

## **An Examination of the Effectiveness of Economic Recovery and Growth Plan in Nigeria**

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### **Abstract**

Right from the independence and especially since the return to democratic governance in 1999, the successive governments in Nigeria have made concerted efforts in economic and development planning. Nigeria's quest for a sustainable development roadmap has been a torturous one since independence with various plans and policies developed to fast-track the economy. However, no meaningful change has been witnessed thus making all successive governments come up with different development blueprints on how to rejig the economy. The Buhari Administration has come up with the Economic Recovery and Growth Plan (ERGP), a Medium-Term Plan for 2017-2020 which was built on the Strategic Implementation Plan (SIP) to restore economic growth while leveraging the ingenuity and resilience of the Nigerian people. It is sufficient to say that the Economic Recovery and Growth Plan (ERGP) was a medium-term, all-around developmental initiative that focused on restoring growth, investing in people, and building a globally competitive economy. The main objective of this paper is to examine the performance of the plan as a developmental state paradigm for "Nigeria's economic recovery". Data were generated from secondary sources. The study revealed that, even though ERGP was implemented properly, its expected positive impact on GDP (Gross Domestic Product) growth, reduction of inflation, and unemployment is not satisfactory. Accordingly, restructuring of the economy through diversification needs to be seriously sustained in Nigeria.

**Keywords:** Economic Recovery and Growth Plan (ERGP), Nigerian Populace, Strategic Implementation Plan, Nigerian Economy, Development Planning

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## 1. Introduction

Past and present governments in Nigeria have made continuous efforts in economic and development planning, in an attempt to revamp the economy already battered by historical trajectory and orchestrated by maladministration. Efforts to harness the available domestic and external resources towards the attainment of economic development and growth to meet the yearnings and aspirations of Nigeria, started with the First National Development Plan (1962-1968), followed by the second National Development Plan (1970-1974), the Third Plan (1975-1980) and the Fourth Plan (1981-1985) (Adeyemi, 2001). The Structural Adjustment Programme (SAP) was introduced in 1986 as a policy instrument to address the grave distortions that had reduced a booming, dynamic economy to a state of acute depression and negative growth from 1982 to 1985 (Solomon & Fidelis, 2018).

The Federal Government also embarked on three-year rolling plans between 1990 and 1998 and long-term perspective planning (Ikeanyibe, 2009; Iheanacho, 2014). With the return of democracy in 1999, an ambitious economic program was introduced between 2003 and 2007 known as the National Economic Empowerment and Development Strategy (NEEDS). It was a medium-term plan which focused on wealth creation, employment generation, poverty reduction, and value orientation. Next was Vision 20:2020, a perspective plan which aimed at making Nigeria a fully developed economy and one of the best 20 economies of the world by the year 2020. President Goodluck Jonathan's administration introduced the Transformation Agenda (TA), which was aimed at transforming our thinking, institutional organization, and human capital to support the aspirations of the Nigerian people, through a blueprint of key policies, programs, and projects to be implemented during 2011 – 2015 (Solomon & Fidelis, 2018).

The Transformation Agenda was not a stand-alone, strategic plan, as it was built on the foundations of the 1<sup>st</sup> National Implementation Plan (NIP) of Nigeria's Vision 20:2020 (NV20:2020) (2018). Nigeria's Vision 20:2020 (2018) is an expression of Nigeria's intent to improve the living standards of its citizens and place the country among the top 20 economies in the world, with a minimum Gross Domestic Product (GDP) of \$900 billion and the per capita income of not less than \$4000 per annum (Otinche, 2018). Other objectives are to achieve fiscal prudence, fiscal balance, low inflation, and the availability of infrastructural facilities to propel the economy. Whilst these initiatives have been achieved in varying degrees of success, their implementation across the board has always been challenging (Otinche, 2018).

However, in keeping with the above tradition of rolling out economic plans, the Buhari administration launched yet another plan, this time a comprehensive economic intervention plan tagged as the Economic Recovery and Growth Plan (ERGP). The ERGP, which came on the heels of Nigeria's slump into recession for the first time in 25 years and the sharp fall in high oil prices from about \$112 a barrel

in 2014 to below \$50 in 2016, was targeted at propelling Nigeria back to sustainable, accelerated development and restoring economic growth in the medium term of 2017 to 2020 (Solomon & Fidelis, 2018). The ERGP was based on 3 strategic objectives supported by enablers and a clear delivery plan. The inclusive growth plan involved promoting national prosperity by ensuring that the following measures were put in place; restoring growth, investing in the Nigerian people, building a globally competitive economy (Otinche, 2018). Against the backdrop of the failures of the previous plans, and given that the ERGP is almost two years after its implementation period, coupled with the fact that the period between mid-2018 and mid-2019 was dedicated to electioneering as against governance, there is a need to reflect on the level of performance in the implementation of the ERGP, with a view to identifying the areas of prospects or otherwise and make recommendations for the future.

Though the present Buhari administration boasts of its ERGP, the indices available continue to show that the nation is far from entering economic recovery. In fact, there is much evidence that the little gains made over the years have been lost. For instance, the inflation rate that stood at 8.06% and 9.01% with an annual change of -0.41% and 0.95% for 2014 and 2015 respectively now stands at 16.95% with an annual change of 3.71% (The World Bank, 2021). A similar comparison between countries shows that Nigeria is behind its African counterparts such as Morocco at 1.40%, Kenya at 6.11%, Cameroon at 2.27%, Ghana at 9.97% and Nigeria is 16.95%, (The World Bank, 2021). On GDP growth, it peaked in 2014 at 6.31% and began falling to 2.65% in 2015 and has become negative (-1.79%) in 2020; this is a period central to ERGP analysis (The World Bank, 2021). The country comparison shows Morocco at 7.37%, Kenya at 7.52%, Ghana at 5.36%, and Sri Lanka at 3.66% still ahead of Nigeria at 3.65% (The World Bank, 2021).

Concerning unemployment, the statistics show that it was only 4.31% in 2015 with an annual change of -0.25%, but in 2021, it has grown to 9.79% with an annual change rate of 0.07% (The World Bank, 2021). As usual, Nigeria is yet behind the countries usually compared within this work except for Morocco. There is one potential that the country is endowed with and that is the fact that, industrial growth potential is there. This entails that there is enough market to absorb increased production of all types in the country. This means that a dedicated pursuit of any of the national plans has the potential to transform the country and the lives of its citizens. But the growing menace of economic woes, maladministration, corruption, poor human capital development, largely informal market, the great presence of crime and terrorism, poor education, and many causes, result in failure for every government that does not boldly confront them. Therefore, based on the main objective “to examine the performance of the plan as a developmental state paradigm for Nigeria’s economic recovery”, the specific objectives of this study were developed as follows:

- To analyze the effectiveness of ERGP
- To provide recommendations as the way forward for the country out of the depression

## **2. Literature Review**

The literature section illustrates the theoretical background, definitions, and empirical research on the subject matter.

### **2.1. Economic Growth and Recovery**

Economic growth is commonly defined as the change in national income over time, usually measured over one year. National income is the amount produced by a country in one-year. Economic growth could be defined as the increase in the Production Possibilities Frontier (PPF) that results from an increase in the supply of resources or an improvement in technology. A country's economic growth is usually indicated by an increase in that country's Gross Domestic Product (GDP) (Adeyemi, 2001). Gross Domestic Product (GDP) is an economic model that reflects the value of a country's output and the total monetary value of the goods and services produced by that country over a specific period of time (Adeyemi, 2001). Economic recovery is the phase of the business cycle following a recession. The overall business outlook for an industry looks optimistic during the economic recovery phase.

### **2.2. Growth Plan**

The growth plan is a strategic business activity that enables business owners to plan and track organic growth in their revenue. It allows businesses to allocate their limited resources toward a centred effort to adapt to changes in the industry driven by digital disruption and to differentiate from competitors. A growth plan is a strategic plan about how every aspect of the business will work towards the attainment of goals and objectives and with a growth plan in hand, one will know exactly what to do, how, and when to do it (Adeyemi, 2001).

### **2.3. Development**

The exact meaning of 'development' is unclear as there is no general agreement about what it is or what should go in. It tries to see "how well off" people are in ways that include more than just income. Thus, development means positive change of the country's economic, social and natural environmental conditions. Seers (1969) suggested that development is when a country experiences a reduction or elimination of poverty, inequality, and unemployment. For Owens (1987), development is when there is a development of people (human development) and not the development of

things. In the same manner, the World Development Report (1991) argued that "the challenge of development... is to improve the quality of life...better education, higher standards of health and nutrition, less poverty, a cleaner environment, more equality of opportunity, greater individual freedom, and a richer cultural life". The Nobel Economist Sen (1999), writing in "Development as Freedom" described development as being concerned with improving the freedoms and capacities of the disadvantaged, thereby enhancing the overall quality of life. Sen pursued the idea that development provides an opportunity for people to free themselves from the suffering caused by early mortality, persecution, starvation, and illiteracy. From this perspective, development should be about increasing political freedom, and cultural and social freedom and not just about raising incomes. Haller (2012) differentiated between economic growth and development. According to Haller (2012), while economic growth concerns the quantitative side of economic activity (the increase of results, quantities, of sizes), development has a larger scope, including qualitative changes that take place in the economy and society. In fact, development is a qualitatively higher step of macro-economic evolution. Growth theories are often spoken about in relation to developed countries whereas theories of development are spoken about in relation to economic problems that are specific to developing or less developed countries. Todaro (1982) defines development as a multidimensional process often considered as the other extreme of emphasis from that of Rodney (as cited in Ikeanyibe, 2009). The author described development as a multi-dimensional process involving the reorganization and reorientation of the entire economic and social system (Ikeanyibe, 2009). In addition to the improvement of income and output, this also involves radical changes in institutional, social, and administrative structures as well as popular attitudes, customs, and beliefs. Todaro's definition implies, that the concept of development assumes whenever it is discussed in relation to countries (Todaro & Smith, 2011). Development at this level of conceptualization is often understood in terms of economic development.

#### **2.4. Development Plan**

"A development plan is a document that details the overall strategy of the council for the proper planning and sustainable development of an area and generally consists of a written statement and accompanying maps. The plan usually includes the broad aims of the council for specific topics, e.g., housing, infrastructure, and community facilities which are reinforced by more detailed policies and objectives" (Adeyemi, 2001).

"Development planning comprehensively involves predetermining a nation's vision, mission, policies, and programs in all facets of life such as social, human, political, environmental, and technological factors, etc., and the means of achieving them. Development planning presupposes a formally predetermined rather than a sporadic

action towards achieving specific developmental results. More importantly, it entails direction and control toward achieving plan targets. It is necessary to underscore that development planning is not easy since it deals with many complex and futuristic events” (Ayo, 1988; Okigbo, 1989; Okojie, 2002).

“Development planning, from the national standpoint, is the process whereby a government looks ahead into the future and maps out a vision of where the nation should be, in line with the perceived expectations of society. The vision forms the basis for the goals and objectives of society, while the programs and policies for achieving these goals and objectives are predicated on the strategies mapped out by the development planners and technocrats of the system. Development planning also entails taking stock of available resources and projecting them into the future” (Adeyemi, 2001; Solomon & Fidelis, 2018).

## **2.5. Development Planning from 1999 to 2017**

Over the years, Nigeria’s quest for economic recovery had been laced with various economic strategies by successive administrations. With the return to democracy in 1999, the Obasanjo administration’s desire to revive the ailing Nigerian economy made him introduce an ambitious economic program between 2003 and 2007 known as the National Economic Empowerment and Development Strategy (NEEDS). It was a medium-term plan, which focused on wealth creation, employment generation, poverty reduction, and value orientation. Next was Vision 20-2020, a perspective plan that aimed at making Nigeria a fully developed economy and one of the best 20 economies of the world by the year 2020 (Solomon & Fidelis, 2018).

According to Solomon and Fidelis, (2018), President Goodluck Jonathan’s administration introduced the Transformation Agenda, which was aimed at transforming our thinking, institutional organization, and human capital to support the aspirations of the Nigerian people, through a blueprint of key policies, programs, and projects to be implemented during 2011 – 2015. The Transformation Agenda was not a stand-alone, strategic plan, as it was built on the foundations of the 1<sup>st</sup> National Implementation Plan (NIP) of the Nigeria Vision 20:2020 (NV20:2020). The Nigeria Vision 20:2020 is an expression of Nigeria’s intent to improve the living standards of citizens and place the country among the top 20 economies in the world, with a minimum GDP of \$900 billion and a per capita income of not less than \$4000 per annum (Solomon & Fidelis, 2018). Other objectives are to achieve fiscal prudence, fiscal balance, low inflation, and the availability of infrastructural facilities to propel the economy. Whilst these initiatives have achieved varying degrees of success, implementation across the board has always been challenging (Solomon & Fidelis, 2018).

Nigeria has the potential to become a major player in the global economy by virtue of its human and natural resource endowments (Adeyemi, 2001). However, this

potential has remained relatively untapped over the years. After a shift from agriculture to crude oil and gas in the late 1960s, Nigeria's growth has continued to be driven by consumption and high oil prices. Previous economic policies left the country ill-prepared for the recent collapse of crude oil prices and production. The structure of the economy remains highly import-dependent, consumption-driven, and undiversified. Oil accounts for more than 95 percent of exports and foreign exchange earnings while the manufacturing sector accounts for less than one percent of total exports. The high growth recorded during 2011-2015, which averaged 4.8 percent per annum, mainly driven by higher oil prices was largely non-inclusive (Solomon & Fidelis, 2018). The majority of Nigerians remain under the burden of poverty, inequality, and unemployment. General economic performance was also seriously undermined by deplorable infrastructure, corruption, and mismanagement of public finances. Decades of consumption and high oil price-driven growth led to an economy with a positive but jobless growth trajectory (Adeyemi, 2001).

The current administration recognizes that the economy is likely to remain on a path of steady and steep decline if nothing is done to change the trajectory. It is in this context that since its inception in May 2015, government has made several efforts aimed at tackling these challenges and fundamentally changing the national economic trajectory. The earliest action was the prioritization of three policy goals; tackling corruption, improving security, and rebuilding the economy. Consequently, the Strategic Implementation Plan (SIP) for the 2016 Budget of Change was developed as a short-term intervention for this purpose. Visible successes and achievements appeared to have been recorded (Adeyemi, 2001).

However, it is recognized that more needs to be done to propel the country toward sustainable accelerated development. The Economic Recovery and Growth Plan (ERGP), a Medium-Term Plan for 2017-2020, builds on the SIP and has been developed to restore economic growth while leveraging the ingenuity and resilience of the Nigerian people, the nation's most priceless assets. It is also articulated with the understanding that the role of government in the 21<sup>st</sup> century must evolve from that of being an omnibus provider of citizens' needs into a force for eliminating the bottlenecks that impede innovation and market-based solutions. The Plan also recognizes the need to leverage Science, Technology, and Innovation (STI) and build a knowledge-based economy (Ejeh et al., 2019). The ERGP is also consistent with the aspirations of the Sustainable Development Goals (SDGs) given that the initiatives address its three dimensions of economic, social, and environmental sustainability issues (Adeyemi, 2001). The ERGP, which comes on the heels of Nigeria's slump into recession for the first time in 25 years and the sharp fall in high oil prices from about \$112 a barrel in 2014 to below \$50 in 2016, is targeted at propelling Nigeria back to sustainable, accelerated development and restoring economic growth in the medium term, 2017-2020 (Solomon & Fidelis, 2018). The Economic Recovery and Growth Plan (ERGP) is a medium term all-round

developmental initiative focused on restoring growth, investing in people, and building a globally competitive economy (Solomon & Fidelis, 2018; Ayo, 1988)

## **2.6. Nigeria's Economic Recovery and Growth Plan, 2017-2020: An Appraisal**

In an attempt to change the trajectory, the ERGP was launched to build on the Strategic Implementation Plan (SIP) for the 2016 Budget of Change, which was developed as a short-term intervention measure to rescue the ailing economy (Ministry of Budget and National Planning, 2017).

## **2.7. The ERGP Three Strategic Objectives**

According to Solomon and Fidelis, (2018), the Economic Recovery and Growth Plan was established on three specific and strategic objectives which are:

- a. Restoring growth - Monetary and fiscal stability, external balance, economic growth, and diversification.
- b. Investing in the Nigerian people - Health, education, social inclusion schemes, job creation, and youth employment schemes.
- c. Building a globally competitive economy - Improving the ease of doing business, investing in infrastructure, and promoting digital-led growth.

Following the above objectives, the ERGP made the following projections:

- a. The inflation rate was projected to trend downwards from the level of almost 19 percent to single digits by 2020.
- b. Real GDP was projected to grow by 4.6 percent on average over the planned period, from an estimated contraction of 1.54 percent recorded in 2016. Real GDP growth was projected to improve significantly to 2.19 percent in 2017, reaching 7 percent at the end of the planned period in 2020.
- c. Crude oil output was forecast to rise from about 1.8 million barrels per day (mbpd) in 2016 to 2.2 mbpd in 2017 and 2.5 mbpd by 2020. Relentless focus on electricity and gas would also drive growth and expansion in all other sectors.
- d. Privatizing selected public enterprises/assets, and refurbishing local refineries to reduce petroleum product imports by 60 percent by 2018.
- e. Nigeria was expected to become not only a net exporter of refined petroleum products by 2020 but also a net exporter of key agricultural products such as rice, cashew nuts, groundnuts, cassava and vegetable oil that take up a lot of foreign exchange.
- f. Unemployment will reduce from 13.9 percent as of Q3 2016 to 11.23 percent by 2020 which translates to the creation of over 15 million jobs during the



planning horizon or an average of 3.7 million jobs per annum (Solomon & Fidelis, 2018).

The drivers of these projections include doubling tax compliance for the non-oil sector; eliminating leakages at customs; and reviewing rules for remitting surplus funds to the Federal Government of Nigeria from independent revenue sources (Preston, 2017).

### 3. Methodology

Data for this paper was generated mainly from secondary sources through existing literature from textbooks and published articles. The contents of these secondary sources were discussed, and inferences were drawn that formed the basis for the recommendations.

### 4. Analysis and Discussion

Even though there are several objectives of the Economic Recovery and Growth Plan (ERGP) of the country, this study examines the effectiveness of the ERGP in terms of GDP growth, employment and inflation.

#### 4.1. Gross Domestic Product (GDP) Growth

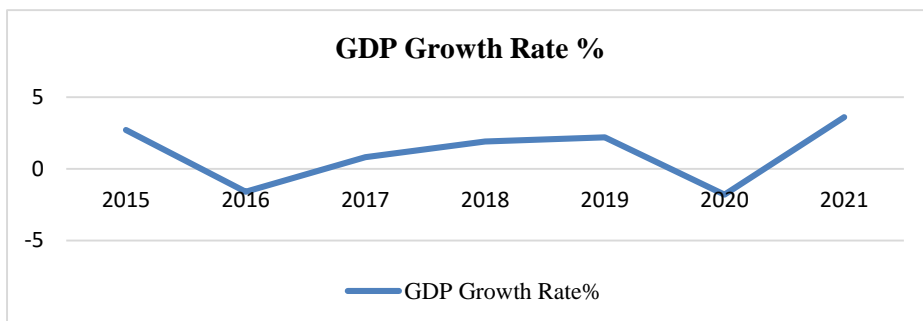
Since the launching of the ERGP, the program has recorded some modest achievements that have shown positive and negative signals toward the attainment of the broader goal of the medium-term economic and growth plan.

**Table 01: GDP Growth (annual %) – Nigeria**

Years	2015	2016	2017	2018	2019	2020	2021
GDP growth (annual %)	2.7	-1.6	0.8	1.9	2.2	-1.8	3.6

Source: The World Bank (2022)

**Figure 01: GDP Growth (Annual %) – Nigeria**



Source: The World Bank, (2022)

According to the figure 01, Nigeria's GDP growth (annual %) has increased from 2015 to 2021 with slight fluctuations throughout the period. Before inventing the ERGP, in 2016 GDP growth rate was -1.6% and after the completion of the plan in 2021, the growth rate was 3.6%. However, during the period, the growth rate fluctuated and was drawn to the least where in 2020, the growth rate was rated -1.8%. According to Olasode et al. (2022), it is evident that even though the plan was properly implemented and, the Nigerian economy has experienced economic growth over the last two decades, poverty rates in the country remain high due to the high level of inequality, corruption, jobless growth, and monocity. These are some of the issues that have hindered the translation of economic growth into significant poverty reduction (Olasode et al., 2022).

One of the major reasons for the negative impacts that constituted a stumbling block to the success of the ERGP was government revenue. According to Ndoma (2017) "with the collapse of the oil price, our revenue keeps going down, so we need alternative sources of revenue for the government". The major source of revenue for most countries is taxation. But in Nigeria, the tax-to GDP-ratio is very low; it is about 6% in 2019 and 5.5% in 2020, but the average in Africa is about 16 percent (Revenue Statistics in Africa, 2022). However, even the payment of taxes by individuals, and private and government agencies is marred with many fraudulent activities. Earning revenue is therefore a serious challenge.

Indeed, numerous other vulnerabilities remain but one of the challenges that drastically slowed down the pace of the implementation of the ERGP was the change of governments. Nigeria's experience over the years has shown that the implementation of development plans neglect whenever there is a change of the government. This point was buttressed by Chief Philip Asiodu who blamed the country's lack of economic development on the abandonment of Development Plans by successive regimes. "Against this backdrop, the 'Political Will' argument holds water only in the context of stability in the government which is guaranteed where the Visioner (the President) is in office throughout the planned period. This condition must be met for any National Plan to succeed" (as cited in Uwaleke, 2017).

#### **4.2. Unemployment**

The implementation of the plan was projected to reduce unemployment by 2020. This translated to the creation of over 15 million jobs during the planning horizon or an average of 3.7 million jobs per annum (Solomon & Fidelis, 2018). As stated earlier, the focus of the job creation efforts will be youth employment and ensuring that youth are the priority beneficiaries.

The Nigerian Bureau of Statistics also stated that the total number of people in full-time employment (at least 40 hours a week) declined from 52.7 million in the second quarter of 2017 to 51.1 million in the third quarter (Solomon & Fidelis, 2018). The

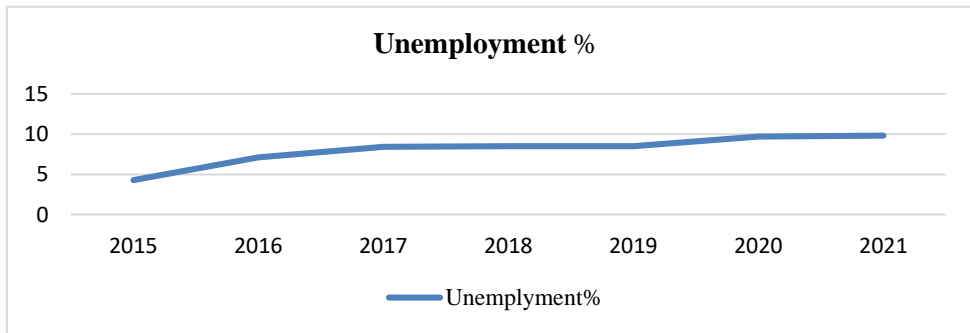
number of people in the labor force who were unemployed or underemployed increased from 13.6 million and 17.7 million respectively in the second quarter of 2017, to 15.9 million and 18.0 in the third quarter of 2017 (Solomon & Fidelis, 2018).

**Table 02: Unemployment (% of the total labor force) – Nigeria**

Years	2015	2016	2017	2018	2019	2020	2021
GDP growth (annual %)	4.3	7.1	8.39	8.45	8.5	9.7	9.8

Source: The World Bank (2022)

**Figure 02: Unemployment (% of the total labor force) – Nigeria**



Source: The World Bank (2022)

According to the figure 02, even with the GDP growth, the effectiveness of the ERGP is questionable due to the unemployment rate of the country has increased rapidly throughout the period. In 2016 unemployment rate was 7.1% and in 2021 the unemployment rate rapidly increased to 9.8%. It is also said that Nigeria’s labor population increased from 83.9 million in the second quarter to 85.1 million in the third quarter of 2017, which is a difference of 1.2 million in the additional workforce (The National Bureau of Statistics (NBS), 2018). It is evident that population growth has a strong impact on unemployment in Nigeria (Afolabi & Bobola, 2020). Therefore, to combat the acute unemployment in the country, the government should ensure that there is job creation, especially in the agricultural and manufacturing sectors, while the private sector employers should also be given subsidies to encourage them to employ more people (Afolabi & Bobola, 2020).

### 4.3. Inflation

In March 2015 which is an election year, the MPC (Monetary Policy Committees) “noted with concern, the gradual increase in the year-on-year headline inflation during the first two months of the year from 8.0 percent in December 2014 to 8.2 percent in January and further to 8.4 percent in February 2015” pointing out that the major risks to inflation in 2015 was the “elevated aggregate spending in the run-up

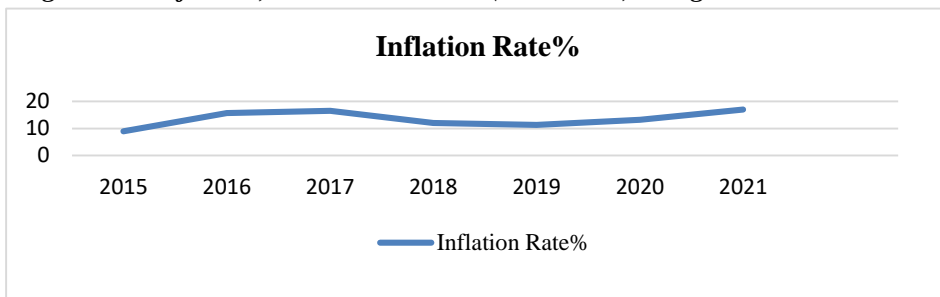
to the 2015 general elections” (Uwaleke, 2017). Another matter of concern is the report released by the National Bureau of Statistics 2018 tagged “unemployment and underemployment report from the 1<sup>st</sup> quarter to the third quarter of 2017”. The shocking revelation by the report is that Nigeria’s unemployment rate had risen up to 17% in 2021 (The National Bureau of Statistics (NBS), 2018).

**Table 03: Inflation, Consumer Prices (annual %) – Nigeria**

Years	2015	2016	2017	2018	2019	2020	2021
GDP growth (annual %)	09	15.7	16.5	12.1	11.4	13.2	17

Source: The World Bank, (2022)

**Figure 03: Inflation, Consumer Prices (Annual %) – Nigeria**



Source: The World Bank, (2022)

According to the figure 03, even though the plan has facilitated GDP Growth, on the other hand, the inflation rate of the country has increased during the period that the plan has been implemented. In 2016 the inflation rate was 15.7% and after the completion of the plan, the inflation rate increased to 17% in 2021. Even though there are fluctuations, inflation recorded a continuous two-digit inflation rate during that period.

According to Inim et al. (2020) in Nigeria, poor infrastructural development, exchange rate, political instability, corruption, and double taxation significantly stimulate inflation rather than just money supply. Therefore, these non-monetary factors should be controlled to achieve low inflation at most and economic growth and development (Inim et al., 2020).

## 5. Conclusion and Recommendations

### 5.1. Conclusion

Even though, ERGP is welcome with its positive signs, it is important to note that the journey was still far behind due to some obvious voids in the plan and implementations. For instance, a comprehensive plan like the ERGP has no legal framework backing its establishment and execution. Analysts, especially Teriba Ayo, a renowned Nigerian economist, have argued that “if the government cannot

implement an annual budget without enabling law, how would you think the ERGP would be implemented without a law backing it up? The plan is a joke. The Federal Government has no plan, but a set of objectives” (Ayo, 1988).

In line with the discussion so far, it can be stated that economic growth increases state capacity and the supply of public goods. When economies grow, states can tax that revenue and gain the capacity and resources needed to provide the public goods and services that their citizens need, like healthcare, education, social protection, and basic public services. This is why economic development plan is used by most countries to provide the template needed to achieve economic growth. A breakdown of the report by the Nigerian Bureau of Statistics (NBS) (2018) shows that there are two encouraging aspects of the figures.

With the economic recovery plan, it was projected that by 2020, Nigeria would have made significant progress toward achieving structural economic change and having a more diversified and an inclusive economy. Overall, the plan was expected to deliver the following key outcomes; a stable macroeconomic environment with the inflation rate projected to trend downwards from the current level of almost 19 percent to single digits by 2020, restoration of growth where Real GDP is projected to grow by 4.6 percent on average over the plan period, from an estimated contraction of 1.54 percent recorded in 2016, agricultural transformation and food security where agriculture would continue to be a stable driver of GDP growth, with an average growth rate of 6.9 percent over the plan period. Thus, by 2020, Nigeria was projected to become a net exporter of key agricultural products, such as rice, cashew nuts, groundnuts, cassava, and vegetable oil, power and petroleum products sufficiency aims to achieve full operational capacity by 2020 and to improve the energy mix through greater use of renewable energy.

However, based on the analysis conducted on secondary data revealed that the ERGP was implemented and positively influenced the growth and development of the country with GDP growth, reducing inflation and unemployment. But it has not been a success as expected and it needs to be developed further to improve the development of the country.

## **5.2. Recommendations**

The government’s efforts to broaden the tax base by enhancing tax collection for the non-oil sector were commendable and were sure to generate sustainable revenues in the long term for the development. However, it also needed to maximize the independent revenue that the federal government receives from all its agencies.

The Fiscal Responsibility Act needs to be amended so that the government can get more revenue from its agencies. This will go a long way to supporting the already dwindling oil revenue. The Government’s initiative of setting up Efficiency and Implementation Units with the objective of ensuring a reduction in overhead

expenditures by as much as 25% and enhancing effective monitoring and evaluation of the ERGP across the board is also commendable. However, there is a need for the achievement of tangible results, which are measurable and relevant within the plan period.

There is also a need for the executive to keep working closely with the National Assembly to expedite action on some priority legislation needed to spur economic growth. These include the Petroleum Industry Bill, the Land Use Act, and all petroleum-related bills awaiting attention and passage. The passage of the bill which is already at the last stage by the House of Representatives will among other things serve as a regulatory framework to engender transparency, while at the same time making the oil and gas sector more business-oriented and profit-driven.

Having identified political risk as a challenge in the execution of the ERGP between now and 2019, Nigeria needs an enabling law to back up the implementation of the ERGP. The idea of setting up a Delivery Unit in the Presidency and the ERGP labs recently launched to assist the Ministry of Budget and National Planning in steering and overseeing the ERGP implementation with vigour and focus is good but not sufficient. If the Delivery Unit is not a creation of the Law, it lacks the capacity to discharge its duties effectively.

Lastly, as per the 2023 election year, the concern raised by the Monetary Policy Committee of the Central Bank of Nigeria in July 2011, 2015, and 2019 over the rising Inflationary trend due to high expenditure levels associated with the general elections must be taken into serious consideration. At the moment the level of inflation is high, with some prospects of falling below that before the end of the year. But the Central Bank of Nigeria needs to put some monetary measures in place to check excess expenditure leading to inflation as the year goes by.

## **6. Limitations and Future Research**

President Muhammadu Buhari has formally presented Nigeria's National Development Plan 2021-2025 which succeeds the Economic Recovery and Growth Plan (ERGP 2017-2020). The development plan is moving into its second year. Research could be conducted using overall objectives of the plan to determine how it fared so far with a view to recommending ways of ensuring that it does not perform abysmally like the previous ones. Furthermore, the study is based on secondary data only, therefore, future studies could be conducted adding primary data with up to date information to validate the findings.

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