Planning is good governance

Data and foresight key to development

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The Nigerian government urgently needs to invest in strategic foresight and integrated long-term planning to set the country on a path of growth and prosperity. By 2040 and based on current trends, more than 360 million people are expected to live in Nigeria of which over 140 million are likely to live in extreme poverty or on less than USD 1.90 a day. Reversing this trend requires good policies rooted in evidence and sound planning.

Key Recommendations

- Buhari’s government and future administrations need to invest more strategically in data and planning. They need to ramp up funding and support to the National Bureau of Statistics and the National Population Commission.
- Until such efforts bear fruit, the Buhari administration should work pragmatically with the best available evidence using credible data curation and validation mechanisms.
- Sector experts can validate and creatively leverage existing data. Sectorial expertise must be used in a coordinated, systematic and objective – not politicised – manner.
- The government needs to engage diverse stakeholders in sustained conversations to infuse smart data into planning, including civil society initiatives like BudgIT or Connected Development which possess rich, grassroots-level data.
During President Muhammadu Buhari's speech on Democracy Day in June 2019, and again when he addressed the United National General Assembly in New York in September later that year, Buhari promised that his government would lift 100 million Nigerians out of poverty over the next ten years. He did not explain how this promise would be fulfilled. Astute use of data and forecast can help frame action to translate such ambition into realistic policy plans.

Contrary to Buhari's claim, the International Futures system (IFs), a global integrated modelling platform housed and developed at the Frederick S. Pardee Center for International Futures at the University of Denver (see Box 1), shows that the number of extremely poor Nigerians is set to rise by about 26 million over the coming decade. Projecting on where Nigeria is currently headed, more than 30 million more Nigerians are likely to suffer from extreme poverty by 2040. That is roughly equivalent to Ghana's current population. In short, Nigeria is not on track to meet Goal 1 of the Sustainable Development Goals (SDGs) which is to 'eradicate extreme poverty for all people everywhere' by 2030.

Nigeria's government in setting ambitious targets needs to work with realistic data and models, explaining how it intends to reach set milestones. In other words, targets should be the result of comprehensive planning processes that factor in the best available data and different options for policy interventions.

**Poor planning is bad governance**

Poor development outcomes in Nigeria are a direct result of bad governance and defective choices made by decisionmakers mandated to effect changes to benefit society. Good governance requires government to effectively formulate and implement sound policies for improved human development, according to the World Bank's World Governance Indicators project. In other words, the choices that Nigeria's leaders will make over the next decade will determine whether the living conditions for Nigerians will improve, stagnate or further deteriorate.
No planning or ad-hoc policy making is not going to improve Nigeria's development outlook but will make it worse. Several of the policy changes proposed in this volume require this planning and data-driven approach to governance. Better foresight and a more strategic approach to planning is necessary to identify the best levers to grow the economy and create prosperity for all. Firstly, this means investing time and effort to understand Nigeria's situation today, where the country is coming from and where it is headed on its current trajectory. Secondly, it means setting priorities and targets that are ambitious but realistic. Appropriate policies need designing and implementing. Integrated forecasting which considers how different systems such as demographics, the economy, health, etc are connected can help.
Nigerians currently have one of the lowest levels of access to improved basic infrastructure anywhere in the world, according to the IFs model. Basic infrastructure includes clean water, improved sanitation, electricity and roads. In fact, most economies in the lower-middle income range like Nigeria have better infrastructure, both in and outside of Africa. This is according to the 2017 paper by Julia Bello-Schuenemann and others, titled *Building the future: infrastructure in Nigeria until 2040*. On Nigeria's current trajectory, this situation is unlikely to improve over the next 20 years.

According to IFs, by 2040, more than 60 million Nigerians are expected to lack access to clean water compared to 40 million today. Roughly 180 million people will likely not have access to improved sanitation compared to the current 137 million. On the current path, Nigeria will miss both SDG goals on universal access to safe water and improved sanitation by 2030. As in the case of extreme poverty, the share of Nigerians without access to clean water and improved sanitation will fall, but the absolute number of citizens deprived of these essential services will increase. Extremely fast population growth coupled with slow economic growth is a dead end for development.

Improved water and sanitation infrastructure drive human capital through its impact on health, education, equality and empowerment, which are all fundamental components of economic productivity and growth. Using IFs to model different infrastructure interventions, the 2017 paper by Bello-Schuenemann and others found that increasing access to improved sanitation and safe water in Nigeria will have a greater direct impact on economic growth and development indicators (notably health) by 2040, as opposed to increasing access to electricity or investing in roads.

Yet, improving access to water and sanitation has historically been overlooked in Nigeria. This view is supported by the Bill and Melinda Gates Foundation as widely reported in the Nigerian media in 2018. In fact, the government's Economic Recovery and Growth Plan (ERGP) emphasises investment in infrastructure, especially in power, roads, rail, ports and broadband networks to improve the national infrastructure backbone. This is crucial for a more productive economy, but for an economy to prosper in the longer term, it needs to rely on a healthy and educated workforce.

**Nigeria's current development trajectory**

Besides widespread poverty, Nigeria faces numerous other interconnected challenges, such as poor health and education outcomes, a severe infrastructure deficit, slow economic growth and high levels of inequality. Other challenges include overreliance on natural resources for revenue generation (coupled with severely underdeveloped industrial and agricultural sectors), a large informal sector and low levels of productivity. Extremely fast population growth undermines progress, and high levels of conflict and violence also compromise human development.

How exactly Nigeria's future will unfold is uncertain. However, and despite the notoriously imperfect evidence base, we probably know more about it than many experts acknowledge. The future of some systems, such as agriculture or governance are characterised by great uncertainty, according to a 2018 report by Jonathan D. Moyer and others, *Africa's path to 2063: Choice in the face of great transformation*. However, other trends such as population dynamics are easier to anticipate as this is driven by births, deaths and to a lesser extent migration. In fact, demographics is where every sensible planning exercise must start.

In Nigeria, politics has been in the way of conducting a national census since the one carried out in 2006. However, if the government takes planning for vital sectors, such as health, education, and infrastructure seriously, at the very least it needs to know how many people are living in the country and how large the population can be expected to be in the future. The National Population Commission says that it is ready to conduct a census, but still awaiting green light from President Buhari, according to a 2019 report in the Premium Times newspaper.

In the absence of data, estimates are better than nothing and certainly good enough to understand the broader trend. The United Nations Population Division estimates that since 1990, Nigeria's population has more than doubled from about 95 million to close to 210 million people today. According to the IFs model, an expected 58 per cent increase will push this figure to more than 360 million Nigerians by 2040 of which more than 60 per cent will live in urban areas compared to just over 50 per cent at present. This extraordinary pace of population growth will exacerbate the existing challenges of the Nigerian state in providing essential services to all its citizens.
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According to IFs and based on data and estimates from the Barro-Lee Educational Attainment data set, the average Nigerian adult (over 25 years old) currently has 7.5 years of education, slightly above the average of seven years in its income peer group. Though, this is below close to ten years in South Africa, the top performer in sub-Saharan Africa. By 2040, the average years of education in Nigeria are only expected to increase to close to 8.2 years. Nigeria's education sector is chronically underfunded. Spending on education hardly represents six per cent of the national budget; far less than the international recommended standard of between 15 and 20 per cent.

In fact, the share of the national budget that the first Buhari administration allocated to education has been decreasing from around twelve per cent in 2015 to just over nine per cent in 2016 to about seven per cent in both 2017 and 2018. In the 2019 budget the allocation for education remained similarly low. Budget performance is another problem, but if the allocation for education is too low in the first place, that already compromises what could potentially be achieved.

By 2040, the size of Nigeria's working-age population (people aged between 15 and 65 years) is expected to more than double, getting close to 210 million people. The economy will benefit from a larger workforce, but without improving overall skills levels productivity is unlikely to increase. Economic growth will fall short of what it could be. Moreover, the size of the workforce needs to be analysed in relation to the size of the population that is not working, essentially children and the elderly. Nigeria's persistently high birth rates coupled with increasing life expectancy means that relatively fewer workers will have to look after a relatively larger pool of dependents for the foreseeable future. In other words, Nigeria is still several decades away from a truly favourable population age-structure that propels economic growth. And if Buhari's government and subsequent ones do not aggressively invest in human capital and job creation, Nigeria will not be able to capitalise on this so-called demographic dividend as it should.
Planning for development and Buhari's track record

Since the transition to democracy, Nigeria has seen several plans, including the National Economic Empowerment and Development Strategy (NEEDS) (2003-2007); Vision 20: 2020; the Transformation Agenda; and the Economic Recovery and Growth Plan (ERGP), all launched respectively under the Obasanjo, Yar'Adua, Jonathan and first Buhari administrations. Vision 20:2020 aimed to transform the Nigerian economy to join the top 20 global economies by 2020, an objective which like many others has not been met. Nigeria is currently the 28th largest economy in the world.

In fact, these plans all identified similar structural constraints to growth and development and yet all consistently fell short of achieving their stated goals. This is due to poor implementation and a lack of political determination to change course, as well as reflecting poor planning in the first place.

The first Buhari administration (2015 - 2019) has not engaged in any comprehensive or integrated long-term planning exercise to address Nigeria's multi-layered development challenges. Planning mostly takes place in silos if at all. The cornerstone of the government's efforts has been the ERGP. The plan was launched in March 2017 after the Nigerian economy had entered into a recession, triggered inevitably by the drop in oil prices and Nigeria's heavy dependency on oil exports for revenue generation. The ERGP's strategic objectives are to restore growth, invest in people and build a competitive economy. There is no systematic roadmap sequencing or explaining paths to the set objectives.

The plan promises that 'by 2020 Nigeria will have made significant progress towards achieving structural economic change and having a more diversified and inclusive economy'. Yet, according to the report of the National Bureau of Statistics (NBS) on Gross Domestic Product for the Third Quarter 2019, the structure of the Nigerian economy in terms of contribution to real GDP by sector has changed only marginally since. More importantly, despite the rhetoric on economic diversification, crude oil still accounts for close to 90 per cent of the country's foreign exchange.
Recommendations

1. Buhari's government and future administrations need to ramp up funding and institutional support to the NBS and the National Population Commission for the purpose of the national census. This is a strategic investment in the future of data and planning. Until such efforts bear fruit, the Buhari administration should work pragmatically with the best available evidence.

2. Sector experts, with which Nigeria is abundantly blessed, offer possibilities to creatively leverage and re-validate existing data. Data on Nigeria is imperfect, but will serve more useful purposes such as illustration of major trends in policymaking planning. This requires coordinated, systematic and objective – not politicized – use of sectorial expertise.

3. Furthermore, sustained, open and better structured stakeholder conversation involving government alongside diverse stakeholders can help mainstream accurate and smarter data for planning with the insights of specialists and diverse practitioners and artisans. The current lack of statistics for planning contributes to a poor understanding of Nigeria's complexity. It in turn exacerbates the opacity that surrounds policy processes whilst entrenching the general transparency and accountability challenges in Nigeria.

4. Government should recognize and cultivate civil society initiatives as a rich source of grassroots-level data. These include BudgIT, Connected Development, TrackaNG and Follow the Money International, etc. which positively challenge the status quo. Decision-makers must recognize them as authentic ground-level initiatives helping to gauge, measure, track and positively direct governance discourses in the Nigerian public sphere.

Improving statistical capacity is a long-term goal

The 2019 Mo Ibrahim African Governance Report states that, 'quality statistics are essential for all stages of evidence-based decision-making, which include monitoring of social and economic indicators; allocating political representation and government resources; guiding private sector investment; and information for the international donor community for programme design and policy formulation'.

On 9 October 2019, President Buhari endorsed the importance of data for planning with the following tweet: 'We can only plan realistically when we have reliable data. As a government we are taking very serious steps to improve the quality of data available for policymaking, and today I charged the Presidential Economic Advisory Council to prioritize the collection of Primary data.' However, it is not clear which steps the government has taken or is planning to take. In fact, according to the 2019 African Governance Report, Nigeria's statistical capacity has been deteriorating over the period from 2014 to 2017.

Producing systematic, accurate, relevant, comparable and timely data is a costly task that requires long-term commitment. For now, that commitment is missing. President Buhari's complained in an October 2019 Premium Times newspaper report that 'today, most of the statistics quoted about Nigeria are developed abroad by the World Bank, IMF and other foreign bodies' and that 'some of these statistics are wild estimates that bear little relation to the facts on the ground'. This cannot distract from the dire state of Nigerian data. Worse, it remains the basis for international data providers despite its patchiness.
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