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Business Solutions for Africa

Reigniting Growth and Sustainable Development in Nigeria

Mindset Shifts Required!

Technology | Advisory | Ventures

Introduction

Globally, the primary aim of government is to protect lives and properties and attain a sustainable level of socio-economic development for its citizenry. However, across Africa, this objective has not been met as most countries have continued to suffer socio-economic deprivations [1].

A look back in the last two decades indicates that while the Africa region posted positive economic growth rates during the early 2000s, only a few of the countries sustained these growth trajectories to effectively reduce poverty in the long run [2].

However, the poverty headcount ratio in 2018 shows that Nigeria has not contributed positively to the regional average (See Figure 1) with over 83million of its population living below the poverty line.
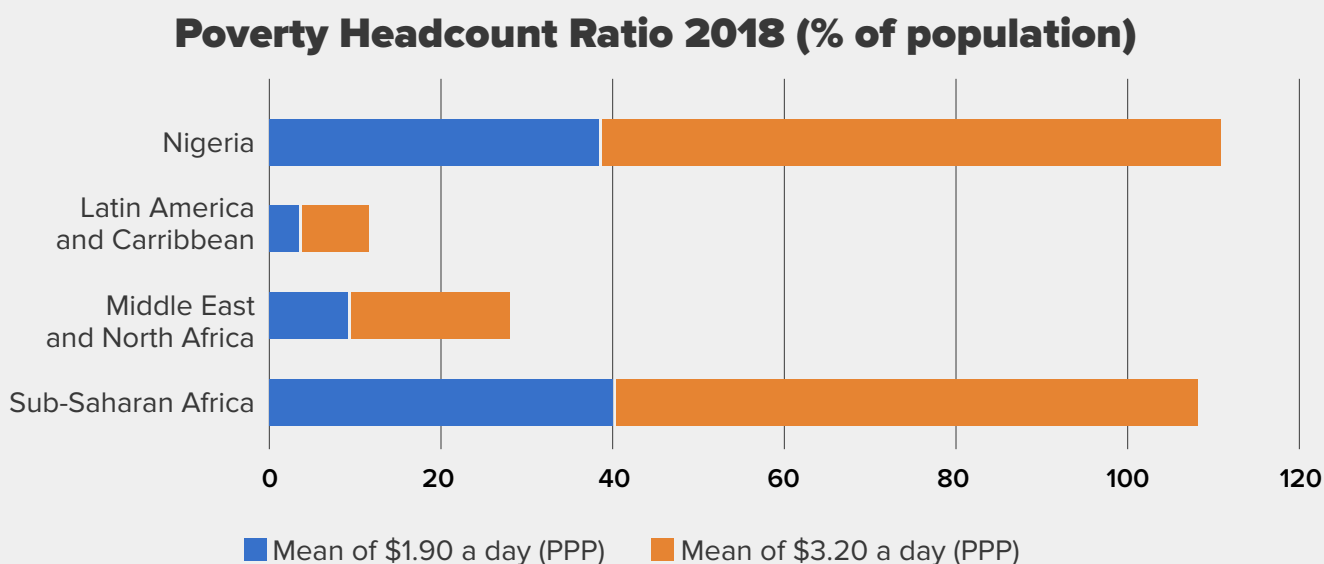
Poverty Headcount Ratio 2018 (% of population)

Figure 1: Poverty headcount ratio in selected regions. Source: https://data.worldbank.org/indicator/SI.POV.DDAY?locations=ZG-ZJ-ZQ-NG

For Nigeria, despite vast accruals of natural and human endowment, the country's under-development status is still classed alongside failed states – currently ranked 14th in the world on the 2020 Fragile States Index [3].

In the 3 years before 2020, the country's Human Development Index (HDI) ranking has worsened from 157 and 158 to 161 in 2017, 2018, and 2019 respectively. These raise critical questions on the conceptualization and implementation efficacy of the country's development visioning and planning.

This report aims to reassess the mindset shifts required to drive an effective sustainable development process in Nigeria from the perspective of a developing economy.

Sustainable Development

The concept of sustainable development refers to the process of dynamic and progressive transformation that meets the needs and aspirations in the short term without compromising the ability to meet long term obligations, across the distinct dimensions of the society, the economy and the environment [4]. However, the attainment of this lofty objective requires a 'participatory process that creates and pursues a vision of community that respects and makes prudent use of all its resources – natural, human, human-created, social, cultural, scientific, and otherwise.[5]'

Within this purview, a critical question that crystallizes is how to shift towards a holistic development mindset that takes into consideration the multidimensionality of humanity to effectively advance sustainable development. The absence of this has been shown overtime to ripple into more devasting ends. Amnesty International, for example, is quoted saying that the Niger Delta is Africa's most important oil-producing region, yet it also refers to it as the most polluted place on earth. While the nation's foreign exchange earnings have come largely from this region, oil spills have made a waste of agriculture and aquatic life which led to agitation by the Niger Delta youths. In a similar trajectory, Lake Chad which is a source of livelihood to some already poor 10.7 million people from its four border countries – Chad, Nigeria, Niger, and Cameroon – has suffered a 90% diminishing of its water body [6]. Although this drastic reduction since 1960 was because of climate change and overuse, but today, there is a clear internecine interaction of food insecurity, conflicts, terrorism, internal displacements, and climate change as a result. So, to tackle herders-farmers clash as though it is an isolated problem will further reinforce the hitherto poor attempt at clapping with a single hand.

The drive to attain sustainable development necessitates a shift in the mental maps and norms – underpinned by changing patterns of human behaviour – within the complex adaptive system of sustainability challenges to transform people, nations, and humanity from the inside out [7].
Mindsets are invisible levers that constitute our belief system, values, and attitudes, which help to frame our thinking, and consequently determines our behaviour and experiences. Three critical mindset paradigms for sustainable development include:

1. Systems Thinking

This is considered in leadership circles as one of the most important leverage points for system change beyond development goals and policies. It takes into consideration interactions mapped between developmental goals as opposed to siloed individual objectives of government departments and international negotiations that are non-collaborative for system-wide implementation.

System thinking leads to an optimal policy coherence that offers development solutions across multiple boundaries – institutional, geographic, temporal and sectoral. [8]

2. Embracing Diversity And Inclusion

As a draw-out from the systems thinking perspective, developmental policy solutions should be co-created by a diverse group of stakeholders rather than by government alone at both the national and sub-national levels. This paradigm will require inclusivity across policy goals involving both State and non-State actors, especially the interests of previously excluded stakeholders.

While the nation has benefited from the gains of private sector expertise and public sector capabilities, private capital and public capital, local investors and foreign investors, there is need to harness the immense benefits in other inclusive collaborations like: formal and informal sectors, not-for-profit and for-profit enterprises, male and female, youth and older persons, citizens and foreigners, Africans in Africa and those in Diaspora, able persons and physically challenged ones, rural and urban, proletariat and aristocrat, and of course, indigenous knowledge and foreign perspectives.

Policy diversity and inclusion will not only improve outcomes for managing tough choices but will also engender consensus and coordination for sustainable development. [9]

3. Knowledge-based Evolution

For sustainable development to be innovatively transformative, requisite State capacity – the institutional capability of states to deliver policies benefiting their citizenry – is crucial. [10]

This paradigm incorporates administrative cognitive capacity and experience, institutional checks and balances, and the ability to resolve policy coordination failures. These parameters were tested by the research conducted by Asadullah and Savoia (2018) in explaining the differences in poverty reduction between two groups of countries – one with a stronger state capacity (including China, Cambodia, Indonesia, and Turkey) and another group with insufficient state capacity (including Lesotho, Zambia, Zimbabwe, and Swaziland).

Results from the research prognosed State capacity as the driver for the increasingly strong performance of countries in Africa such as Rwanda and Mauritius with respect to transformational development.

The Nigerian Situation

Taking a look at the scorecard of Nigeria and how she performs along these three mindset paradigms, we find that there are opportunities for the biggest economy in Africa to do better than its current attempts.

One of the biggest enablers of policy incongruence is toxic partisan politics where each political administration seeks to pursue its agenda with no regard to build upon foundations laid by extant dispensations. This is further exacerbated by poor synergistic influence of different arms and tiers of government. The nation must transcend its policy incongruence and inconsistency across MDAs if indeed she seeks to attract sustainable foreign direct investments and develop home-grown enterprises. The need for a unified goal supported by coherent policies at national and sub-national levels is a critical ingredient for sustainable development. Regional evaluation will show that some geopolitical zones in Nigeria are better along some critical metrics, but it is the nation's aggregate evaluation that attracts or repels foreign investors and tourists. Nigeria is ranked 160th among 193 nations in the world in the 2020 Sustainability Development Report (SDR). The ranking which is a reflection of the extent to which a country (not its sub-regions) progresses towards achieving all 17 Sustainability Development Goals (SDGs)[11], projects Nigeria as the worst among her West African neighbours except for Liberia that occupies the 162nd position.

The case for diversity and inclusion cannot be overemphasized considering the status of the nation with low participation of female and youth in policy and economy. Women represent 11% of the Ministers of the Presidential cabinet as shown by a 2020 report[12]. Between 1999, the return of Nigeria to democracy, and 2019, there has been an average of 6 female Senators compared to an average of 103 male Senators representing a ratio of 17 to 1 in favour of the men[13]. Also, a January 2019 updated National Financial Inclusion Strategy (NFIS) recognises the imbalance in the involvement of diverse actors in national development. The report identifies 5 of the most excluded demographics as a priority – women, youth, MSMEs, rural dwellers, and individuals living in the northern part of Nigeria. The exclusion of each group currently poses threats to the socio-political and economic environment of our nation. For example, the GDP of Nigeria is estimated to grow by 23% or $229 billion by 2025 if women participated in the economy to the same extent as men[14]. Gender gap at primary and secondary schools is 9% and 14% respectively in favour of males shows that more females are excluded from secondary education than their male peers; physically challenged citizens do not have sufficient pro-special needs policies or the enabling environment to thrive despite the significant contributions they can make to our growth. A 2018 Nigeria Demographic and Health Survey shows that 7% of people above the age of 5 have some difficulty, and 1% have a lot of difficulties in, at least, one functional domain – seeing, hearing, communication, cognition, walking, and self-care[15]. This translates to about 16 million often excluded people with potentials to grow the size of the nation's economy.

The third mindset paradigm is a critical one that is easily hindered by nepotism. Loyalty, family, political and social ties sometimes take precedence over cognitive strength, competence, qualifications, and experience as appointments are made into MDAs. Although Nigeria may boast of having unparalleled human resources, yet some of those leading many of its institutions may not be the best qualified. This singular act weakens our institutions which in turn affects the lives of millions of people. Positions of responsibilities in both public and private sectors have been used to compensate cronies and loyalists. This has produced many round pegs in square holes that have demonstrated gross ineptitude evident in the low human development of the country.

'Nigeria is at a critical historical juncture, with a choice to make. Nigeria can choose to break decisively from business-as-usual, and rise to its considerable potential by sustaining the bold reforms that have been taken thus far and going even further and with an even greater sense of urgency to promote faster and more inclusive economic growth."

Shubham Chaudhuri, World Bank Country Director for Nigeria

Going Forward

According to Manning (2009, p.5)[16], 'Policy change is often the fastest route to individual behaviour change.' Nevertheless, this process cannot happen in a vacuum. It requires a mindset shift from the elite leadership to the grassroots to convene a dynamic social movement for sustainable change within a continuously evolving socio-economy. Accomplishing this process requires the following amongst others.

- Effective multi-stakeholder communication of government's policy direction and information transparency to overcome perceptual barriers of citizens engagement.
- Creating robust transparent and credible competency-based nomination process for public office holders and accountability sessions to give account of stewardship to the public especially at sub-national and community levels.
- Provision of non-partisan platforms and opportunities for multi-stakeholders to participate effectively in co-creating socio-economic policy via system-focused support networks both at the formal and informal levels, like the Nigerian Economic Summit Group (NESG) and the West African NGO Network (WANGONeT).
- Broadening the socio-economic sustainability programme to involve the participation and include the interests of and incentives to previously highlighted excluded multi-stakeholder groups.
- Co-creating policy feedback loops for curating multi-stakeholder assessments, critiques and responses.
- Creating opportunities for developing state capacity with respect to competence, skills and knowledge for driving sustainable policy change.
- Balancing socio-economic policy urgency ('quick wins') with long-term sustainability implications and risks.
- Following an adaptive policy process for generating socio-economic sustainability outcomes.

With current challenges, the drive for a sustainable socio-economic development may appear audacious, but we believe it is very well within the reach of the nation. Indeed, Nigeria is at a critical historical juncture, knife-edged by the uncertainties of the COVID-19 pandemic, but the ambitious vision of the Nigerian Government to lift 100 million Nigerians out of poverty by the year 2030, presents a clarion call for new approaches to be implemented to reignite growth based on systems thinking, improved capacity of the state and inclusion of diverse stakeholder groups. The dire socio-economic situation will not just require an equally unprecedented policy response but also a transformational mindset shift that proves that two good heads are better than one and a clap can only be achieved by two hands, and not one. [17]

About Verraki

Verraki is a proudly African company partnering with enterprises and governments to accelerate the development and transformation of Africa by providing business solutions designed for Africa. We build and implement technology solutions for seemingly intractable challenges, provide advisory services to drive the capacity and motivation for change, and curate innovative ventures to unlock new sources of growth across our continent.

A fusion of two words: 'Versorium' (Latin for Turn Around) and 'Meraki' (Greek word used to describe the action of doing something with soul, creativity, pouring oneself into a task), Verraki aptly captures the essence of our company; to turn around African enterprises and governments via smart, future-focused solutions and business insights, new growth opportunities, helping to unleash their potential, turnaround their performance and achieve the seemingly impossible, with the sole goal of creating a better future for Africa.

We are committed to enabling the African (start-up) story by supporting high-impact socially-conscious entrepreneurs and catalysing self-sustaining enterprises and governments within the continent to deliver affordable services across critical sectors.

Our Growth Optimisation Offering

The contemporary business environment is dramatically different from what it was ten years ago, and it continues to evolve at an increasing rate. Consumer trends, macroeconomic shifts, technological advances, changing competitive dynamics and pandemics are accelerating the pace of change, leaving many businesses struggling to grow amidst the turbulence.

At Verraki, we understand client needs and provide innovative new approaches that help enterprises and governments to explore new market opportunities including expansion into new regions, identification of new channels, targeting of new customer segments, or even the creation of new product categories in a way that moves them from "surviving" to "thriving." Verraki develops and delivers the practical tools, frameworks, and organizational capabilities required to gain competitive advantage, and achieve sustainable growth, utilising customer insights, big data, and proprietary knowledge to achieve a deeper understanding of demand, customers, competitors, and opportunities.

Our seasoned executives and team have a broad range of multibillion-dollar P&L experience delivering long-term growth and optimisation vision, strategies, and management at global Fortune 500 companies.

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Segun leads the Research function at Verraki. He is a researcher, management consultant, and teacher with almost two decades experience in helping to build businesses across Nigeria and Africa. He has worked across Oil and Gas, Not-for-profit, Education Management, ICT, and Management Consulting with research projects across 9 African countries. He has taught sessions on Problem Solving and Decision Making at executive and MBA programmes at the Lagos Business School and has authored and co-authored multiple international award-winning academic and business materials. He holds an MBA and MPhil from Lagos Business School, Pan-Atlantic University.

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End Note

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