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Economic Policies and Challenges of Development in Nigeria

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Abstract

The paper examined economic policies and challenges of development in Nigeria. In doing this, the paper adopted the descriptive analysis techniques as a basis of analysis. Data used for this study is basically from secondary sources and qualitative design. Endogenous Growth theory was adopted as a framework of analysis. The theory emphasis the institution of a knowledge-based human capital accumulation system and structures through learning by doing externalities, investment in research and development (R&D) activities that will generate new ideas, enhance technological progress, and improve the quality of products. The findings revealed that both economic, political and social indicators point to the direction of a crisis-ridden economy. That there is acute unemployment, widespread poverty, high-level illiteracy, decayed social and physical infrastructure, technological backwardness, excessive debt over-hang, among several others, despite myriads of plans since independence. Therefore, deriving from these shortcomings, the paper recommends that a disciplined political leadership is what Nigeria needs to implement policies that will ensure development. The paper also recommends policy adjustments and reforms designed to shift the country from its dependence on oil and diversify the economy towards private sector-led growth to place Nigeria on a more sustainable path to recovery and development.

Keywords: Economy, Challenges, Development, Policies, Micro and Macro

1.1 Introduction

Since its independence in 1960, Nigeria's overall economic performance has been underwhelming. Despite the massive amounts of foreign exchange available and spent, primarily from its oil and gas resources, economic growth has been slow and poverty rates have risen. Nigeria's economic potential is constrained by many structural issues, including inadequate infrastructure, tariff and non-tariff barriers to trade, obstacles to investment, lack of confidence in currency valuation, and limited foreign exchange capacity (USAID, 2021).

Every sovereign nation's goal, including Nigeria's, is to raise citizens' living standards while also promoting the country's economic growth and development. Countries rely on each other to stimulate economic growth and accomplish sustainable economic development due to the vicious loop of poverty, scarcity of resources, and the law of comparative advantage. Economic growth is a necessary condition for progress. This explains why growth continues to be the core policy emphasis of the government's development ambitions in Nigeria. Essentially, policies aimed at reforming and reorganizing the actual economy are linked to economic growth. Nonetheless, due to the savings and investment gap, a fundamental hindrance to economic development in the country is the lack of sufficient domestic resources, savings, and investment to support and sustain the sectors (Imimole & Imoughele, 2012). Savings provide the much-needed funds for investment in developing countries like Nigeria, resulting in increased economic growth (Ismaila & Imoughele, 2015).

Following independence in 1960, the Nigerian economy's immediate challenge was to boost robust economic growth to reduce extreme poverty, improve health care, eliminate illiteracy, strengthen democratic and political stability, improve the quality of the natural environment, reduce crime and violence, and, ceteris paribus, become an investment destination of choice for international capital. Long-term broad-based economic growth is critical for Nigeria to boost incomes and realize its potential as a major trade and investment partner in the globe. While rapid growth in China, Malaysia, and India, for example, has lifted millions of people out of poverty, Nigeria and many other African countries have experienced the opposite, with low growth rates Yaqub (2011) argues that Nigeria's economy is sluggish when compared to the world's emerging economies (Ismaila & Imoughele, 2015).

Acknowledging this very important factor, the Nigerian government and policymakers have embarked on various macro and microeconomic policies to address these issues. Some of the policies involved the use of monetary and fiscal policy, export promotion strategy, imports substitution strategy, NEEDS, through to the 7-point agenda (2007) of Umar Musa Yar'Adua administration, through the Vision 20-20 (2010), National Industrial Revolution Plan (2014) and the Nigeria Integrated Infrastructure Master Plan (2014) and Transformation agenda of the Goodluck Jonathan administration, all the way to the Muhammadu Buhari government's Strategic Implementation Plan for the Budget for Change (2016) and the comprehensive economic intervention plan tagged Economic Recovery and Growth plan. The fundamental objectives of the policies include price stability, maintenance of the balance of payments equilibrium, and promotion of employment, output growth and sustainable development. These objectives are necessary for the attainment of internal and external balance of the value of money and promotion of long-run economic growth (Kalagbor & Harry, 2021).

Despite these macro and Microeconomic policy measures, the performance of the Nigerian economy in terms of growth has been dismal. Available information reveals that the growth of Nigeria economy as of 1990 was 8.2% and decrease to 5.4%, 4.6%, and 3.5% in 2000, 2001, and 2002 respectively. It further increased to 9.6% in 2003 and decrease to 5.8% in 2005 and increased marginally to 6.4% and 7.3% in 2008 and 2011 respectively and 1.92% in 2018, 2.21% 2019 and 1.8% in 2020 due to the impact of covid-19 that led to recession (world Bank, 2020). With all these, one cannot but wonder what the macroeconomic determinants of Nigeria economic growth are and what are the macroeconomic policy implication of Nigeria economic growth between 1986 and 2020. This brings to bear the question what is the economic outlook for Nigeria in 2021 and beyond? How can Nigeria's economic policies bring much-needed development? How can the government raise more revenues to ensure a sustainable fiscal position? What transparency measures has Nigeria put in place to ensure emergency spending is targeted towards its intended use? This paper examined Nigeria's economic policies and outlines major policy measures that have been implemented and brought to bear the challenges of development in Nigeria using descriptive analysis.

2.1 Literature Review

2.1.1 Concept of Macroeconomics

The term 'Macro' has been derived from a Greek word 'Macros' meaning 'large'. Thus, Macroeconomics is the study and analysis of an economy as a whole. The study of the performance, structures, behaviour and decision making of an economy as a whole, rather than individual markets. Macroeconomic policy refers to those policy of Government aimed at the aggregate economy, usually to promote the macro goals of full employment, stability, and growth. Common macroeconomic policies are fiscal and monetary. Fiscal policy is the macroeconomic policy where the government makes changes in government spending or tax to stimulate economic growth while monetary policy deals with changes in money supply or changes with the parameters that affect the supply of money in the economy. The objectives of this policy include the achievement of sustainable economic growth and development, stable prices and full employment. Some of the objective's set are potentially in conflict with each other, which means that, in attempting to achieve one objective, another one is 'sacrificed'. For example, in attempting to achieve full employment in the short-term, price inflation may occur in the longer term (Ismaila & Imoughele, 2015).

Ullah and Rauf (2013) asserted that a sound macroeconomic policy has to do largely with the consistent management of short-term policy instruments pursuing a sustainable and predictable pace for aggregate economic variables and major prices (wages, inflation, interest rates and exchange rates). They established further that monetary, fiscal and exchange rate policies, together with structural reform, have major consequences for the social wellbeing of societies, not only in terms of protection against shocks and crises but also in terms of equity. Many, if not all, of the necessary social policies, are domestic. Pursuing them, however, depends to a considerable extent on the international enabling environment in which the global financial system, the unsettled debt crisis and increasing official development assistance (ODA) flow play a significant role (Ismaila & Imoughele, 2015).

2.1.2 Concept of Microeconomics

Microeconomic deals with what choices people make, what factors influence their choices and how their decisions affect the goods in the markets by affecting their price, as well as their supply and demand. One goal of microeconomics is to analyze the market mechanisms that establish relative prices among goods and services and allocate limited resources among alternative uses. Microeconomics shows conditions under which free markets lead to desirable allocations. It also analyzes market failure, where markets fail to produce efficient results. Microeconomics also deals with the effects of economic policies (such as changing taxation levels) on microeconomic behaviour and thus on the aforementioned aspects of the economy (Ismaila & Imoughele, 2015).

2.1.3 Concept of Development

Development is a multi-dimensional process involving changes in structures, attitudes and institutions as well as the acceleration of economic growth, the reduction of inequality and the eradication of absolute poverty (Todaro, 1977). Ake (1996) sees development as a process by which people create and recreate themselves and their life circumstances to realize higher levels of civilization following their own devices and values. Schumpeter (1934) cited in Jev and Dzoho (2014) defines development as a "discontinuous and spontaneous" change in the stationary state which forever alters and displaces the equilibrium state previously existing. In the same vein, Friedman

(1962) is of the view that development is an innovative process that leads to the structural transformation of a social system. In the word of Haliu-Been (1970) cited in (Uche, 2019), development is a process of acquiring a sustained growth of a system's capacity to cope with new and continuous changes towards the achievement of progressive political, economic and social objectives. Development is a state of equilibrium whereby a nation's affairs and almost everything starts working in the direction it is expected. Every aspect of such a society will change to positive and forward-looking. There will be almost an elimination of negativities and vices. There will be an improvement in the standard of living of the populace, reduction of unemployment, improvement in health, education, infrastructure and social wellbeing. The primary objective of development is to improve man and his environment (Iheanacho, 2012; Uche, 2019).

2.1.4 Theoretical Framework

The study is anchored on the "Endogenous Growth Theory". The Endogenous Growth Theory was a response to the shortcomings of the Neo-classical Growth Theory. It emphasizes the importance of human capital in the entire development process of a given society. The focus of the theory is the institution of a knowledge-based human capital accumulation system and structures through learning by doing externalities, investment in research and development (R&D) activities that will generate new ideas, enhance technological progress, and improve the quality of products. The endogenous growth theory was made popular in the mid-1980s in economic development literature mostly due to the work of Romer, (1986). Romer (1986), in his work titled "*Increasing Return and Long-Run Growth*", broadened the concept of capital to include human capital.

According to Romer, and his associates, if an economy that invests in the capital (physical infrastructure) also invest in human capital (that is education, vocational training or skills acquisition, research, and development (R&D, etc.), then not only will the labour be productive, but it will also be able to use the capital and technology more efficiently. It then follows that technology and human capital are both endogenous to the system. In other words, technology and human capital or resources would no longer be infused from outside but would be generated and sourced from within the economy. Simply put, development resources such as humans, materials and ideas/technologies could be generated from within the domestic economy without necessarily and solely depending on eternal sources.

To this end, Tyler and Negrete (2009), assert that government economic policies and public institutions must play a crucial role to achieve quality human capital accumulation and the attendant productivity and development in the society. Hence, there should be a willingness to save, invest in Research and Development, increase the level of production functions, and make appropriate technology choices. To them, human capital formation, which is influenced by sound education policies and investments, non-oil sectors, the share of agriculture to national employment, etc.

This theory, therefore, is relevant in explaining the failure of both Macro and Microeconomic policies in Nigeria and can therefore be proffer as a possible solution to challenges of Nigerian economic development.

2.1.5 Nigerian Economic Policies and development: The missing Link

The first National Development Plan Policy (1962 –1968): as soon as Nigeria gained independence in 1960, the First National Development Plan was immediately launched. The plan was seen as a clear-cut plan that will ensure and bring about an

all-round development in Nigeria based on its objectives which include among others; to bring about equal distributions of national income, speed up the rate of economic growth; to generating savings for investments; to ensure a reduction on the external sector; to bring about enough capital for manpower development; to increase the standard of living for Nigerians particularly in the areas of food, housing, health and clothing and to develop the infrastructure of the nation (Onyenwigwe, 2009; Iheanacho, 2014). The plan appeared comprehensive and impressive but the political crises in the country that culminated into the 30 months of civil war made the plan to become almost redundant. As Nnadozie (2014) noted, the objectives and targets of the first national development plan of 1962 – 68 were too large and somewhat over ambitious and therefore out of tune with realities on grand in the aspects of financial, technical and managerial capabilities of Nigerians. As noted by Onah (2010) the above challenges made the plan lack clarity and precision in the formulations of objectivities/targets and even its implementation. However, Iheanacho (2014) observed that despite the numerous challenges and weaknesses of the plan, it recorded the execution of some major projects in the country. But it is noteworthy to point to that the successes recorded from the plan were far below expectations. Obikezie and Obi (2004) blamed the failure of the plan on the civil war which meant that distortions were as a result of channeling resources towards keeping Nigeria together.
The Second National Development Policy (1970–1974). Immediately after the civil war, the second national development plan was launched and it was called the plan for Reconciliation, Reconstruction and Rehabilitation (3Rs). As noted by Ohale and Agbarakwe (2009), in this plan period, the Federal Government was billed to "occupy the commanding heights of the economy in the quest for purposeful national development." There was a consensus that Nigeria lacked a national sense of purpose mostly in economic matters and there was a determined effort to correct the situation. The plan was meant to cover the four years, 1970–1974, but it was later extended to cover the 1974–75 fiscal years (Iheanacho, 2014). The plan was built upon five principal objectives that it was meant to pursue and they were as follows: a united, strong and self-reliant nation; a great and dynamic economy; a just and egalitarian society; a land of bright and full opportunities for all citizens; and a free and democratic society (Onyenwigwe, 2009; Second National Plan, p. 32; Ohale and Agbarakwe, 2009). The objectives of the plan were considered to be so relevant that they were included in the 1979 constitution. Yet their inclusion in the constitution did not materialize into plan implementation but they were considered as ordinary directives that are fundamental and not legally enforceable (Abasili, 2004). Ikeanyibe (2009) recorded that the guiding principles that became increasingly recognized from the second national plan did not correct plan distortions and slippages. He noted that apart from its vagueness, that it did not in actuality achieve its rationale of directing the programmes and budgets of various administrations. The major drawbacks of the second national plan were issues bordering on lack of will to perform, lack of finance, corruption, monocultural oil economy, etc. Despite its challenges, the second national plan recorded some significant improvements and they were mainly in the areas of manufacturing, transport, education, health, social welfare, communication, mining, etc. (Ohale and Agbarakwe, 2009). It is equally pertinent to point out that the achievements recorded from this plan were mainly a function of the unprecedented inflow of crude oil revenue that accrued to the country in this period than of any inherent strengths of the plan itself (Awoseyila, 1996). In essence, much could not

have been achieved from the plan if not for the oil boom that occurred during the plan period.
The third National Development Policy (1975 –1980) was also launched during the oil boom years and this led to a jumbo investment that was ten times that of the second plan and about 15 times that of the first plan (Iheanacho, 2014; Ekhosuch and Ibietan, 2013). The objectives stated in the third national plan were similar to that of the second plan objectives as they were seen as being long-term in nature. The objectives outlined in the third plan include; increase in per capita income, even distribution of income, reduction of unemployment level, increase in the level of the supply of higher-level manpower, diversification of the economy, balanced development and indigenization of economic activities (Obi, 2006). The main approach of the plan was to utilize the proceeds of the oil boom to develop the productive base of the economy that can permanently lead to the improved standard of living of the populace. As Egonmwan and Ibodje (2001) put it, the plan was premised on the need for the public sector to provide facilities for the poorer sections of the population including electrification, water supply, health services, urban housing and education. A clear assessment of the plan points to the fact that it focused on giving priority to projects and programmes that could have a direct positive impact on the rural dwellers but suffice it to say that the meagre allocations to agriculture and social development schemes that should have a direct impact and improvement in the wellbeing of the masses received only 5% and 11.5% respectively of the total huge financial outlay of the plan (Okigbo, 1989; Iheanacho, 2014). Based on this, it is obvious that this meagre finance allocated to these priority areas was a clear demonstration of the "lack of focus of the planners" (Onah, 2010). Like the previous plans, the third plan did not achieve its set targets and stated objectives but to an extent, there was a reasonable achievement in some areas. Okowa (1991) noted that in terms of achievement, the manufacturing sector witnessed a very fast rate of growth with an average of 18.1% per annum. It equally recorded higher growth in other areas like building and constituencies and government services (Iheanacho, 2014).
The fourth National Policy (1981 – 1985) was the first plan that was prepared by a civilian administration after military intervention in 1966. On its part, the plan tailored the way of the previous plans in its targets and policy formulations. As Ijaiyaa and Ilsman (2002) noted, it was launched simply to consolidate the third national development policy and it placed many emphases on revenue from petroleum resources. On its part, the plan had some lofty objectives which include: increases in the real income of the average citizen; even distribution of income among individuals and socio-economic groups; reduction in the level of unemployment and underdevelopment; increase in the supply of skilled manpower; broadening of the economic base; increased indigenization programmes; development of high technological base; the promotion of new national orientation and discipline among the citizens; better attitude to work and cleaner environment (Obi, 2006).
As cited by Iheanaco (2014), from the work of Adedeji (1989), the fourth plan was the largest and most ambitious that Nigeria ever lunched. The plan's main strategy was to use the revenue from the oil sector to bring about an all-around expansion in the productive capacity of the country and lay a solid foundation for self-sustaining growth (Egonmwan and Ibodje, 2001). There was anticipation in the fourth plan that revenue from the petroleum dominated export basket would be huge enough to finance the plan that was formulated. However, the revenue realized was far-below

expectations. As Okigbo (1989) puts it, it was a sad commentary that only 54% of the export proceeds were realized in 1984. It was projected that N79.449 million would be realized from petroleum export between 1980–84; but it became a sorry moment that only N52.78 million about 66.4% of the projections that were realized (Okigbo, 1989). As the country witnessed dwindling resources to finance the fourth plan, the economy also witnessed a huge debt services burden, the balance of payment challenges and a high rate of inflation. Most of the projects initiated in the early part of the plan were abandoned (Jaja, 2000). There was a sudden rise in the cost of living which brought the about the low standard of living of the populace, the unemployment rate equally rose to a very high level, external reserve plunged to the negative (Onah, 2010). Reflecting on the plan, Alapiki (2009) elucidates that the plan period 1981 – 85 proved to be the most dismal in the economic history of Nigeria at that time.

Despite its numerous challenges and downsides, the fourth national development plan recorded some levels of achievements in some areas of the economy. Among these are the implementation of the Agricultural Development Programme (ADP) in most states and its successful completion; the commissioning of the Egbim Power Station; Akure Airport, increased enrolment in education across all levels; Dry Dock Project at Snake Island; improvement in healthcare facilities and 87 telephone exchange located all over the federation (Onah, 2006; Egonuwan and Ibodje, 2001; Ekhosuehi and Ibietan, 2013; Iheanacho, 2014). The primary objective of the three-year rolling plan that was initiated in 1990 was to provide the country with an opportunity for revision in the midst of increasing socio-political and economic uncertainties (Ikeanyibe, 2009). Unfortunately, the preparation of the medium-term plan turned out to be a yearly event (an annual ritual) and it became completely indistinguishable from the annual budgets. As Okojie (2002) noted, the rolling plans were prepared annually at all levels of government, but at the end of it, all (about ten years) – 1990 – 1999, Nigerians were not better off than they were during the years of the fixed medium-term plans.

In their work, Ibietan and Ekhosuehi (2013) observed that the Vision 2010 economic growth plan, called for an urgent developmental paradigm shift and it placed a duty on Nigerians regarding their attitudes to realize the stated objectives and targets. They noted that it is doubtful to affirm if any conscious efforts were made to disseminate these requirements to the wider society as such had been a recurring dilemma in Nigeria's policy formulations without proper implementations strategy.

2.1.6 The Era of Perspective and Rolling Plans (1990 – 1998)

Obviously, at the very end of the four plans, there was no foundation laid for sustainable growth and development in the country. The productive base and capacity of the economy were yet to be diversified as Nigeria remained a mono-economy and lacked its driving force, rather the Nigerian economy was highly prone to external shocks (Okojie, 2002). By 1986, the fourth national development plan hit the rock. There were huge deficits and external debts rose to the tune of $22billion. This situation necessitated Nigeria's creditors to get involved in her plan to be able to get Nigeria's debt rescheduled. Thus, they introduced the Structural Adjustment Policy which was just a "reform therapy" from World Bank and the International Monetary Fund (IMF) (Ikeanyibe, 2009). SAP as it were, was an economic emergency programme that was expected to last for only two years but its contents were too elaborate and radical to be realized within such a short time. SAP recommended a shift from a "project-based" to a policy-based planning system and placed more emphasis on a private sector-led economy than the prevailing public-sector-led system. Ikeanyibe (2009) noted that SAP presented an opportunity for revaluating the planning system of the country which was lacking in the previous fixed medium-term plans.

As Ikeanyibe (2009) observed, the perspective plan main objective was to identify long-term policies by which the perspective plan will draw its medium-term programme, while the annual budget draws its short-term programmes. It is pertinent to point out that most of the national objectives enumerated in the second national fixed plan were very much like the work done in the perspective plan. On the other hand, the idea of a perspective plan was a significant innovation in planning because it was more elaborate and specific than the previous plans that were criticized for being vague and without constitutional significance (Okojie, 2002; Abasili, 2004). The Perspective and Rolling Plans were meant to take effect from 1990 but not until 1996 when the then Abacha administration set up the Vision 2010 committee. As Daggash (2008) asserted and as cited by Ibietan and Ekhousuehi (2013), the era of the Rolling plans (1990 – 1999) which he tagged as "the Rolling stones that gathered no moss." He further observed was in a bid to have a long-term National Vision that can ensure development (Vision 2010) was introduced. The vision 2010 committee submitted its report to the government in September 1997 and it recommends among other things that the vision should provide the focus of all other plans being its long-term (perspective), medium-term (rolling) or annual (budgets) (Adubi, 2002). The Vision 2010 provided the country with her first perspective plan but the plan was dumped immediately after Abacha died in 1998.

2.1.7 The National Economic Direction (1999 – 2003)

As a democratic government was elected in Nigeria in May 1999, there was high hopes and high expectations among Nigerians that the democratic government will turn the country around and position her in the right direction for socio-economic growth and development. The new administration started a development plan in 1999 on plain ground with the introduction of the four-year medium-term plan document tagged "National Economic Direction." The main objectives of the plan were: pursuance of a strong, virile and broad-based economy that has adequate capacity to absorb all external shocks. Ikeanyibe (2009) pointed out that the plan though a new document in its entirety, its objectives and policy directions were not significantly different from the directions introduced from the SAP document. Accordingly, Donli (2004) observed that the new plan was aimed at the development of an economy that is highly competitive, responsive to incentives, private sector-led, diversified, market-oriented and open economy; however, it relied heavily on external momentum for growth. The plan failed to achieve most of the articulated objectives such as deregulating the economy, reduction in bureaucratic red-tapism in governance, creation of jobs, alleviating poverty, provision of welfare, infrastructure, improved healthcare and education, etc. Despite the huge resources from oil revenue occasioned by the oil boom, as well as proceeds from the sales of public enterprises, and loots recovered from Abacha's family, Nigeria plummeted down the line among impoverished nations.

2.1.8 National Economic Empowerment and Development Strategy (NEEDS) (2003 – 2007):

The economic conditions of Nigeria in his first tenure (Obasanjo's administration) which was far below its potentials, led the Nigerian government to introduce the NEEDS document. Ejumudo (2013) asserts that the NEEDS programme appears to be an ambitious developmental blueprint. However, as expected, it attempts to put in place the rudiments of a developmental state and design instruments that can accelerate growth and ensure poverty reduction. NEEDS had its basic thrust in the areas of empowerment, wealth creation, employment generation, poverty reduction and value reorientation. Ikeanyibe (2009) elucidates that the NEEDS programme contained all the envisaged policies and programmes for the federal government not just for 2003 – 2007 but far beyond and it was to serve as the foundation for the much-talked-about Obasanjo's reforms. As established in the NEEDS programme development, and reported by CBN (2005); National Planning Commission, NPC (2005) the NEEDS was to significantly eradicate poverty in Nigeria, create a Nigeria that Nigerians can be proud of, a Nigeria that promotes self-reliance, entrepreneurship, innovations, rewards hard work, protects her citizens and their property and offer to them better prospects than they can obtain in any other part of the world.

Onah (2006) noted that NEEDS goals were to be realized by creating an environment in which business can thrive and that government was to be redirected to providing basic services and the people were to be empowered to take full advantage of the opportunities the plan offered to bring to bear its effects on the welfare of the citizens. He elaborates that the strategies upon which the above goals were driven were in the areas of reforms in government and its allied institutions, growing of the private institutions, implementation of better social character and value re-orientation. The states and the local governments had their counterpart forms from the NEEDS programme - the SEEDS and the LEEDS respectively.

Ejumudo (2013) reported that NEEDS was a direct response to the developmental challenges of Nigeria which was grossly underestimated both in areas of social, political and economic decays. He opines that the NEEDS document stated explicitly that it was a home-grown poverty reduction strategy and that it appeared to conform to what a country's PRSP should be (World Bank, 2010), but the programme suffered some shortcomings and inadequacies which Ohiorhenuan, (2003) identifies as African PRSP generally. The shortcomings identified were: weakness on poverty diagnostics, cosmetically descriptive rather than analytical approach and weaknesses in setting economic targets. The most fundamental weakness of the NEEDS as a poverty reduction strategy was its "trickle-down" approach to poverty reduction instead of the adoption of the "Right Based Approach" or the bottom-up approach, which is internationally recognized and accepted as the most significant approach (AAIN, 2005). Iheanacho (2014) opines that the NEEDS programme which was a medium-term plan should have achieved its objectives before the expiration of Obasanjo's administration in May 2017, but the truth remains that due to poor implementation and lack of commitment on the part of the planners, those objectives eluded Nigerians just like previous developmental plans in Nigeria. It was only on papers that the four key objectives of NEEDS viz: employment generation, poverty reduction, wealth creation and value re-orientation were achieved. Thus, NEEDS failed to sort out Nigeria's needs (Ebigbo, 2008; Uche, 2019).

2.1.9 Vision 20: 2020 Strategic Agenda of the Yar'Adua Administration

The Nigerian government launched the Vision 20:2020 in 2007 as a development planning initiative; the major objective of the programme was to make Nigeria one of the first 20 economies in the world by the year 2020 (Iheanacho, 2012). It promised to move Nigeria from its position of 41st in the world than to the 20th best by 2020 and to make Nigeria the African Financial centre of choice by that same year (Ugwu, 2009; Uche, 2019). The Yar'adua administration carried over the Vision 20:2020 from the Obasanjo's administration. It was expected that with positive economic management in the country, GDP growth for Nigeria will be larger than that of Italy by 2015 based on Jim Neil's (2007) calculations. To collaborate with the views of Oyebode (2007) and Iluyomade (2008), Ugwu (2009) observed that most of the yardsticks used in the statistics of Vision 20:2020 were economic indicators of growth such as Gross Domestic Product (GDP) and Gross National Product (GNP). Daggash (2008) who was then a Minister and Deputy Chairman of the National Planning Commission opined that Vision 2020 had clear goals and it includes engendering peaceful, harmonious and stable democracy by 2020; sustenance of sound, stable and globally competitive economy with an estimated GDP of not less than $900billion and per-capita GDP of over $4000. Other goals include the provision of infrastructure, modern and a vibrant system of education, and improved health sector and delivery services that can guarantee a life expectancy for not less than 70 years; modern and technologically based agriculture sector, a competitive manufacturing sector, etc (Ibietan and Ekhosuehi, 2013).

Eneh (2011) reports that Vision 20:2020 like other developmental plans and programmes was nothing but a mere vision with many unrealistic targets. Ibietan and Ekhosuehi (2013) observed that Vision 20:2020 also tailored the paths of other plans by presenting areas/issues it was not to cover in an omnibus manner without breaking it down into phases. The assumption of prudent economic management which the vision was built upon for its success was still lacking in Nigeria.

2.1.10 The Seven-Point Agenda:

The administration of President Yar'adua presented a seven-point agenda for development in Nigeria and it was aimed at tackling the numerous problems of power and energy; food security and agriculture; wealth creation and empowerment; transport sector; land reforms; security; education. Ibietan and Ekhosuehi (2013) recorded that the seven-point agenda was an off-shoot of the United Nations Millennium Development Goals (MDGs) and it was expected to run concurrently with its agendas of eradicating extreme poverty and hunger by 2015; achieving universal primary education by 2015; reducing child mortality by two-third; improving maternal health by 2015; combating HIV/AIDS, malaria and other preventable diseases by 2015; ensuring environmental sustainability between 2015 and 2020 and developing a global partnership for development by 2015. The seven-point agenda of the Yar'adua administration was somewhat an uncoordinated plan and looked more of an administration's mantra with much talk than actions. It rather aligned itself from the MDGs which were much of "goals from outside." Though some of the objectives were achievable, the programme did not go beyond the usual policy formulations that lacked the necessary implementation mechanism which had been the major challenge of other plans in Nigeria. The seven-point agenda died immediately with the sudden demise of President Yar'adua.

2.1.11 The Transformation Agenda (2011 – 2015):

In May 2011, another government took over the helms of affairs and was headed by the person of President Goodluck Jonathan. Suffice it to say that President Jonathan did not continue with the "seven-point agenda" of his former boss (President

Yar'adua) he rather came up with the new idea tagged "Transformation Agenda." Awojobi (2017) noted that the transformation agenda was meant to run from 2011 – 2015 and it promised to be a policy and programme that will transform Nigeria into an economic powerhouse in the world. Itah (2012) thinks that the transformation agenda of President Jonathan aimed to address the surge in poverty and insecurity. The then Minister of Trade and Investment Olusegun Aganga describes the agenda as a development policy that is embedded with good governance, security, energy and human development (Awojobi, 2017). In the words of Gyong (2012), the transformation Agenda seeks to catapult Nigeria from the low level of development into economic growth and national development. He elaborates further that the agenda had its focus on three core areas of revamping all ailing industries, encouraging agriculture and agro-related businesses; promoting small and medium enterprises (SMEs); secondly, reducing poverty and creating massive employment; and thirdly, fighting corruption at all levels of governance. As Awojabi (2017) noted, the realization of the objectives of the transformation agenda remains a mirage. This is based on the fact that within that same period, Nigeria witnessed a high level of corruption, insecurity, high cost of governance, an upsurge in the rate of unemployment, etc. On the second anniversary of the Jonathan administration on May 29, 2013, the president asked Nigerians to evaluate his government transformation agenda. In a quick reaction, erudite constitutional lawyer, Prof. Ben Nwabueze after a careful assessment of the agenda, said that it has absolutely nothing to do with, not a word to say about, the transformation of our society from rural decadence into which it has sunk. As he noted, no agenda in the context of Nigeria is worth being called a transformation agenda that does not aim at the moral and ethical transformation of the society (Nwabueze, 2013) as cited by Awojabi, (2017). In a similar view, Afolayam (2011), Gyang (2012) and Aloa and Aloa (2013) stressed that the high-level corruption was the biggest obstacle to the realization of the transformation agenda which invariably brought stagnation of economic growth and development. El Rufai (2014) notes that corruption brings no good to any society. According to him, funds that are meant for developmental purposes were carried away by public office holders and this led to the increasing rate of poverty, unemployment, diseases, inequality and insecurity in the life of the country. The Jonathan Transformation Agenda connotes a clear-cut agenda for development purposes, but it equally tailored the path of other development plans of Nigeria as it was marred with a lack of implementations and inconsistencies.

2.1.12 The Economic Recovery and Growth Plan (ERGP) 2017:

The continuous search for the optimal development strategy in Nigeria led to the introduction of the Economic Recovery and Growth Plan (ERGP) by the present administration of President Mohammed Buhari (PMB). The government launched the Economic Recovery and Growth Plan (ERGP) in 2016 as a medium-term economic framework meant to stimulate the recessive economy back to sustainability, accelerate development and restore the economy in the medium term (Kyaram and Ogwuche, 2017). The Economic Recovery and Growth Plan (ERGP) was launched soon after Nigeria slumped into economic recession in the second half of 2016 (PWC, 2017) as cited by Kyaram and Ogwuche (2017). The ERGP has so many lofty objectives, which were to restore growth, engender macroeconomic stability and diversification. It equally aims at investing in Nigerian people by continuing to provide support for the economically disadvantaged individuals, create jobs, and improve accessibility and affordability to quality healthcare across the country and improved human capital in the areas of improved education for all. Finally, the Economic Recovery and Growth Plan (ERGP) aims to significantly increase investment in infrastructure through a robust Public-Private partnership arrangement, it equally aims to simplify and improve the legal and regulatory framework for doing business in Nigeria and promote digital-led growth through the expansion of broadband coverage (Kyarem and Ogwuche, 2017). It is expected that the cumulative effect of the Economic Recovery and Growth Plan (ERGP) targets will translate to expansion and growth in GDP by 2.19% in 2017, averaging 4.62% between 2018 and 2019 and finally hitting 7% by 2020. It was equally expected that the unemployment rate will reduce from 13% (Q3, 2016) to 11.23% by 2020.

Kyarem and Ogwuche (2017) note that the ERGP also has some downside risks which are embedded in the 2 macro-structural risks of the ERGP document. In their assertion, the plan which is called a growth plan, it is obvious that at the moment the ERGP focuses more on growth out of recession than growth on a sustainable basis towards development. The calculated GDP growth was based on improved oil price that does not guarantee improvement in real production. As Kyarem and Ogwuche (2017) observed, a policy gap exists in the Economic Recovery and Growth Plan (ERGP) and that is the absence of how to manage an after-recession economy which should serve as a springboard for sustainable growth and development. It is obvious that the above gap exists; the Central Bank of Nigeria (CBN, 2017b) announced and celebrated Nigeria's exit from recession, yet the country's socio-economic indices and welfare are worsening. Whilst the objectives of the ERGP are laudable, its vulnerability to political disruption is a key risk that may impact the sustainability and enforceability of the development plan (Uche, 2019).

2.1.13 Challenges of Development in Nigeria

Nigeria had over the years adopted and implemented several forms of development policies. Both military and civilian administrations had at one time or the other, adopted a particular plan, but suffice to say that all these plans had failed to transform the nation and set it on the path of development. As Ejumudo (2013) puts it, it is instructive to note that while there had been a plethora of activities tagged and cosmetically dubbed development plans in Nigeria, true development had not been on the agenda as far as Nigerian leadership is concerned. He elaborates that one of the biggest obstacles to development in Nigeria is the lack of clear vision. This he identified as the foundational basis for the disjointed mission of development planning in Nigeria. As Onyenekenwa (2011) puts it while quoting the erstwhile Minister of National Planning (Dagash, 2008), confirmed that the circumstances are still so devastating for the vast majority of Nigerians despite the nation's enormous endowments. He states that this is because Nigeria has no serious intention to turn things around or lack of capacity to face the challenges or is still on the search for the right strategy to tackle the core issues of true development.

Another challenge facing Nigerian development is the absolute alignment to Western patterns and notion of development. Ake (1981), in Onah (2006) averred that “any development plan and initiatives that did not encourage the disengagement of Nigeria economy from the exploitative structural links with a Western capitalist economy, such a policy will not succeed.” Munroe (1992) corroborates the notion of disengaging from western notion of development as he states that "this standard of measuring success is the source of much of Third World frustration as nations". This success trap will not bring true fulfilment or freedom but greater bondage. Ibietan and Ekhosuehi (2013) observed that financial constraint is another factor facing development planning successes in Nigeria. They argue that development plans are financed through multiple sources like taxation, other internally generated revenue (IGR), external reserves, aids and loans; however, it has been argued that these are not always adequate to fund the plans. Other factors that are responsible for the failures include among other things, the inadequacy of professional planners due to institutionalized framework for planning; plan indiscipline and unnecessary partnership; poor and inadequate feasibility studies in planning; lack of accurate data; erratic and conflicting government policies which result in policy summersault and abandonment. As Eneh (2011) puts it, most policies in Nigeria are wonderful but policy summersault, abandonment or failures awaits it. Nigeria is replete with most times brilliant, impeccable and well-written policies but lacks the will to implement them. The logical and expensively produced policies often end just as ordinary policy. There is always a weak effort at implementing those policies which are always been rubbished by corruption across all spheres of national life. Other factors are in the areas of lack of inter-ministerial and inter-disciplinary coordinating machinery, lack of proper project monitoring, lack of efficient public sector, lack of proper public and private sector partnership, lack of political will to implement those policies etc (Uche, 2019).

Another challenge has to do with the economic impact of the Covid-19 pandemic in Nigeria, as a lower-middle-income country, the impact has been significant, and with plunging oil prices, in particular, the effect of the pandemic affects Nigeria's heavily oil-dependent economy. The International Monetary Fund (IMF) estimated that Nigeria's gross domestic product contracted by 3.2 per cent in 2020, a stark contrast to the 2 per cent economic growth predicted before Covid-19. The government's revenues also fell by over 3 per cent of gross domestic product (GDP), or $15 billion. This happened at a time when the government urgently needed funds to address the health impacts of Covid-19, stimulate the economy, and protect livelihoods. Nigeria's government revenue and spending 8 and 12 per cent of GDP respectively in 2019 were already among the lowest in the world when compared to the size of its economy. The economic impact of Covid-19 has worsened poverty levels in Nigeria, which even before the pandemic hosted more than ten per cent of the world's extreme poor, defined by the World Bank as people living on less than $1.90 per day. The World Bank stated in January 2021 that the crisis will push an additional 10.9 million Nigerians into poverty, with the number of people below the national poverty line defined as people living on less than 137,430 Naira ($334) per year, or less than $1 per day expected to reach more than 100 million b +y 2022 (Kalagbor & Harry, 2021).

3.1 Conclusion and Recommendation

The paper has enumerated the various macro and microeconomic policies under different development plans that Nigerian governments had embarked upon since the precolonial era, the post-colonial era and the present democratic dispensation. The paper equally considered the present administration's development initiative tagged "Economic Recovery and Growth Plan" (ERGP). However, it remains to be seen if the ERGP can deliver on its promise given its relatively ambitious timeline, Covid-19 pandemic, insecurity and the many other challenges to overcome. What appears to be clear, however, is that the ERGP, if successfully implemented, would have a tremendous effect in almost every sector of the Nigerian economy while leveraging on science, technology and innovation. Although the timeline for achieving most of its priority objectives appear ambitious, the Plan undoubtedly presents significant trade and investment opportunities for both local and international investors and businesses at a time when this is sorely needed. The paper relied on information sourced from existing records. Most of the developmental challenges that militate against the success of the policies were equally identified. It is obvious that Nigeria has experimented with several Macro and Microeconomic policies from day one till date, yet the needed transformation has continued to elude the citizens despite the robust policies. The failures of these policies are being manifested in the crises that beset the Nigerian economy. Both economic, political and social indicators point to the direction of a crisis-ridden economy. There is acute unemployment, widespread poverty, high level of illiteracy, decayed social and physical infrastructure, technological backwardness, urban congestion, the monumental upsurge of social/political and economic vices, excessive debt burdens and high incidence of diseases including the current Covid-19 pandemic and insecurity. Based on the above observations the paper recommends among other things

1. There is a need for a disciplined political leadership in Nigerians that can ensure complete implantation of economic policies that will ensure development. The development policies will not succeed if the political leaders are not committed to implementing them to the letter.
2. Policy adjustments and reforms designed to shift the country from its dependence on oil and to diversify the economy toward private sector-led growth will set Nigeria on a more sustainable path to recovery should be encouraged.
3. The current system creates uncertainties for the private sector because of multiple exchange rates and non-transparent rules for foreign exchange allocation. Unifying the various rates into one market-clearing rate would establish policy credibility. Sustained premiums in the parallel market and unmet foreign exchange demand indicate the need for further adjustment in the exchange rate to reduce the gap between supply and demand. An appropriately valued exchange rate and a clear exchange rate policy would also help instil confidence and private sector-led recovery. Policy clarity is also important to attract larger capital inflows, including foreign direct investments, which have dropped significantly in recent years and successful diversification.
4. There is a need for a home-grown development policy: the Nigerian government needs to set up a development plan that is completely home-grown devoid of external vagarious and dictates. Most of the development plans and reform policies implemented in Nigeria were by-products of the World Bank, IMF dictates.

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