



NES#30 ESSAY COMPETITION

1st Place

“Collaborative Action for Growth, Competitiveness and Stability”

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T H E M E :

Collaborative Action for Growth, Competitiveness, and Stability

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Summary

My essay on “Collaborative Action for Growth, Competitiveness, and Stability” discusses how economic growth requires a joint effort by the government, private sector, and individuals. Using Nigeria as a case study and supported by data and figures, it shows how inclusive development, business dynamism, innovation, and security are necessary for progress. The essay suggests that this model serves as a lesson for the world at large, since it demonstrates that tackling challenges requires collective action—an approach that can pave the way for a brighter future for all nations and people, a future I hope to see become a reality.

Essay

Helen Keller, a blind American author, saw the power of collaboration and remarked, “Alone we can do so little; together we can do so much.” This wisdom is increasingly relevant in today’s global economic landscape, where heightened uncertainties and frequent shocks have become the new normal.

The world has faced unprecedented disruptions in recent years, from the COVID-19 pandemic to geopolitical tensions, significantly impacting economies worldwide. According to the World Bank Group’s flagship report, global growth, although steady after a three-year slowdown, is currently at 2.7% per year through 2026, which is insufficient for substantial progress on key development goals (World Bank Group, 2024). While the global economy may be heading for a soft landing, Nigeria and other developing economies face a bleak long-term outlook, with slower growth rates expected in the years ahead (World Bank Group, 2024).

Nigeria, as a leading African economy, is particularly vulnerable to these global disruptions. After enjoying consistent economic expansion from 2000 to 2014, with annual growth rates exceeding 7%, the country’s growth rates decreased from 2015 to 2022, and GDP per capita stagnated (World Bank Group, 2024). Various factors, including monetary and exchange rate policy distortions, fiscal deficits, and the COVID-19 pandemic, have weakened economic fundamentals, leading to significant inflation, which reached a 24-year high of 31.7% in February 2024, pushing millions of Nigerians into poverty (World Bank Group, 2024). More recently, headline inflation has been dominantly driven by food inflation, which rose to 40.9 percent year-on-year in June 2024 (The Nigerian Economic Summit Group, 2024).

Nigeria's economic struggles are further complicated by increasing social and political divisions. The country's political instability, ethnic and regional tensions, and significant social inequalities have created a challenging environment for effective policy implementation. As a result, existing economic disparities have worsened, making it even more difficult to achieve progress.

To succeed in Nigeria's complex environment, collaborative action is essential for achieving growth, competitiveness, and stability. A foundation for this endeavor is inclusive development. Inclusive development creates a more just and resilient economy, where the benefits of growth are felt by all, particularly the marginalized populations. This approach not only reduces poverty and inequality but also builds a more robust economy, laying the groundwork for sustainable growth. Nigeria's economic growth has not resulted in benefits for all segments of the population, with persistent poverty, high unemployment, and income inequality remaining unaddressed (Ozughalu & Ogwumike, 2024). Despite economic expansion, these issues persist, emphasizing the need to tackle underlying obstacles to inclusive development. The underperformance of the manufacturing sector constrains job creation and economic diversification, hindering the development of high-value industries (Ozughalu & Ogwumike, 2024).

To achieve inclusive development, Nigeria must address the existing structural barriers. Enhancing the manufacturing sector, investing in education and skills development, and improving global competitiveness through business reforms and infrastructure development are vital. Additionally, implementing social safety nets can help reduce poverty. By addressing these key areas, Nigeria can create a more inclusive economy, leading to a more prosperous society.

Addressing the structural barriers to inclusive development is crucial, but equally important is fostering an environment that enables businesses to thrive. This is where business dynamism comes in—the ability of an economy to innovate, create new opportunities, and allow firms to grow and adapt. Nigeria, with its rich natural resources and diverse population, has immense potential for business dynamism. However, various challenges hinder this potential, including regulatory complexities, limited access to finance, and infrastructural deficits.

Nigeria's regulatory environment poses significant obstacles for businesses, with excessive bureaucracy, corruption, and red tape hindering startups and operations. Streamlining regulations and simplifying the business process can boost entrepreneurship and investment. Additionally, limited access to finance restricts the growth of Small and Medium-sized Enterprises (SMEs), requiring enhanced financial markets and credit availability. According to the 2024 Informal Economy Report by Moniepoint, 42.7% of small businesses in the informal sector have been operational for less than five years; this further stresses the need for policies that support their sustainability (Aina, 2024).

Infrastructure deficiencies, particularly in power and transportation, further obstruct business dynamism, increasing costs and reducing productivity. Investing in infrastructure and

promoting a culture of entrepreneurship through education, training, and innovation-friendly policies can help address these challenges and drive business growth.

Building on the need for business dynamism, innovation, and digital transformation are very important for Nigeria's economic growth and competitiveness. However, the country faces challenges in these areas, including a weak knowledge base, poor infrastructure, and limited funding for Research and Development. Ranked 109th out of 132 economies in the Global Innovation Index (GII) 2023, Nigeria struggles to foster a robust innovation ecosystem (Global Innovation Index, 2023).

To address this, investing in Science, Technology, English, and Mathematics (STEM) education is vital to prepare a skilled workforce. The need for improved infrastructure, such as a reliable power supply and internet connectivity, comes up again as a factor for digital progress and innovation. Furthermore, access to funding for Research and Development and supporting startups through government incentives can boost innovation. Promoting digital literacy and entrepreneurship through initiatives that enhance digital skills and support entrepreneurial ventures can also empower individuals to develop innovative solutions.

Furthermore, a secure environment is essential for economic growth, as stability fosters an environment where businesses can thrive. However, Nigeria faces significant security challenges, ranking 143rd out of 163 nations in the 2022 Global Peace Index (International Trade Administration, 2023). Terrorism, kidnappings and banditry, create a climate of fear, discouraging investments and economic activities. Addressing these issues requires a comprehensive strategy, including strengthening law enforcement, addressing root causes like poverty and community engagement. Investing in technology and intelligence gathering can also improve security operations. By tackling these challenges, Nigeria can build a more secure society, providing a stable foundation for sustainable economic development. However, while securing a stable environment is an essential step, harnessing the collective energy of all stakeholders is required to drive Nigeria's economic growth. Economic development is a team sport, requiring collaborative action from all players—government, private sector, civil society, and international partners—to drive sustainable development and tackle economic challenges.

Effective stakeholder collaboration is necessary for addressing the economic challenges facing Nigeria. It involves the joint efforts of government, the private sector, civil society, and international partners to create synergies and use resources for sustainable development. The Nigerian government plays an important role in bringing stakeholders together to drive progress. They can create platforms for dialogue and partnership, tap into different perspectives, and develop policies that truly serve the masses. The private sector can complement government efforts by partnering with local communities and NGOs to address social issues. Civil society organisations help ensure transparency and accountability, while international partners provide valuable support through funding and technical assistance.

Nigerians individually too have a stake in their country's future and a role to play in its prosperity. Every citizen can contribute by being an active participant in their community,

holding leaders accountable, and demanding transparency. By taking ownership and working together, we can help initiate positive change and create a better Nigeria for ourselves and future generations.

In conclusion, as Nigeria looks to the future, it is clear that collaboration is the key to maximizing her potential. By working together to drive inclusive development, ensure peace and security, harness the power of digital innovation, and foster a culture of partnership, we can build a brighter future for ourselves. Nigeria serves as a microcosm for the challenges and opportunities faced by many nations. As similar issues are confronted globally, the principles of collaboration can guide us toward overcoming them together. By embracing a spirit of unity and shared purpose, we can create a world where everyone has the chance to thrive, where businesses grow and prosper, and where nations stand united as leaders on the global stage.

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