent a year, accounting for 47.5 percent of overall labor productivity growth.

Over 1990–2019, Africa's average agricultural employment accounted for half of total employment, demonstrating the sector's dominance as the main provider of jobs. But that share declined steadily over the period, from an average of 55.7 percent in 1990 to 42.7 percent in 2019.

This decline implies a labor reallocation toward nonagriculture sectors, particularly to services, whose employment share rose from 31.5 percentto 42.6 percent, or 11.1 percentage points. This trend masks important cross-country variations. For instance, the average annual rate of decline of the share of agricultural employment was highestin Cabo Verde (4.1 percent) and Mauritius (3.2 per-cent). But the rate of decline was less than 1 per-cent in Burundi, Eritrea, Madagascar, Mali, and Zimbabwe. And while Asian and European countries experienced structural transformation from agriculture to manufacturing, numerous African countries have instead deindustrialized.[3] Many workers who were moving out of agriculture were absorbed into services, in particular (formal and informal) distribution services.[4]

The agriculture sector in Africa, despite being the major employer, has the lowest labor productivity. Over 1990–2019, the ratio of labor productivity in agriculture relative to other sectors was on average about one-fifth, having declined from less than one-sixth in the 1990s to about one-fourth in the 2010s. The speed of structural transformation has, however, varied substantially (figure 3.2). In oil-exporting countries, the growth rate of cross-sector labor reallocation oscillated from a medianof 0.23 percent in the 1990s to 0.75 percent in the 2000s and 0.29 percent in the 2010s. In this group, differences in labor productivity growth and cross-sector labor reallocation may be linkedto variations in the trajectories of oil revenue andexports, through spillovers into nonoil sectors.[5] Structural change appears to be faster in non- resource–intensive countries, where the median annual growth of labor reallocation from low- to high-productivity sectors was 0.50 percent compared with 0.41 percent in both oil-exporting and other resource-intensive countries. Most of these non-resource-intensive countries are more diversified than their commodity-dependent peers, one of the key drivers of structural transformation.

Results from regression analysis[6] on the link between countries' economic growth and structural transformation in Africa over 1990– 2019 show that, after other potential drivers are controlled for, countries with a higher pace of structural transformation (meaning countries with higher growth rates of labor reallocation across sectors and within-sector productivity) performed better economically, obtaining higher growth of real GDP per capita in all decades. So, both the process of labor movement out of agriculture toward other sectors (where the factor is employed more efficiently) and improvements in labor productivity within each sector are significantly correlated with higher economic growth rates and should, therefore, be equally targeted by policy reforms (figure 3.3). The impact of structural transformation was highest in the 1990s, a period described as a "disappointing" decade forthe continent's growth. Growth of real GDP per capita averaged just 0.5 percent in the 1990s, compared with 2.6 percent in the 2000s and

1.2 percent in the 2010s. That led to the pervasive "Afro-pessimism" and "hopeless continent" narrative. This finding suggests that during (domestic or global) economic downturns, policies aimed

at accelerating structural transformation could

Fast-tracking structural transformationcould help Africa meet key SustainableDevelopment Goal targets

The world is off track on almost all 140 Sustain- able Development Goal (SDG) targets with data, with only about 12 percent of them being on track.[7] Furthermore, global progress on morethan 50 percent of the SDG targets remains weak and insufficient, and progress has stalledor even reversed on 30 percent of the targets. Progress toward achieving the SDGs in Africa is lagging other world regions, as progress in the fight against poverty, hunger, climate change, and other people-related SDG targets has been slow and uneven, with wide differences across subre- gions, countries, and rural and urban areas.[8]

If structural transformation had been faster, Africa could have achieved greater reductions in poverty and income inequality. Using the relation- ship between poverty and income inequality, on the one hand, and both within-sector productivitygrowth and between-sector labor reallocation, on the other, it is possible to disentangle the relation- ship between structural transformation and both poverty reduction and income inequality. Resultsfrom regression analyses[9] show that, over 1990–2019, and after other potential cofounding factors are controlled for, a 1 percentage point increase in the annualized growth rate of structural change led to a 0.28 percentage point decline in the annualized growth rate of extreme poverty (using therecently adjusted international poverty line of $2.15per person per day) (figure 3.4).[10] In addition, a 1 percentage point increase in the within-sector productivity growth rate reduced the annualized growth rate of extreme poverty by 0.04 percent- age point.

Most poor people in Africa are stuck in low- productivity sectors and other informal service- based activities, particularly in small-scale rain- fed and subsistence agriculture, which typically generate low incomes and are more prone to adverse shocks. By facilitating the movementof poor or low-income individuals from lower to higher productivity sectors that generate greater incomes, structural change can become a key driver of poverty reduction in Africa. In addition, expanding more productive and dynamic sec- tors can push the economy into a virtuous circle in which the growth of productive employment, productive capacities, and earnings mutually reinforce each other to accelerate growth and reduce poverty. However, shifting labor from low- to high-productivity sectors (such as manufacturing) requires a large enough pool of skilled workers to keep up with the pace of technological progress and resulting changes in industry needs. The ongoing Fourth Industrial Revolution across the world is shaping the future of workby changing demand for skills and job content.[11] The skills required are heavily skewed toward science, technology, engineering, and mathematics, but only about 4–12 percent of students whograduate from higher education in Africa major inthese fields.[12] To speed labor reallocation across sectors, education systems in Africa should thus be recalibrated and the labor force reskilled and retrained. Fast-paced structural transformation also tends to reduce income inequality, though more slowly compared with poverty. However, as reportedby a study using data on a sample of developing countries for 1960–2012, not all improvements inlabor productivity within sectors lead to a decline in inequality.[13] Inequality tends to fall when the share of labor or value-added in manufacturing increases, but it rises when the share of labor orvalue-added in agriculture or services increases. This highlights the critical role of industrialization in reducing income inequality in African countries.

Africa's resilience against shocks could be strengthened by accelerating structural transformation Most African countries are subject to a wide variety of exogenous shocks, including the global financial crisis of 2007–08 and subsequent commodity market shocks in 2015–16, the 2016 droughts induced by El Niño and other recent extreme weather events, the 2014–16 Ebola epi-demic, the recent Covid-19 pandemic, the 2020 locust invasion in East Africa, and Russia's invasion of Ukraine. These shocks have created severe economic and social costs, pushing countries further from achieving targets on development goals such as the SDGs. Designing effectivepolicies to accelerate recovery and build resilience to future shocks is therefore crucial. Indeed, com- pared with countries in Asia and Latin America, GDP per capita growth tends to display a larger cyclical component in Africa, increasing in caseof positive global shocks (particularly commodityprice shocks).[14]

Figure 3.5 estimates the cumulative response of Africa's real GDP per capita growth to a positive shock to the commodity terms of trade[15] in apanel setting using Jordà's (2005) local projection method.[16] Countries are divided into two groups:those whose median value over 1990–2019 for each component of structural transformation (structural change and within-sector productivity growth) was above the full sample median and those whose median value was below the full sample median.

For the full sample, the cumulative change in real GDP per capita growth is highest two years after a positive commodity terms-of-trade shock,becoming 0.26 percentage point higher than in the absence of the shock (figure 3.5a). The impact of the initial commodity terms of trade shock then gradually decays. However, not all countries bene- fit equally from a positive commodity price shock. African countries with an above-median pace of structural transformation are the biggest winners: the cumulative impact peaks at 0.35 percentage point in real GDP per capita growth for countries with an above-median rate of labor reallocation across sectors three years after the initial shock, when it is the lowest for below-median countries(figure 3.5b). The same pattern is observed when countries are classified based on the median value of their within-sector productivity growth rate: the cumulative effect peaks at 0.41 percentage point two years after the initial shock in above-median countries, more than 3.5 times larger than for below-median countries (figure 3.5c).

These findings reinforce the argument made earlier that fostering structural transformationcould help African countries strengthen their resilience (and reduce their vulnerabilities) to external economic shocks. Dependence on raw commodity exports accustoms the economy to a boom- and-bust cycle driven by global commodity prices, not to steady, sustained economic development.By reducing the reliance on raw agriculture and other untransformed natural resources, which are usually subject to high price volatility, structural transformation could reduce countries' external vulnerability and enable them to benefit fromimproved commodity terms of trade. Structural transformation—for instance, through resource- based industrialization—will be key in supportingcountries' leverage to add value to their vast natural resource endowments and in taking advantage of the booming green economy. By deepening economic foundations and reshoring value-adding processes, structural transformation will stimulate technological change, promote economic growththrough forward and backward links, and fuel the development of subcontractors. Support to labor- intensive manufactured exports could facilitate the absorption of former agricultural workers so thattheir income would no longer depend on fluctuating commodity prices or be affected by weather shocks.

POLICY RECOMMENDATIONS

he momentum of Africa's initial strongeconomic recovery from the deep recession induced by the Covid-19 pandemic has sloweddue to several setbacks, including high inflation,tightening financing conditions, and elevated debtand climate risks. Yet evidence in this report alsosuggests that structural transformation could buildthe resilience of African economies to withstandthe shocks and strengthen the buffers foraccelerated poverty reduction. Addressingconstraints to the structural transformationneeded to engender faster and sustainableeconomic growth will thus require a mix of policiesfor the short and medium to long term, as outline here.

SHORT TERM

Tackle persistent inflation

Despite the delicate process of tightening monetary policy over the past two years, as many African countries raised their policy rates, inflation on the continent remains high and is estimatedto be in double digits in 19 countries in 2023 andin 14 countries in 2024, including some of the largest countries such as Egypt, Ethiopia, and Nigeria. In addition, many countries are likely to face additional inflationary pressures due to the removal of fuel subsidies and other emergency measures (Angola, Nigeria, Senegal, Tanzania)or in response to continued global price volatility. The appropriate monetary policy would then be to strike a balance between continuing to tighten monetary policy and initiating policy easing in countries where inflation is forecast to decline substantially. Therefore, determining the optimal time to start easing monetary policy will be crucial. In countries facing high but falling inflation, interestrates should be maintained at existing high levels until inflation is firmly on target. In countries with high and persistent inflation, a further tightening of monetary policy would be appropriate until there are clear signs that inflation is cooling and returning to target. In sum, monetary policy tightening, coupled with fiscal consolidation measures, should remain the main anchor to lower inflation in countries with above-target inflation, while countries where inflationary pressure is subsiding could gradually ease monetary policy.

Maintaining the credibility of the monetaryauthorities will also be crucial to tackle inflation. The ability of monetary authorities to contain inflation in the face of global shocks owes much to improvements in monetary policy frameworks over the past two decades. Advances in central bank independence, communication and transparency,institutionalized inflation targeting, exchange rate flexibility, and macroprudential regulation have all been critical to successful inflation fight. This credibility is now under scrutiny, and countries need to take action to preserve and strengthen these efforts. A more credible monetary policy framework will anchor expectations against future shocks and thus reduce the tightening required tocontain inflation.

Use monetary policy to limit thetransmission of exchange rate pressures

In countries with floating exchange rates, currencies should be allowed to adjust as muchas possible, because attempts to resist movements based on fundamentals could have disastrous consequences. In countries withpegged exchange rates, monetary policy should be aligned with that of the anchor country to maintain external stability and avoid further losses in foreign exchange reserves. Structural reforms to implement a strategic industrial policy to accelerate economic diversification and strengthen the export sector, as well as fiscal consolidation when the budget deficit increases pressure on the exchange rate, should be implemented simultaneously with monetary policy measures to increaseresilience to shocks.

Address debt burdens through governance reforms to strengthen debt management capacity

The recent debt trends in many African countrieshave rekindled the need for strong governance reforms to strengthen debt management capacity. Good governance and strong institutional capacity prevent "below the line" operations thatundermine debt reduction efforts and ensure that countries strengthen buffers and reduce debtduring good times. Achieving this requires building strong budget institutions to efficiently mobilizemore domestic resources, using them prudently, and conducting sound public expenditure monitoring and debt management. Moreover, strengthening the nexus of debt, growth, and governance would help maximize the growth dividends of debt-financed public investments. Countries alsoneed to improve debt transparency by improvingthe collection, reporting, and management of debt statistics and tightening the monitoring of state-owned-enterprises to reduce fiscal risks fromundisclosed debt and contingent liabilities. Good governance will also lay the basis for broader eco- nomic reforms.

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MEDIUM TO LONG TERM

Scale up domestic resource mobilization to accelerate fiscal consolidation and Africa's structuraltransformation

Some bold measures can scale up domestic resource mobilization. One is limiting the size of the shadow economy by reducing the informal sector. Second is relentlessly fighting corruption. Third is curbing the waste of public resources. Fourth is promoting political stability and the rule of law by strengthening institutions and governance. And fifth is reducing the demographic dependency ratio by creating conditions for youthemployment to expand the labor force and benefit from the demographic dividend.

Digitalizing the economy also presents an opportunity to enhance domestic resource mobilization by reforming tax regimes and curbing resource leaks. Harnessing digital technologies can improve the efficiency of tax administration andhelp taxpayers comply. Establishing a solid data- base can identify and locate the individuals, firms, or land properties on which to levy a tax. Investingin human, financial, and technological resources can improve the performance of tax inspectors, particularly, to detect tax evasion and reject bribes offered by noncompliers when caught. Formalizing economic activities can boost resource mobilization, as can simplifying overly complex tax laws and rules. Deepening Africa's capital markets anddiversifying its financing instruments will further enable the continent to finance its structural trans- formation and long-term development.

Encouraging banks to lend more to the private sector would also help increase resource mobilization. While bank lending to the private sector averages 100 percent of GDP globally, it isbelow 30 percent of GDP in Africa. Banks must be encouraged to reduce their risk aversion and support private investment, especially for green investments. States must establish loan guarantee mechanisms to alleviate credit risk and stimulatebank lending to key sectors of the economy.

Adopt a multiprong policy approachto stimulate Africa's structural transformation and strengthen its resilience to shocks

The commitment to transform Africa's economiesis evident in the plethora of policies, strategies, and programs rolled out at the national, regional, and continental levels—such as the Africa Union'sAfrica 2063, the AfDB's Ten-Year Strategy, and United Nations' Agenda 2030. The question isnot whether Africa should accelerate its structuraltransformation, but how? Given the complexity of the task, a multiprong approach, tailored to country realities, can deliver impactful results. The approach should include the following elements:

Investing in human capital will build a work- force with the appropriate skills to move from low to highly productive sectors and leverage the Fourth Industrial Revolution. African countries will need to overhaul their entire educationsystems to address the structural mismatchesbetween the skills and qualifications acquired by young graduates and those required by thelabor market. In addition to improving the quality and relevance of education and skill development, there is a need to recognize reskilling and retraining (lifelong learning) as a priority to keep up with the rate and speed of technological advances and the resulting changes in industry needs. In doing so, African countries will be able to respond to the increasinglysophisticated requirements of highly productive industrial and manufacturing sectors.

- *Pursuing a resource-based industrialization and a diversification strategy will ensure that the continent leverages its comparative advantage to fast-track its structural transformation and strengthen its resilience to shocks.* The continent possesses a quarter of the world's arable agricultural area, the second-largestand longest rivers (the Nile and the Congo), and vast forest resources. Likewise, about30 percent of all global mineral reserves are found in Africa, including 40 percent of gold, 60 percent of cobalt, and 90 percent of platinum group metals reserves. To diversify, Africa must industrialize and add value by processing and transforming raw materials, including agri-business and climate-smart activities. Creating forward and backward links betweenthe extractive industry and other sectors of the manufacturing industry will also favor the production of inputs and services to meetthe demands of extractive industries. Further, creating special agro-industrial processing zones will support agro allied industrialization by transforming Africa's agriculture into a highvalue-added industry, yielding multiple benefits across the entire spectrum of agricultural value chains—from production and supply to design,processing, packaging, and maintenance to distribution, marketing, and consumer services.

- *Strengthening the collaboration between the government and the private sector will accelerate the pace of structural transformation.* Regular consultations with the private sector in all steps of structural transformation reforms will guarantee their success and scale up their impacts. In addition, to maximize the role of the private sector in the structural transformation process, the following actions must be undertaken.
- Formulating a clear vision articulated in an industrial policy. Building competitive infrastructure and logistics sectors.
- Enabling business environment with well- designed and properly targeted fiscal and financial incentives.
- Establishing active investment promotion agencies to create new markets or attract investments.
- Creating special economic zones andindustrial clusters to create pockets of efficiency and boost production capacity.

Reform the current global financialaid architecture to make it fit for African countries' financing needs

Part of the reason for the debt buildup in Africancountries is the failure of the global financial aid architecture to meet the financing needs of the countries in most need of resources for development. As African countries continue to face financing challenges, mainstream financial institutions need to rethink their role and financing model. The proposed Triple Agenda of the G20 highlights the differential benefits of the reformed global financial architecture to make it more responsive in mobilizing and channeling financing for the Sustainable Development Goals. Reforming the global financial architecture and expanding the representation of developing countries will enhance decision- making, increase transparency, and reduce the cost of capital. The resulting additional financingmobilized for development could help alleviate African countries' fiscal pressures, foster macro- economic stability, improve market confidence, and reduce borrowing costs.

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CO-OPERATIVE ENTERPRISE AND ECONOMIC DEVELOPMENT

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ABSTRACT

In most developing nations, co-operative societies provides structures which create access to financial services for persons of limited means. Co-operative thrift and loan variant of co-operative enterprises are veritable vehicles for savings mobilization and participatory credit administration .Co-operative thrift and credit societies have played significant roles in rural finance and poverty reduction in Nigeria.

Martin Ijere (1992) opines that "of them any organizational arrangements being used to achieve rural development, the co-operative approach is most widespread. In the Co-operative enterprise, emphasis is usually on voluntarism, equity and participation of members which form the fulcrum of the Co-operative principles and practice. There is free entry and free exit and all transactions of co-operative societies are carried out on the basis of equal participation. The main objectives of the co-operative societies are purely social integration of members, mutual benefit of members and sustainable development of the host communities.

The paper focuses on the co-operative principles, objectives of Co-operative enterprises and benefits of Co-operative enterprises. The paper concludes by highlighting how Co-operative societies can enhance the achievement of sustain able development goals which will ultimately lead to economic growth and development of Nigeria.

Keywords: Co-operative thrift and loan variant, savings mobilization, participatory Credit administration, rural finance, poverty reduction, equal participation, social integration and mutual benefits.

INTRODUCTION

Sole proprietorship, partnership and limited liability companies engage in business activities for the purpose of profit maximization. A Co-operative enterprise undertakes business activities with the prime objective of providing service to the members. Although some amount of profit is essential to survive in the business, the main intension is not to generate profit but to serve its members and generate surplus to guarantee continuity in business. They pool resources together from members, utilize the same in the best possible manner and the benefits are shared by the members. A co-operative enterprise is an organization which carries on various economic activities for the mutual benefit of its members (Webster'sComprehensiveDictionary,2004:286).

A co-operative enterprise is defined by International Co-operative Alliance (1995) as "an autonomous association of persons united voluntarily to meet their common economic, social cultural needs and aspirations through jointly owned and democratically controlled enterprises". Inco-operation, therefore, man is the beginning and man is the end (Gisolon,1979:69). From the foregoing, a co-operative enterprise may be defined as "a business owned and controlled equally by the people who use its services or by the people who work there. It is alegalentity owned and democratically controlled by its members.

Co-operation is rooted in antiquity as far as human beings have been organizing for mutual benefit. Tribes were organized as co-operative structures, allocating jobs and resources among each other only trading with the external communities.

In 1810, Robert Owen, a Welsh social reformer and pioneer of the co-operative movement and his partners purchased Ne Lanark Mill from Owens's father-in-law, David Dale and proceeded to introduce better Labour Standards including discounted retail shops where profits were passed onto his employees. In 1828, William King setup a news paper, the cooperator, to promote Owens thinking, having already setup a co-operative store in Brighton.

The Rochdale Society of Equitable Pioneers, founded in 1844, is usually considered the first successful co-operative enterprise used as a model for modern co-operatives.

A group of 28 weavers and other art is as in Rochdale. England setup the society to open their own store selling food items they could not otherwise afford. Within ten years there were over 1, 000 co-operative societies in the United Kingdom.

In Nigeria, the colonial officials introduced co-operative enterprises into Nigeriain 1926. The objective was to improve agricultural production to feed industries in Europe. Nigeria's social-economic environment was also conducive for the development of co-operative thrift and credit societies. This is because there were existing local forms of co-operative groups such as Osusu in Edo, A join Yoruba, Adashi in Hausa and Esusu in Ibo.

The World Bank mission to Nigeria in 1954 recommended that "full support should be given to the co-operative movement as a vehicle for economic organization fully compatible with Nigerian tradition and social sentiments"

In1934, a co-operative expert, C.F. Strick land submitted report of a study on the prospects for co-operative movement in Nigeria. In July 1935, the Co-operative Ordinance No. 29 modeled along the Societies Law of India was enacted. In February 1936, the Co-operative Regulations were launched. Gbedun Co-operative Produce and Marketing Societies near Ibadan was the first Co-operative society to be registered under the Co-operative Ordinance and Regulations in 1936.

By1950,314 Co-operative societies were active with total membership of 14,285.

We hadover300,000 (three hundred thousand) Co-operative Societies in Nigeria as at 31st December 2021. There are over 31million individual members with a yearly turnover of about N1.2trillion(1.2trillion Naira).

TYPES OF CO-OPERATIVE ENTERPRISES

No doubt that all the co-operative enterprises work on the same principle. However, they differ with respect to the nature of activities they perform. The following are different types of co-operative enterprises that exist.

i. **Consumers' Co-operative Enterprises:** These enterprises are formed to protect the interest of general consumers by making consumer goods available at areas on able price. They buy goods directly from the producers and manufacturers and thereby eliminate the middle men in the process of distribution.

ii. **Producers' Co-operative Enterprises:** These enterprises are formed to protect the interest of small producers by making available items of their need for production like raw materials, tools, equipment, machinery, etc.

iii. **Co-operative Marketing Enterprises:** These enterprises are formed by small producers and manufacturers who find it difficult to sell their products individually. The enterprise collects the products from the individual members and takes the responsibility of selling those products in the market.

iv. **Co-operative Credit Enterprises:** These enterprises are formed to provide financial support of the members. The enterprise accepts

v. deposits from members and grants them loans at reasonable rates of interest in times of need.

vi. **Co-operative Farming Societies:** These enterprises are formed by small farmers to work jointly so that they can enjoy the benefits of large-scale farming.

vii. **Housing Co-operative Enterprises:** These enterprises are formed to provide residential houses to members. They purchase land, developit, construct houses or flats and a lot same to members. Some enterprises also provide loans at low interest rate to members to buy their own plots of land.

THE CO-OPERATIVE PRINCIPLES

For any organization to assume the status of a co-operative society, it must imbibe the following co-operative philosophy.

(i) **Voluntary and Open Membership:** Members join the co-operative enterprise voluntarily. A member can join the organization as and when he likes, continues for as long as he likes and leave the body at will. The membership of a co-operative enterprise is open to all those who have common interest. A minimum of ten members are required to form a co-operative enterprise. After the formation of the co-operative enterprise, members can specify the maximum people they require. Membership is without gender, social, racial, political or religious bias.

(ii) **Democratic Member Control:** Co-operative enterprises are managed on democratic lines. Members actively participate in the formulation of the enterprise policies and making decisions. Some members who are referred to as management committee members are elected annually. Each member has a single vote.

(iii) **Member Economic Participation:** In a Co-operative enterprise capitalis contributed by all the members. Part of the capitalis usually the common property of the co-operative. They usually receive limited compensation , if any, on capital subscribed.

(iv) **Autonomy and Independence:** Co-operative enterprises are autonomous. If they enter into agreements with other organization, including governments ,they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

(v) **Education, Training and Information:** A Co-operative enterprise provide education, training and relevant information to their members to enable them contribute effectively to the development of their organizations.

(vi) **Co-operation among Co-operatives:** Co-operative enterprises strengthen their co-operative movements by working together through local, national, regional and international structures.

(vii) **Concern for Community:** While concentrating on members need, co-operative enterprises work for the sustainable development of their communities through policies accepted by their members. These principles which were enunciated over the years by the International Co-operative Alliance (ICA) were evolved from the collections of rules and regulations of the Rochdale Pioneers. It is now universally accepted principles.

FORMATION OF A CO-OPERATIVE ENTERPRISE

A Co-operative enterprise can be formed as per the provisions of the co-operative society's by-law, co-operative law and regulation. At least ten persons having a capacity to enter into a contract with common economic objectives can form a co-operative enterprise.

A joint application along with the constitution of the body containing the details about the organization and its members should be submitted to the Director/Registrar of Co-operative Societies in the state concerned. After scrutinizing the application and the constitution, the Director/Registrar of Co-operative Society issues a Certificate of Registration.

BASIC REQUIREMENTS FOR REGISTRATION

(i) Application with signature of all members.

(ii) Constitution of the Co-operative Society, which will contain the following:

- Name, address, aims, objectives of the Co-operative Society.
- Names, address, occupations of members.
- Mode of obtaining new members.
- Share capital and its division.

THE OBJECTIVES OF CO-OPERATIVE ENTERPRISES

Arising from the definition and the Co-operative principles highlighted earlier, the objectives of Co-operative enterprise are purely social integration of members, mutual benefit of members and sustainable development of the host communities. These can be itemized as follows:

(i) To engage in thrift and credit operations.

(ii) To engage in any agricultural undertaking.

(iii) To undertake simple process and marketing of Co-operative farm products.

(iv) To stock and distribute farm inputs such as fertilizers, seeds and chemicals to farmers.

(v) To procure and distribute consumer commodities to the community at reasonable price.

(vi) To act as manufacturer's representative.

(vii) To engage in export and import.

(viii) To operate transport services.

(ix) To acquire building for use by members and the general public; and

(x) To carry out any other activities designed on Co-operative principles which will encourage the spirit and practice of co-operation among the members.

It is also very important at this point to note that co-operative enterprises operating in each State need to be transparent and accountable to members. To promote this, section 74 of the Bye-law in Edo State prescribes some important records to be maintained by each Co-operative enterprise as follows:

a) A membership and attendance register, showing the name, address and occupation of every member, the number of shares held by him, the date of his admission to membership, then ominee appointed and the members' attendance at general meetings.
b) A cash book showing the receipts, expenditures, and balance on each day on which business is done.
c) General Ledger.
d) Personal ledger with accounts for each member, deposit or and creditor.
e) Loan register showing in stalments for repayment of loans.
f) Minute book for proceedings of General and Committee meetings.
g) Register of Share payment.
h) Loan bond book showing particulars of and containing bonds for all loans issued; and

i) Such other records as may be prescribed by the director.

BENEFITS OF CO-OPERATIVE ENTERPRISES

The benefits of Co-operative enterprises are as follows:

i. **Easy Formation.** Formation and registration of a Co-operative society are very easy and less expensive when compared to the formation and registration of limited liability enterprises. Any ten adults can voluntarily form a co-operative enterprise and get it registered with the Director/Registrar of Co-operative enterprises.

ii. **Open Membership.** The non-discriminatory policy of co-operative enterprises where by persons having common interest can form a co-operative enterprise is a strong point in favor of co-operative enterprises. It is an organization with the principle off reeentry and freeex it.

iii. **Democratic Control.** A co-operative enterprise is controlled in a democratic manner. The members cast their vote to elect their representatives who form a management committee that looks after the day-to-day administration of the enterprise. This committee is accountable to all the members of the enterprise.

iv. **Limited Liability.** The liability of members of a co-operative enterprise is limited to the extent of capital contributed by them. Members' personal properties are free from any kind of risk unlike in sole proprietorship or partnership business.

v. **Elimination of Middlemen's Profit.** Under co-operative enterprises, members control their own supplies thereby eliminating middlemen which attract additional cost of distribution.

vi. **State Support.** In a Federation like Nigeria, both central state governments, NGO sand world bank provide all kinds of support such as capital contribution, loans at low interest rates, exemption in tax, subsidies, etc. to co-operative enterprises.

vii. **Stable Life.** A co-operative enterprise has a fairly stable life and it continues to exist for a long period of time. Its existence is not affected by the death, insolvency, lunacy or resignation of any of its members.

viii. **Improves the Standard of Living of Members.** Since co-operative enterprises seek to meet the economic needs of members who have no access to funds from formal financial institutions, participating in co-operative enterprises will enhance their welfare.

ix. **Reduces Crime.** In an environment of high unemployment, co-operative enterprise convert the weaknesses of members into strengths by adopting the principle of self-help through mutual co-operation. It can support cottage industries within the communities, support parents to pay their ward's school fees and develop members through training and re-training that will keep the youth busy at all times. As the saying goes an "idle mind is the devil's workshop". With co-operative enterprises idleness will be completely reduced within the community.

x. It encourages the habit of saving among Co-operators.

xi. It enjoys the benefit of non-payment of profit tax unlike limited liability enterprises which pay profit tax.

LIMITATIONS OF CO-OPERATIVE ENTERPRISE

Irrespective of the advantages of co-operative enterprises discussed earlier, we still have some limitations identified with it as follows:

(i) **Limited Capital.** The amount of capital that a co-operative enterprise can raise from its members is limited because membership is generally confined to a particular section of the society. Government support is usually inadequate for most co-operative enterprises.

(ii) **Problems of Management**. Generally, we discover that co-operative enterprises do not function efficiently due to lack of managerial ability. Some management committee members are not experienced enough to manage the enterprises. Limited capital does not permit co-operative enterprises to get the services of experts.

(iii) **Lack of Motivation.** Every co-operative enterprise is formed principally to render service to its members rather than earn profit. This does not provide enough motivation to the members to put in their best for efficient management of the enterprise.

(iv) **Lack of Co-operation.** Co-operative enterprises are formed with the idea of mutual co-operation. Sometimes we face a situation where there are frictions between the members because of personality differences like ego clash. This can even bring an end to the enterprise.

(v) **Dependence on Government.** Inadequate capital compel some co-operative enterprises to depend on government for support and patronage in terms of grants, loans, subsidies, etc.

Some co-operative enterprises may be crippled if such supports do not come when they are badly needed.

THE WORLD AND CO-OPERATIVE ENTERPRISES

At the United Nations Millennium Summit held in New York in September 2000, world leaders adopted the Millennium Declaration, committing their nations to a new global partnership to reduce extreme poverty and setting out a series of time-bound targets, all with a deadline of 2015 which have become known as Millennium Development Goals (MDGs).
These goals are basically eight in all as follows:

(i) To eradicate extreme poverty and hunger.
(ii) To achieve universal primary education.
(iii) To promote gender equality and empower women.
(iv) To reduce child mortality.
(v) To improve maternal health.
(vi) To combat HIV/AIDS, malaria and other diseases.
(vii) To ensure environmental sustainability, and
(viii) To develop a global partnership for development.

On the termination of the Millennium Development Goals in 2015 emerged the Sustainable Development Goals (SDGs).

SUSTAINABLE DEVELOPMENT GOALS (SDGs)

The Sustainable Development Goals aim to transform our world. They area call to action to end poverty and inequality, protect the planet, and ensure that all people enjoy health, justice and prosperity . It is critical that no one is left behind.
The short titles of the 17SDG sare:

- Goal 1: No poverty
- Goal 2: Zero hunger
- Goal 3: Good health and well-being
- Goal 4: Quality Education
- Goal 5: Gender equality

— Goal 6: Clean water and sanitation
— Goal 7: Affordable and clean energy
— Goal 8: Decent work and economic growth
— Goal 9: Industry, innovation and infrastructure
— Goal 10: Reduced inequality
— Goal 11: Sustainable titles and communities
— Goal 12: Responsible consumption and production
— Goal 13: Climate action
— Goal 14: Life below water
— Goal 15: Life on land
— Goal 16: Peace, justice and strong Institutions; and
— Goal 17: Partnerships for the goals

The United Nations created the 17goals in 2015 to replace the Millennium Development Goals which terminated in 2015. The Sustainable Development Goals terminates in 2030.

Most of the goals are unlikely to be achieved by 2030. Due to various economic and social issues, many countries are seeing a major decline in the progress made due to COVID-19 pandemic, rising hunger, inequalities and ongoing climate change.

From the benefits of co-operative enterprises mentioned in this paper, it is obvious that co-operative enterprises will help to reduce extreme poverty and hunger by providing financial support to members. Primary education will be improved as members can now pay school fees for their children.

Gender equality will be enhanced as all members are equal with one vote. Child mortality will be reduced. Maternal health will improve and the quality of life will be enhanced since members will have access to fund in their various co-operative enterprises to address these issues.

If Co-operative enterprises are developed in many economies of the world, the world will be a better place for usually. In Nigeria, to enhance growth and development, co-operative societies should be encouraged by both the central government and the sub national governments.

CONCLUSION

A Co-operative enterprise is a better way to protect the weaker sections of the society and to promote economic interest of the people.

I recommend sub national governments in Nigeria to accelerate growth and development of the country by partnering with co-operative enterprises. Governments encouraging co-operative enterprises will go a long way to increase agricultural production in the country especially now that we are experiencing food shortage.

They will help their members to acquire plots of land to build their own houses, setup cottage industries and pay school fees for their children. In a situation where it is not possible to accomplish an objective by individual effort, collective efforts in the form of co-operative enterprise will suffice. This reminds us of Bakken (1986) who opined that "co-operative enterprise is a mechanism for defense, betterment and emancipation to combat the conditions brought by mercantilism". Therefore, co-operative enterprises will lead to economic growth and development.

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PUBLIC AND PRIVATE SECTOR INTERVENTION IN TERTIARY EDUCATION IN NIGERIA: STIMULUS FOR INNOVATIVE RESEARCH AND DEVELOPMENT

SENATOR DR. GEORGE AKUME, *FNIM,* CON

Protocols

I feel highly delighted and honoured to be invited to deliver the 21st Convocation Lecture of Igbinedion University, Okada, the premier private university in Nigeria. This assignment is unique as it is the first of its kind that I will undertake since assuming office as Secretary to the Federal Government of Nigeria in June 2023. I therefore bring you warm felicitations and goodwill from President Bola Ahmed Tinubu who is committed to improving the tertiary educational system in Nigeria.

2. I must admit that the calibre of honorary graduates at today's convocation ceremony speaks volumes of the high standard which Igbinedion University, Okada has attained. To the **Esama of Benin Kingdom, Chief (Dr) Sir G.O Igbinedion, JP** (Proprietor/Chairman, Igbinedion University, Okada), I say congratulations sir, for proving that integrity, honesty and hard work can bring success in business. By establishing the first privately owned Universities in Nigeria and several other altruistic deeds, you have clearly demonstrated that the real value of wealth and status is in the service that is rendered to humanity. My hearty congratulations also go to those being awarded the Doctor of Philosophy degrees today.

3. May I also congratulate His Majesty, **the Oba of Benin Kingdom, Omo N'Oba N'Edo Uku' Akpolokpolo Ewuare II**, a man who has, in a few years, redefined the exalted throne of the Oba, by deliberately empowering the next generation, building bridges from the West to the East, the North and the South and serving our race with passion and zest.

4. I must also pause to celebrate those who make a significant pillar of departments. These are great scholars and the fine academics who make up the faculties. You are the thought leaders at a historic moment, whose great task is to guide the present and inspire the future. To the real reason why we are here, the graduands, congratulations to you and, of course, all the family members and friends here to witness this great day.

5. Distinguished ladies and gentlemen, to commence my lecture, I will like to categorically state that tertiary education plays a pivotal role in fostering national development. As Nigeria strives to achieve sustainable growth and global competitiveness, strengthening its system of higher education is imperative. Investments in universities and other tertiary institutions generate significant returns, equipping graduates with the knowledge and skills to drive innovation, productivity, and economic transformation. However, tertiary education requires substantial financial commitments and policy inputs from both the public and private sectors.

6. In recent years, we have witnessed significant growth in the tertiary education, with an increasing number of public and private institutions across the country. However, challenges

persist. It is therefore, our responsibility as a nation, to address these challenges and create an environment that fosters innovation and excellence in our tertiary institutions.

7. In Nigeria and worldwide, tertiary education has historically relied on government funding and oversight, reflecting its position as a public good. Recently though, many countries have moved towards diversifying the resourcing and delivery of tertiary education, incorporating a larger role for private entities and market mechanisms. Nevertheless, the state remains a central actor in regulating quality, access and strategic priorities.

8. I take the liberty, however, to submit that tertiary education in Nigeria stands to benefit from well-designed collaborations between public and private stakeholders. Neither sector in isolation can provide the scale and diversity of investments needed to catalyse innovation and skills acquisition. Government stewardship and funding must be complemented by private dynamism and resources. The central challenge is stimulating mutually reinforcing policies and partnerships.

9. Indeed, developed and developing countries around the world provide models of public-private engagement aimed at improving tertiary teaching, research and engagement. For instance, incentive programs in Singapore and South Korea have successfully promoted industry collaboration and commercialization activities in universities. Brazil and Thailand have expanded access to tertiary education by encouraging private sector provision. Within Africa, Ghana and Kenya have recently implemented regulatory reforms to attract investment and expand private participation.

10. Private sector interventions in tertiary education have provided an alternative and complement to the public system. They have injected innovations, competition and additional resources into the sector. This diversity is a positive development, but it also comes with its own set of challenges, such as issues related to quality assurances and affordability.

HISTORICAL OVERVIEW OF TERTIARY EDUCATION IN NIGERIA

11. Tertiary education in Nigeria has undergone major expansion and reforms over the past 70 years. Pivotal milestones include the establishment of the first university colleges in the 1940s and the formation of the country's first autonomous universities in the 1960s. The number of universities grew from just 5 in 1970 to 170 by 2013, reflecting the priority placed on higher education's role in national development. Today, that number has risen to 264.

12. However, this rapid expansion also brought challenges around funding shortfalls, infrastructure deficits and quality assurance. By the 1980s, decreases in public financing due to economic crises severely constrained the tertiary sector, with negative impacts on research output and teaching quality. Libraries and laboratories deteriorated while academic remuneration declined, thus contributing to brain drain.

13. Ladies and gentlemen, in response, previous governments implemented reforms aimed at expanding access, improving quality and fostering financial sustainability. Measures included licensing more private universities, relaxing regulatory burdens, and introducing tuition fees at public institutions. The Education Tax Fund established in 1993 also channelled corporate levies towards tertiary education. More recently, increased budget allocations have been directed to infrastructure upgrades and research funding.

14. Notwithstanding, tertiary education in Nigeria continues to suffer from issues of under-investment, insufficient public-private partnerships and mismatch with labour market needs. These weaknesses manifest in low research productivity, outdated teaching methods and high graduate unemployment. While enrolments have risen, quality issues persist with implications for national competitiveness and innovation potential.

15. Addressing these systemic challenges will require multi-pronged strategies grounded in Nigeria's economic and social realities. Targeted investments, diversified financing models and strengthened regulatory oversight can help upgrade infrastructure, teaching and research. Building dynamic collaborations between academia, government and industry will also foster more demand-driven, innovative and entrepreneurial tertiary education.

CURRENT LANDSCAPE OF TERTIARY EDUCATION IN NIGERIA

16. Nigeria's tertiary education landscape has grown increasingly diverse, encompassing federal/state public universities, private universities, polytechnics, and colleges of education and agriculture. Total enrolment exceeded 1.5 million students in 2015. However, substantial disparities remain between public and private institutional capacity. The present Government's educational reforms aim at bridging these gaps. The university autonomy granted the public universities would go a long way in creating a healthy competition among institutions including private universities. The Government has established specialised tertiary institutions with specific mandates and focus. These include the medical sciences university, university of Agriculture, University of transport and the military universities. Not forgetting that Nigerian Defence Academy is now also a degree awarding institution.

17. Growth in private universities since 1999 has helped expand access, albeit still serving a small minority of students. Private institutions have flexibility in fees and faculty hiring, enabling better facilities and smaller class sizes. However, high fees restrict socioeconomic diversity. There are also concerns about varying quality standards.

18. Bridging these gaps is vital for Nigeria to reap the developmental benefits of tertiary education. Expanding collaborative research, fostering technology transfer and aligning curricula with market needs could catalyse innovation across institutional types. Strategic investments in shared research facilities and public-private partnerships may help optimize resource use. Quality assurance mechanisms and accreditation processes also need strengthening.

PUBLIC SECTOR INTERVENTION IN TERTIARY EDUCATION

19.The Nigerian government has deployed various policies and initiatives to steer the strategic direction of the tertiary education sector. Key measures have focused on regulation, funding and infrastructure development.

Role of regulatory bodies

A major thrust since the 2000s has been establishing regulatory frameworks to assure quality amid expansion. The National Universities Commission (NUC) sets standards and accredits programs, enforcing minimum academic criteria and inputs. The National Board for Technical Education

(NBTE) and National Commission for Colleges of Education (NCCE) play supervisory and regulatory roles for polytechnics and colleges.

Funding allocation and budgeting

Public funding for tertiary education has trended upwards but remains insufficient to meet needs. Federal and state governments provide approximately 90% of university budgets and 80% for other tertiary institutions. Budgetary allocation to education increased from 6.4% of total spending in 2014 to 7.0% in 2018. But funding per-student is low compared to regional peers while capital investments lag. Attempts to increase cost-recovery through student fees have been limited by regulations capping tuition charges at public institutions.

20. In summary, while government stewardship has facilitated tertiary sector growth, public funding and strategic leadership remain a challenge. Sustaining quality and catalysing innovation will require higher investments, strategic partnerships with private actors, and governance reforms leveraging global best practices.

PRIVATE SECTOR INTERVENTION IN TERTIARY EDUCATION

21. Since 1999, Nigeria has seen rapid growth in private tertiary institutions, driven by surging demand and liberalization reforms. These non-state entities have helped absorb student overflow and pioneered alternative models.

Emergence of private universities and institutions

The number of licensed private universities increased from 3 in 1999 to 79 by 2018. As at today, the number has risen to 147. Funding derives mainly from tuition fees along with faith-based, community and corporate investments. The high fees restrict access for lower-income families but provide institutions greater resources for quality inputs than public universities get. Some collaborate with foreign institutions to upgrade staff and facilities.

Public-private partnerships

Many private institutions actively pursue public-private partnerships (PPPs) in areas like infrastructure, research and training. PPPs can optimize resources but require strong oversight around quality and affordability.

Quality assurance and accreditation

Quality assurance remains a challenge – accreditation agencies have limited capacity to rigorously inspect programs across proliferating private providers. But some institutions have gained reputations for academic excellence, outperforming public counterparts in national rankings.

22. In summary, private tertiary providers have expanded access and injected innovation, albeit with variable quality. Developing supportive regulatory frameworks and public-private collaboration models can further leverage their strengths for national development.

BEST PRACTICES AND SUCCESS STORIES FROM GLOBAL TERTIARY EDUCATION MODELS

23. Examining international success stories provides useful insights into policies and strategies that can strengthen tertiary education in Nigeria. Global models underscore the value of sustained investments, governance reforms and public-private coordination.

24. Korea and Singapore achieved rapid tertiary expansion and research excellence through high public spending even during economic difficulties. Strategic priority-setting, competitive funding and rigorous quality assurance also fostered world-class universities. Brazil massively increased tertiary access through a diverse, differentiated system combining public and private institutions. Strong regulatory frameworks ensured quality while equity schemes provided student aid. Academic-industry partnerships also flourished.

25. The African Institute of Science and Technology exemplifies continentally-focused models. Its pan-African network of graduate schools link regional needs with global science expertise. Curricula promote technical skills while favouring local recruitment and technology commercialization. These global experiences highlight the potency of forward-looking reforms. For Nigeria, increased investments, strengthened governance and enhanced public-private coordination can unlock tertiary sector potential. Strategic priority-setting, system differentiation and rigorous quality assurance are also vital.

CHALLENGES AND CRITICISMS

26. While Nigeria's tertiary education system has seen expansions in access, some persistent deficits remain around infrastructure, quality, equity and governance. Addressing these limitations is vital for improved outcomes and sustainability.

Issues with infrastructure and resource allocation

Inadequate public financing against the backdrop of competing national demands has led to dilapidated facilities and equipment shortages in some public institutions. Frequent staff strikes stemming from industrial actions also disrupt learning. On the other hand, private universities invest more in infrastructure but cannot meet mass demand due to high tuition fees.

Concerns about quality and standards

Variations in standards and graduate competencies raise concerns about quality and relevance. Curricula often emphasize theoretical learning rather than practical application. Quality assurance mechanisms also lack the capacity to rigorously inspect such a large system.

Equity and accessibility concerns

The stratification between high-fee private institutions and budget-constrained public ones impedes equal opportunity. Regional and gender imbalances further limit accessibility for disadvantaged groups. Student aid remains limited outside of a limited federal scholarship scheme.

27. To harness the full potential of both public and private sectors, we need a collaborative approach. Public-Private partnership can be a catalyst for change in the tertiary education landscape. Here are some key areas of focus:

i. **Quality Assurance:** Both public and private institutions must adhere to strict quality standards. Accreditation bodies and regulatory agencies must ensure that educational standards are maintained, regardless of the institution's ownership.

ii. **Infrastructure Development**: Public-Private partnerships can lead to significant improvements in infrastructure, including research facilities, libraries and technology resources.

iii. **Scholarships and Financial Aid**: Collaboration can extend to providing scholarships and aid to students, making education more accessible.

iv. **Curriculum Innovation**: Joint efforts can result in curricula that are more relevant to the needs of the industry and the challenges of the modern world.

v. **Research and Innovation**: Encouraging collaborative research projects between public and private institutions can drive innovations and contribute to sustainable development.

vi. **Community Engagement**: Our institutions should actively engage with their communities, fostering a sense of responsibility and giving back through community development projects.

28. Experts have argued for the several potential solutions that can address the decay of infrastructure in Nigerian higher institutions, they include:

i. **Increased funding**: This government is allocating more financial resources to higher education to support infrastructure development and maintenance.
ii. **Public-Private Partnerships**: The Federal Government is also increasing collaboration with private organizations to help fund and upgrade facilities in universities
iii. **Efficient budget allocation**: Improving the allocation of funds to prioritize infrastructure projects in higher education
iv. **Maintenance Culture**: Encouraging a culture of regular maintenance and repair to prolong the lifespan of existing facilities.
v. **Technology Integration**: Incorporating modern technology and e-learning tools to reduce the strain on physical infrastructure
vi. **Infrastructure Audits**: Regularly assess the state of infrastructure to identify and prioritize areas in need of improvement.
vii. **Alumni Involvement**: Encouraging alumni to contribute financially and provide expertise to upgrade their alma maters.
viii. **Research Grants**: Seeking grants and funding opportunities to support infrastructure projects and research initiatives.
ix. **Government Policies**: Implementing policies and regulations that ensure proper maintenance and development of higher education infrastructure.
x. **Capacity Building**: Investing in training and development for staff and professionals responsible for infrastructure management.
xi. **The brain drain syndrome**: There is a shortage of qualified academia as a result of brain drain, unsustainable expansion of faculties without corresponding expertise or human capacity development.

These solutions, when combined and executed effectively, can help improve the state of infrastructure in Nigeria higher institutions.

THOUGHTS ON POLICY CONSIDERATIONS BY GOVERNMENT.

29. The Administration of His Excellency, President Bola Ahmed Tinubu GCFR recognizes the full potential of Nigeria's tertiary education sector to drive national development, which underpins the ongoing comprehensive reforms in the sector. Strategic investments, governance revamps and closer public-private coordination form part of the needed transformation. To fully optimize tertiary education's role in national development, the Federal Government has prioritized reforms in several policy domains in line with the **Renewed Hope Agenda** of the president.

Enhancing government policies

To strengthen tertiary education, the Federal Government is enhancing policies around financing, governance, and research support in tertiary institutions. Research grant programs like the Tertiary Education Trust Fund are being expanded to build institutional capabilities. Competitive mechanisms can incentivize impactful research aligned with national priorities. Reforms in public universities to ensure merit-based management, efficiency, and stakeholder accountability are being carried out. To this end, appointment to membership of Governing Councils are based on expertise rather than political affiliations. It is believed that with strategic, sustained investments and policy coordination, Nigeria can build world-class tertiary institutions capable of driving innovation and development in no distant future. Government policy on intellectual property protection should be explicit to encourage research patenting and commercialisation of research output.

Promoting public-private partnerships

Promoting effective public-private partnerships (PPPs) can help advance Nigeria's tertiary education system. In this regard, Government has put in place strategic policies to incentivize collaborations, support commercialization, and attract private investments. The government is willing to provide tax incentives, grants and subsidies to encourage joint R&D projects between companies and universities. Platforms like technology transfer offices and industry liaison cells can facilitate the commercialization of academic IP. Private sector financing through PPPs presents opportunities to upgrade infrastructure, facilities and learning technologies. The Government encourages all institutions to take advantage of bilateral agreements at sub-regional, regional and international levels. These bilateral agreements often present research opportunities that can contribute to national development.

Encouraging research culture

Encouraging a vibrant research culture is vital for Nigerian universities to produce impactful innovations and support national development. Strategies must include recruiting top faculty, upgrading infrastructure, and incentivizing collaboration. Academic recruitment and promotion policies should reward high-quality research output. Modernizing labs, digital systems and library resources will enable cutting-edge research across disciplines. Providing grants for multidisciplinary centres and networks can break silos and stimulate innovation. Singapore's

Research Centres of Excellence demonstrate the potential of focused investment in strategic priority areas. The Government is determined to sustain its investments and incentives for world-class research that will strengthen Nigeria's human capital and competitiveness.

Fostering innovation

Nigerian universities need comprehensive strategies to foster innovation and entrepreneurship. Curricula across disciplines require urgent updating to build skills aligned with dynamic labour market needs. Integration of practical experiences like internships and group projects will also boost employability. Establishing technology transfer offices and industry liaison cells can facilitate the commercialization of research via intellectual property licensing, incubation, and academic spin-offs. Stanford University demonstrates how world-class innovation hubs emerge through aligning teaching, research and entrepreneurial ecosystems. Holistic approaches encompassing curriculum, experiential learning and commercialization infrastructure are imperative for Nigerian tertiary institutions to drive impactful innovation.

Fourth Industrial Revolution

Preparing for the Fourth Industrial Revolution (4IR) driven by emerging technologies requires focused tertiary education strategies in Nigeria. Prioritizing STEM fields, particularly engineering and ICT, can build critical digital skills. Curricula must rapidly integrate modules on areas like AI, robotics and blockchain. Specialized research centres across key technologies should be established, potentially through partnerships between universities, industry and government. International collaborations can fast-track development of 4IR capabilities - India's Centres of Excellence with Japan exemplify such knowledge transfer models. Targeted investments, practical training and global partnerships are vital for Nigeria to harness 4IR opportunities. Tertiary institutions must take the lead in developing relevant human capital.

Entrepreneurship & innovation

Fostering entrepreneurship and innovation requires integrating supportive programs and resources across Nigerian tertiary education. Entrepreneurship training should be mainstreamed beyond business schools into wider curricula. Experiential learning via incubators and competitions can cultivate start-up skills. Providing seed funding, incubation facilities and mentorship enables students and faculty to translate ideas into ventures. Partnerships with industry, government and investors can sustain platforms. Encouraging interdisciplinary problem-solving and technology commercialization fosters impactful innovation. Diverse student teams and collaborations should be incentivized. Holistic initiatives encompassing learning, infrastructure and networks are vital to unlock the entrepreneurial potential of Nigeria's youth. This requires robust public-private coordination.

30. It is essential for the government, educational institutions, industry and civil societies to work in harmony to create an ecosystem where innovations flourishes and sustainable development is a reality. The government must provide the necessary policies, frameworks and incentives and the private sector must step up to complement these efforts.

31. Your Excellencies, distinguished ladies and gentlemen, in conclusion, we must agree that the future of Nigeria hinges on the quality of education we provide in our tertiary institutions. By fostering collaboration and innovation in both public and private sectors, we can stimulate research

and development, thereby driving sustainable growth and ensuring a brighter future for our great nation.

32. let us be encouraged by the giant strides the Federal Government is making in bettering the lots of Nigerians. The president has been working tirelessly to reposition our economy and improve the quality of lives of Nigerians. He has been meeting investors across the globe and wooing them back into the country. I can assure you with certainty that these moves have already started yielding results. The 8 point agenda of this administration has so far proven to be the game-changer as we have already noticed considerable improvements in security in the areas of terrorism, banditry and kidnapping.

33. To our children graduating from this prestigious university, now is the right time to be graduates as this administration is centred around Youths friendly policies. While we chon out policies to address the high unemployment rate especially among the youths in the country, I encourage you to embrace new challenges and meet them with strength and courage. There is a student loan policy with over N10 Billion naira budgeted for it. I therefore implore you all to take full advantage of this opportunity for innovation and entrepreneurship and become better versions of yourselves.

The Federal Government has also launched the National Talent Export Programme to shore up Nigeria's foreign exchange earnings and create one million in-demand jobs nationwide for five years. The new initiative seeks to position Nigeria as an export hub for talent outsourcing in Africa following the example of India, Bangladesh, Mexico and The Philippines

34. This lecture has highlighted the pivotal yet underleveraged role of tertiary education within Nigeria's national development agenda. While public universities drove initial expansions, private institutions have absorbed growing demand but remain small in scale. Neither sector in isolation can provide the diversity of teaching, research and engagement needed for 21st century economic and social progress. Well-designed collaboration between government and private entities is imperative to build, fund and steer a world-class system. Examples worldwide demonstrate the potency of public-private coordination around shared objectives.

35. With concerted effort, the tertiary education ecosystem can foster the research output, innovation, and work-ready skills needed to unleash inclusive growth. Unlocking these dividends will require all stakeholders to expand vision, thinking and funding beyond silos. Nigeria's future global competitiveness begins with the classrooms, laboratories and campuses nurturing its next generations.

36. Thank you for your kind attention and I look forward to our collective efforts to transform Nigeria's education system for the better.

CONVERSATION WITH THE TOWN

INTERVIEW WITH SENATOR (DR) GEORGE AKUME (CON)

SECRETARY TO THE GOVERNMENT OF THE FEDERATION. FEDERAL REPUBLIC OF NIGERIA

1. **Your Excellency, you have been very busy working with Mr president in running the government, few months down the road, how far?**

Answer: So far so good the President, His Excellency Bola Ahmed Tinubu is on the right part. He assumed office at a very difficult moment in the life of the country as a whole. He called all of us and we had a meeting. The president specifically informed us that if any progress was to be made in moving the country forward and improving the lives of Nigerians, we had to be specific and decisive with our policies.

For example, is this issue of petrol subsidy removal. Our country's public debts – both local and foreign – coupled with an unsustainable fuel subsidy regime created a gaping hole in public finance and rendered the three tiers of governments insolvent and incapable of meeting the needs of the citizens. In solving the problems, His Excellency President Tinubu took a bold and courageous decision to remove the fuel subsidy to avert a national economic catastrophe of epic proportions.

The fuel subsidy regime was a Sword of Damocles that hung over Nigeria for decades and it stunted the growth of the country and set it a-borrowing. I wish to appeal to Nigerians to see the current inconveniences as a price we must all pay to save our country from disappearing. The TAM for all the refineries in the country are in top gear especially Port Harcourt and Warri. When concluded, the cost of products will naturally drop. The Dangote refinery is also posed to commence business any moment from now. We recently inaugurated a committee to review the Public Procurement Act, 2007 in line with the current economic realities in the country.

We have also hormonised the exchange rates and the CBN is doing everything practicable to equalize the exchange rates. It is a matter of time before the naira gains traction become a stable.

2. **Thank you, your excellency, is there any key strategy that you have devised to make it easy for government parastatals to function more efficiently, particularly in tapping into the vision of the new government in policy implementation?**

Answer: You see, I have been in government in difference categories for a number of years in Nigeria since the return of democracy in 1999 and I can tell you that our problem as a nation has never been lack of good policies or strategies but rather, that of lack of will to political will to implement government policies. At the Ministerial retreat held some weeks ago, the President made it clear that Performance shall remain the only criteria for any appointee to retain his position in this Administration. To this end, they all executed a performance contract. The President will not hesitate to disengage any one that falls short of the target. in l

3. **Your Excellency, the office of the Secretary to the Government of the Federation is often seen as an embodiment of key Government functions, sometimes including driving the economy. How far have you gone in encouraging the government departments and parastatals under your office as a purveyor and driver of aiding the implementation of key economic and social policies of the government?**

Answer: It starts by putting square pegs in square holes. This makes the job easier such that government policy directions are better understood and appreciated in terms of implementation by all MDAs. So far the President has made several appointments to fill up vacant positions and fully set up machinery of government. However, given the short time that his administration has been in office, we are still trying to round up these appointments by also setting up their boards considering a fair national spread as he Mr. President stated himself. It is when all the boards have been fully constituted that full policy implementation will be guaranteed. The president has been away trying to woo investors and seal bilateral and multi-lateral deals of mutual benefit to the country. We are optimistic that very soon, most if not all boards of federal parastatals would have been formed thus, making the running of government more efficient.

4. **Your Excellency, as a former senator, in what novel area of governance will you suggest the senate and the National Assembly can be engaged to drive the formulation and delivery of government policies?**

Answer: Thank you very much, we all know that the National Assembly has a very significant role to play in any democracy. They are the representative of the people at the national level. In addition, they are constitutionally empowered to make laws for the betterment of the lives of the people. Harmonious working relationship between the executive and the legislature is necessary for speedy delivery of the dividends of democracy without prejudice to the doctrine of separation of powers. Therefore, we at the Executive see the National Assembly as a partner rather than a competitor.

Presently, the 2024-2026 Medium Term Expenditure Framework/Fiscal Strategy Paper (MTEF&FPS) is before them for their consideration and we are hopeful that the process will be concluded before the end of this year. Furthermore, their oversight and public hearing is an effective tool and should be used more frequently by the National Assembly to promote good governance, transparency, accountability, rule of law, reduced corruption and increased efficiency in public administration.

5. **Your excellency, as the head of the key coordinating office in the implementation of government programs and bearing in mind that majority of Nigerians are in the private sector, how are you encouraging synergy and cooperation between the government departments and the private sector?**

Answer: Thank you once again, as you have rightly stated, I am the head of the key coordinating office in the implementation of not just government policies in general but that of the administration of His Excellency President Bola Ahmed Tinubu. Whatever I am coordinating must be in line with the Renewed Hope Agenda broken down as the 8 point agenda. The good thing is that this administration's policies are focused on youth and women empowerment. These set of people are more in the private sector. There is the Tax Reform Committee set up by the president with the prime objective of eliminating multiple taxations impeding on the growth of SMEs, we also have the student loan scheme with about N10 billion budgeted for its take off. Similarly, the 3 Million Technical Talent (3MTT) programme, a critical part of the Renewed Hope agenda, is aimed at building Nigeria's technical talent backbone to power our digital economy and position Nigeria as a net talent exporter. The first phase of the programme, executed in collaboration with NITDA, will involve multiple stakeholders including fellows, training providers, partners and placement organisations. I can name them on and on but the take away here is that government agencies will execute these policies in synergy with the private sector while effective collaborations shall be coordinated by the office of the Secretary to the Government of the Federation.

6. **Your excellency and distinguished senator, what is your advice to the younger generation of Nigerians aspiring for leadership positions?**

Answer: My sincere advice to the youths of this country is for them to know that this country belongs to them therefore, the future is theirs but first things first, in order for you to be a good leader, you must first serve. The qualities of a good servant are hard work, integrity, commitment and knowledge. They should train themselves in preparation for their time in the helm of affairs of this great country, they must desist from social vices especially the "get rich quick syndrome". Success is a process.